

FIGURES | INVERCARGILL | DECEMBER 2023

Commercial office

There is a current oversupply of office space within Invercargill across two of the three office categories, B and C. There is limited availability of A grade space. The premises that have been recently let are generally of a smaller scale and B grade quality space. Those lettings have shown an increase in market rates. Lettings in provincial Southland have been static with only a handful completed in recent time. It is noted that there is a higher ratio of owner occupiers in provincial towns in comparison to main centres.

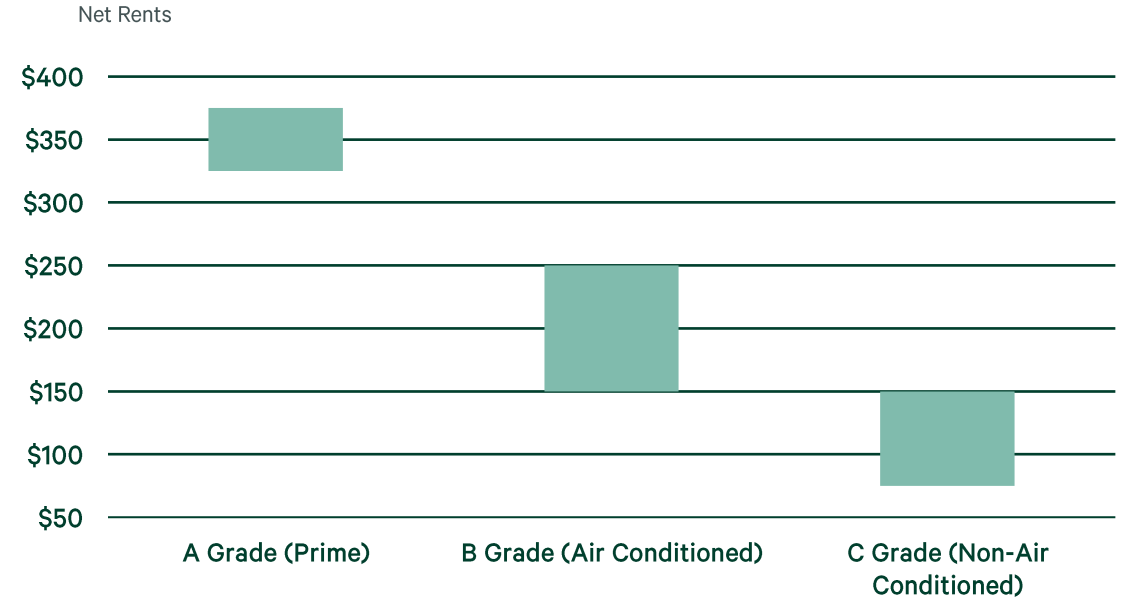
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
A Grade (Prime)	▶ Static	Limited
B Grade (Air Conditioned)	▶ Static	Moderate
C Grade (Non-Air Conditioned)	▶ Static	Over supplied



INVESTOR MARKET

	Market direction	Demand
A-Grade (Prime)	▶ Static	Average
B-Grade (Air conditioned)	▶ Static	Average
C-Grade (Non-Air Conditioned)	▶ Static	Weak

FIGURES | SOUTHLAND | DECEMBER 2023

Industrial

Letting demand remains positive with a shortage of industrial space across Southland, in particular Invercargill. We have seen good growth in rentals over the last 24-month period. Recent transactions have seen a negative shift in yields as a result of challenging market variables, including the negative impact on the rural sector and higher interest rates. New purpose-built tenancies are showing new increased rental levels; however, these are generally calculated on a return on cost with margin, rather than set at market rates.

NET YIELDS

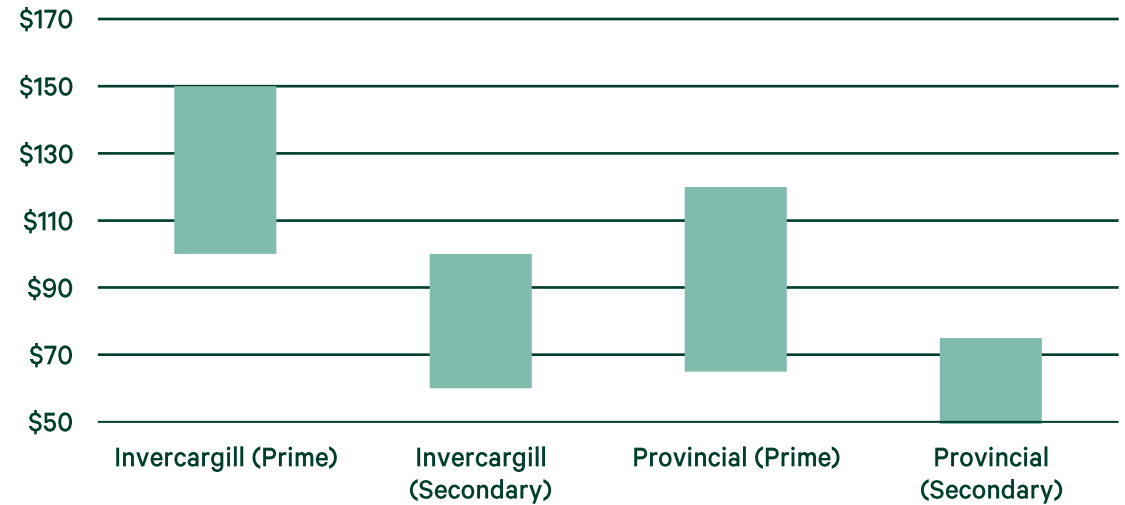


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Invercargill (Prime)	▶ Static	Limited
Invercargill (Secondary)	▶ Static	Limited
Provincial (Prime)	▶ Static	Limited
Provincial (Secondary)	▶ Static	Limited

Net Rents (Warehouse/Workshop)



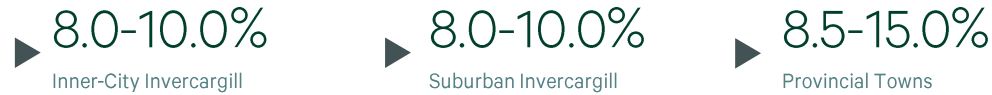
INVESTOR MARKET

	Market direction	Demand
Invercargill Prime	▶ Static	Average
Invercargill Secondary	▶ Static	Average
Provincial Prime	▶ Static	Average
Provincial Secondary	▶ Static	Average

Retail

Invercargill Central (inner city mall) is now open, with the retail ground floor fully occupied, as is the ground floor of the adjoining HWR tower. The closure of H&J Smith department store is a loss for the city; however, this has brought new retailers to the local market including GunCity and Ballantynes. There is a current oversupply of secondary retail space in Invercargill especially for those located within earthquake prone buildings. In provincial Southland there is demand for good quality retail space, however a large number of earthquake prone buildings remain vacant.

NET YIELDS

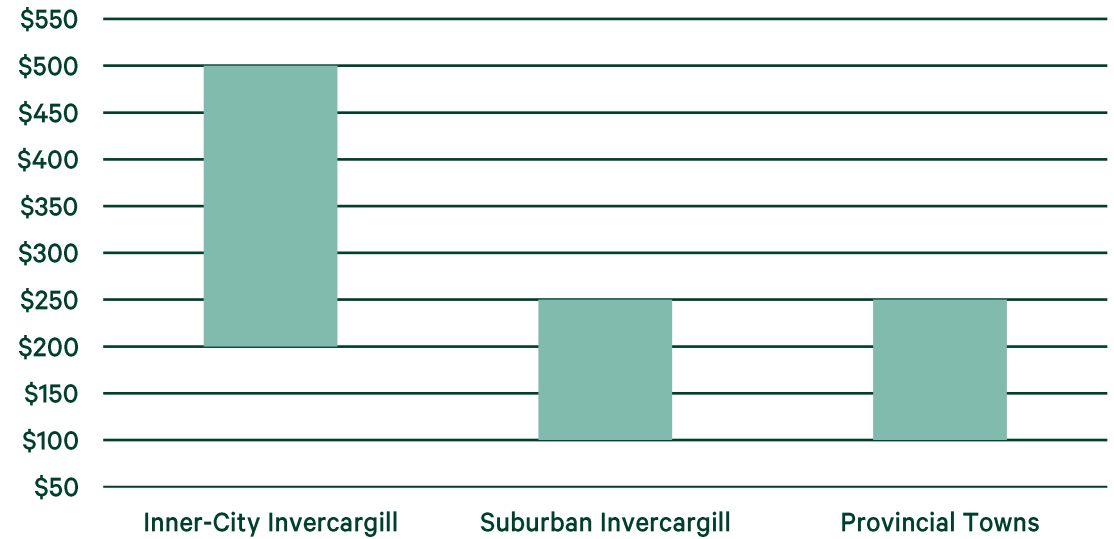


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Inner-City Invercargill	▶ Static	Moderate
Suburban Invercargill	▶ Static	Moderate
Provincial Towns	▶ Static	Moderate

Net Rents



INVESTOR MARKET

	Market direction	Demand
Inner-City Invercargill	▶ Static	Average
Suburban Invercargill	▶ Static	Average
Provincial Towns	▶ Static	Average