

# Hamilton industrial market overview

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## SUMMARY

Monitored industrial building stock in Hamilton reached 2,393,000 sqm, following 21,700 sqm of new supply reaching completion in the twelve months to December 2025 in the traditional precincts, and the introduction of monitoring of 217,000 sqm of space in the emerging precincts of Horotiu and Ruakura.

Industrial vacancy increased over 2025 to reach 2.4%, representing 58,000 sqm of physically vacant and available space. Vacant space in Frankton has almost tripled and represents half of the total. Vacant stock in Te Rapa North has almost doubled.

Net absorption in the traditional precincts was negative by 1,000 sqm over the survey period. This figure understates market health as positive take up in the emerging precincts has triggered some shuffling among the remaining occupiers of traditional precincts existing stock.

Around 30,700 sqm of new industrial supply is under construction across eleven projects in the monitored Hamilton precincts.

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▼ 21,700 sqm  
Net New Supply

▲ 2.4%  
Vacancy

▼ -1,000 sqm  
Net Absorption

▲ 30,700 sqm  
Under Construction Pipeline

# New Supply

Across the four major Hamilton industrial suburbs of North and South Te Rapa, Frankton and Hamilton Airport, 21,700 sqm of new supply was completed by the end of 2025, bringing the total monitored stock size in these traditional precincts to 2,176,000 sqm. We have expanded our monitoring to include the emerging precincts of Horotiu and Ruakura, adding a further 217,000 sqm to monitored stock.

The most significant new completion in 2025 was the 3,624 sqm new Grade A facility at 16a Wickham Street in Frankton, now occupied by Watty. Stock in this grade and precinct was further boosted by the new Volare building adding 1,400 sqm at 45 Gallagher Drive.

Grade A stock is both popular and expanding, evident in further additions in this grade to each of the other three traditional precincts. In Te Rapa North, occupiers of new builds include Hennessy (1,156 sqm) and WEL Networks (1,057 sqm), while in Te Rapa South, developments at 720 Te Rapa Road, 26 Sheffield Street, and 10-14 Tasman Road have each added over 1,000 sqm to stock. Several industrial units, mostly in the 200 sqm to 400 sqm range, have completed at the Hamilton Airport precinct during 2025.

FIGURE 3: The new Watty Building in Frankton



FIGURE 4: The new Volare Building in Melville



FIGURE 1: Hamilton industrial stock and new supply by suburb

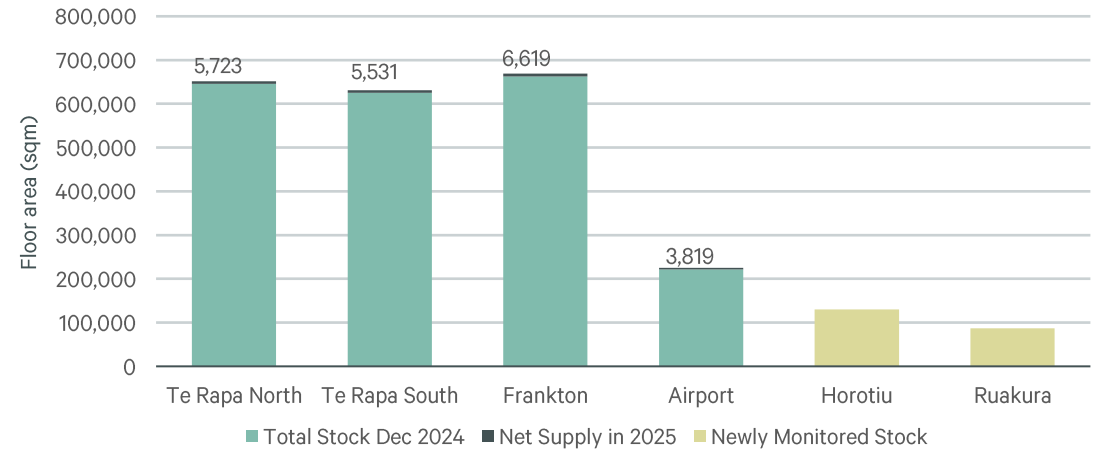
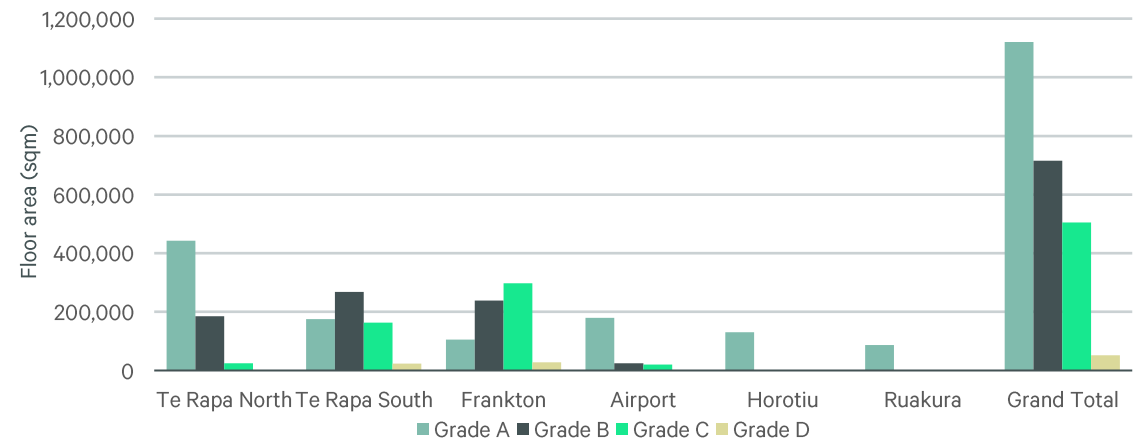


FIGURE 2: Hamilton industrial stock sizes by grade and suburb



# Supply Pipeline

Construction in the industrial markets slowed in 2024 and this trend continued in 2025. While there was 57,700 sqm of new supply in 2023, the total new supply in 2024 was lower at 28,000 sqm, and in 2025 it was lower still 21,700 sqm.

Figure 5 lists new developments in the four traditionally monitored precincts and the two new emerging precincts, equivalent to 30,681 sqm of new supply expected in 2026 or shortly after. Aside from Pak’nSave, the two biggest new developments are Asmuss at Hamilton Airport precinct being approximately 5,000 sqm, and Calder Stewart’s building at 37 Earthmover Crescent in Te Rapa North.

Industrial land supply in Te Rapa remains under pressure with only three sites available for owner occupation in Te Rapa North. The remaining land in Te Rapa Gateway southern precinct is retained by Chalmers Properties for design build lease options, of which there is approximately 7 ha.

To increase land supply there have been efforts to rezone land currently zoned for future industrial growth in Te Rapa North. New industrial sections facing the Waikato Expressway with access from Onion Road are close to the Te Rapa interchange. The land being subdivided is approximately 20 ha.

New industrial sections will also come available over the next ten years at Hamilton Airport. Having gained consent for subdivision for industrial purposes, the 100ha block will be subdivided in stages, work on Precinct North having already commenced.

In the last few years, many large new developments have been completed in Ruakura. During 2025 Tainui Group Holdings entered into a partnership with global investment firm Brookfield Asset Management to develop a further 70 hectares of logistics, industrial, and commercial assets over seven years at Ruakura Superhub. The end value of the project is forecasted at over \$1 billion.

FIGURE 5: Hamilton industrial under construction pipeline

Address	Suburb	Owner/Occupier	Floor Area (sqm)
25 Chafer Place	Te Rapa North	Spec Build	2,743
23 Clem Newby Road	Te Rapa North	Spec Build	2,280
12 Brent Greig Lane	Te Rapa North	Spec Build	1,196
37 Earthmover Crescent	Te Rapa North	Calder Stewart	4,692
1209 Te Rapa Road	Te Rapa North	Cal Isuzu	3,000
980 Te Rapa Road	Te Rapa North	Pak’nSave	6,358
1 Railside Place	Frankton	Museum Extension	2,500
147 Ossie James Drive	Airport	Red Lid Bins	500
1 Narrows Road	Airport	Asmuss	5,000
131 Ingram Road	Airport	2x units	962
23 Brent Greig Lane	Te Rapa North	4 X Units	1,450

FIGURE 6: Artist Impression of 23 Clem Newby Road, Te Rapa. Image supplied by Chalmers Properties



# Demand

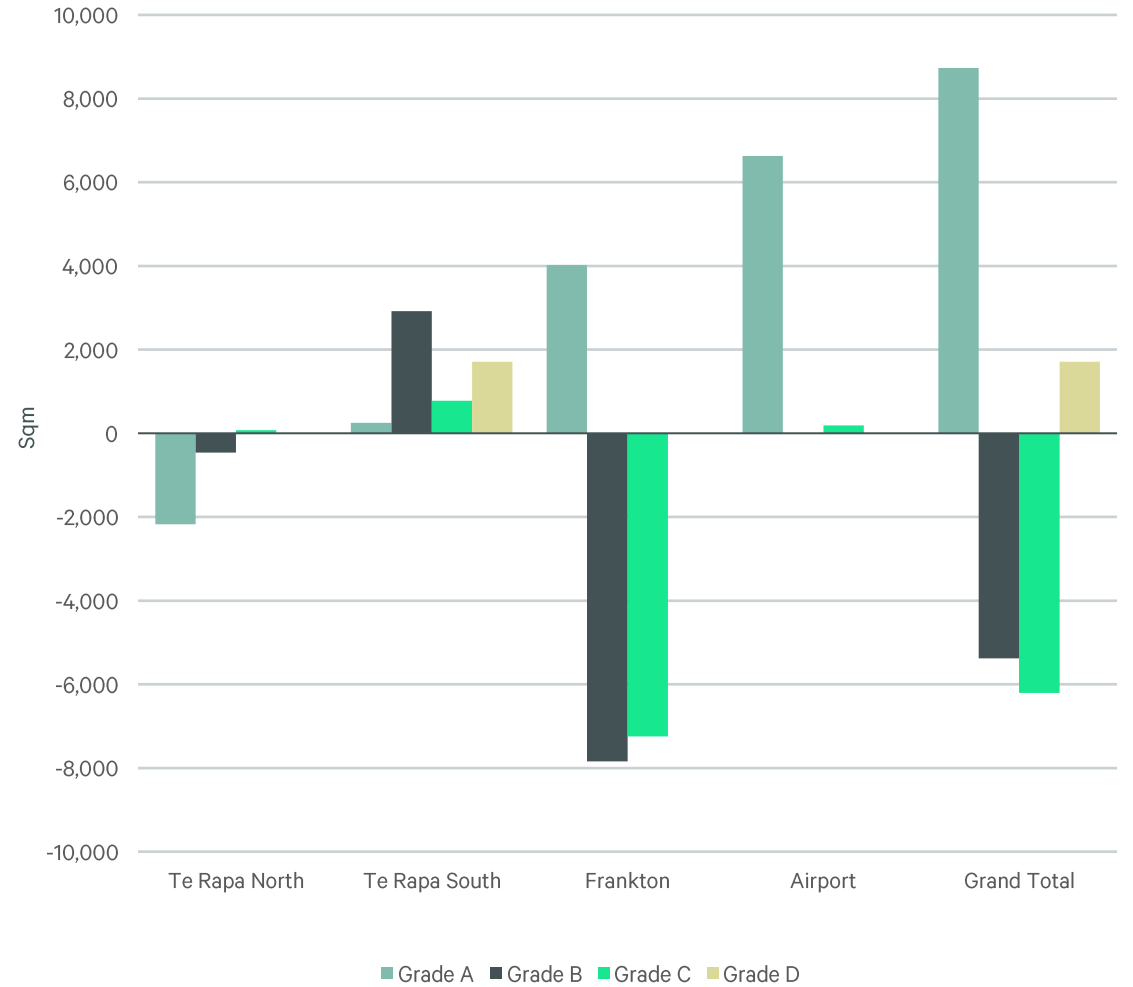
The industrial leasing market demand was weak in 2025 after a few years of vacancy trending downward. Total net absorption was 48,000 sqm in 2023 and 28,000 sqm in 2024. During 2025, the change in occupied stock for the total Hamilton market was recorded as 214,894 sqm, however when we adjust to take out the newly added precincts of Horotiu and Ruakura, the net result is -1,140 sqm. Some larger tenants from the traditional surveyed precincts relocated to new sites in the additional precincts of Horotiu and Ruakura.

While the negative net absorption result may be alarming, it is important to recognise that absorption of stock within the newly monitored precincts is not included in the result. This is because absorption is calculated as change in occupied stock between 2024 and 2025, and as the Horotiu and Ruakura precincts have been freshly included in 2025, we do not know what uptake has been over the past year, but note Horotiu and Ruakura stock is predominantly new builds constructed specifically for a tenant.

Most of the occupied stock loss occurred in Frankton (11,067 fewer sqm occupied in 2025 compared to 2024), coupled with relative minor occupancy loss in Te Rapa North (2,556 fewer sqm occupied over the same period). Large new vacancies in Frankton include ex Waikato Waste Metals at 35 Ellis Street (2,970 sqm), ex Waste Management at 14 Edgar Street (1,955 sqm), and ex Convex at 6 Latham Court (1,400 sqm). Large new vacancies in Te Rapa North include ex Forlong & Maisey at 13 Kaimiro Street (3,650 sqm), ex ACM at 70-74 The Boulevard (1,530 sqm) and ex Manta5 at 18B Kaimiro Street (1,260 sqm). Sizeable take ups of vacancy in this precinct and grade has negated some of the effect of these departures.

The Hamilton industrial market has been impacted by an increased availability of smaller industrial units. We note that several new build units were vacant during the survey. Soft economic conditions appear to have limited the demand for this type of property.

FIGURE 7: Hamilton industrial net absorption 2025



# Vacancy

Hamilton’s industrial vacancy increased to 2.4% at the end of 2025, a trend consistent with that of the Auckland industrial market and of Australian industrial markets. While the overall Hamilton industrial vacancy increased, it varies between different precincts, grades and building types. Total vacant space was 58,000 sqm as of the end of 2025.

Frankton had the highest vacancy rate increase in 2025, with almost 21,000 sqm of previously occupied space being vacated during this year. There has also been a small new build unit completed on Woodward Street, which was vacant at the time of the survey.

Vacancy in Te Rapa South was stable at 1.3% between 2024 and 2025, masking a reasonable amount of churn including ten take ups of spaces that were vacant in 2024. Only one space that had been vacant in 2024 was also vacant in 2025, and much of the new vacancy is attributable to recently completed unit developments on Te Rapa Road and Sheffield Street, along with 1,000 sqm+ departures by The Bling Company, Waikato Stainless Steel, and Coby Muffer.

Te Rapa North’s vacancy doubled to reach 2.5% in December 2025. Around 11,900 sqm of space is newly vacant in this precinct. Take ups of vacant space were limited, and the largest was Woods Engineering who took approximately half of the 2,750 sqm of space that had been previously vacant but now occupied.

In terms of quality, all grades experienced a lift in vacancy. Demand for quality space remains with Grade A having the smallest proportional lift at 0.5%. High vacancy over 4% for Grade C is indicative of a mismatch between demand and supply, which has implications for financial metrics such as achievable rent.

FIGURE 8: Hamilton industrial vacancy by suburb

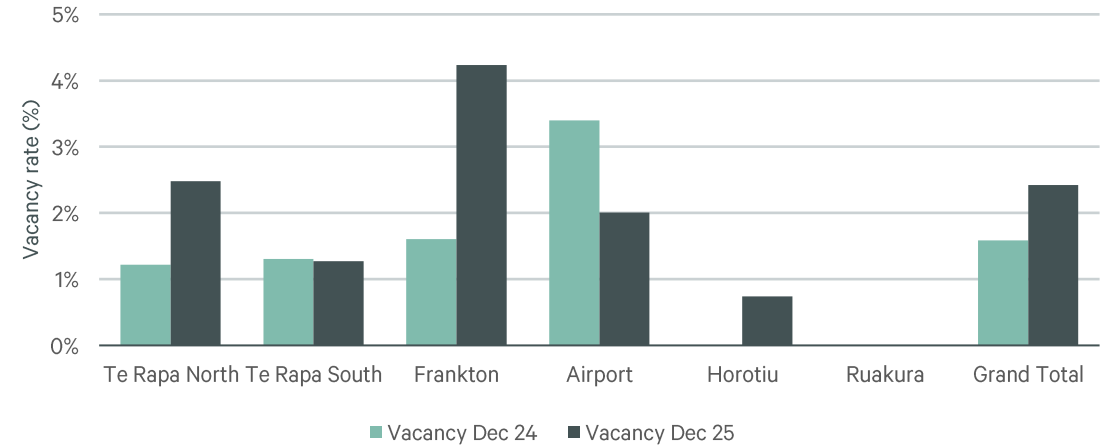
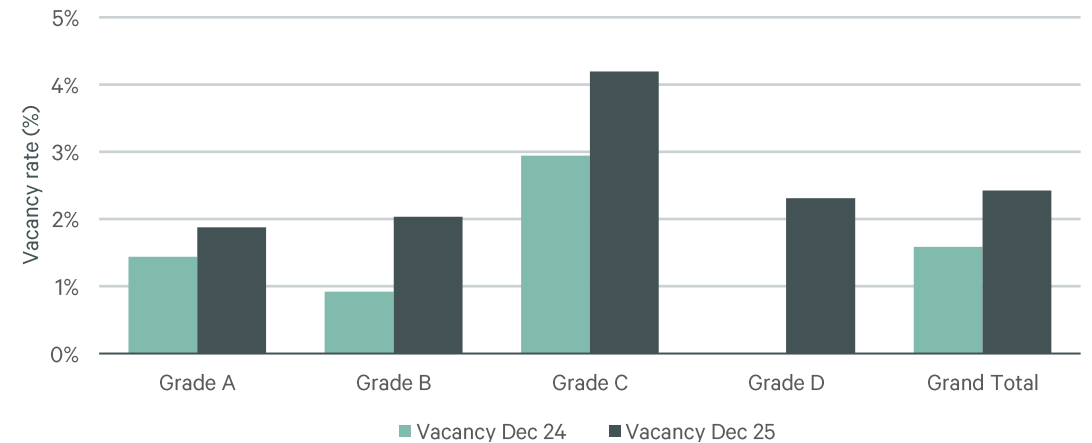


FIGURE 9: Hamilton industrial vacancy by quality



## Conclusions and outlook

The Hamilton industrial market has had a difficult year in 2025. While the situation is not unique to this market, vacancy has trended up, especially for low stock in less desirable precincts. Net absorption in the traditional precincts of Te Rapa North and South, Frankton, and Hamilton Airport has been negative after more than ten years of annual positive net absorption exceeding 10,000 sqm, however we caution against reading too much into this given that net absorption in the emerging and newly monitored precincts of Horotiu and Ruakura is excluded for 2025. Further potential for an increase in the vacancy rate has been mitigated by development activity trending downward over the past few years and this has continued during 2025 with a relatively limited stock addition of 21,700 sqm, and a construction pipeline of 30,681 sqm for 2026. Despite the two emerging precincts having minimal vacancy, soft market conditions mean that they are some years away from any meaningful expansion through an active supply pipeline.

After six years of sub 2% vacancy keeping rents at a stable level despite the Covid related and other economic challenges, Hamilton's industrial sector recorded a vacancy rate of 2.4% at the end of 2025. With no drastic change in rents over the past year it appears that ongoing delays to economic recovery are now having a material impact on businesses space requirements, and churn is occurring for businesses to right size rather than sit tight in anticipation of brighter times. The increase in vacancy rate and particularly the current vacancy in recently completed new builds, is expected to limit rent growth in some markets during 2026 however high demand precincts and grades could see some contraction in available space given the low volume of uncommitted supply, and the (delayed) economic recovery that is now much closer to gaining momentum than it was at the start of 2025.

Diversification of industrial hubs and their land supply around the Waikato Region provides occupiers with choice, being the traditional precincts of Te Rapa, Frankton, and Hamilton Airport, or the more recently emerging precincts of Horotiu and Ruakura. Improved transportation networks and the economic importance of the 'golden triangle' of Auckland, Hamilton, and Tauranga, continue to make this region a strong central location and well-positioned to take advantage of its connections to the rest of the country.

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