

FIGURES | INVERCARGILL | JUNE 2024

# 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.

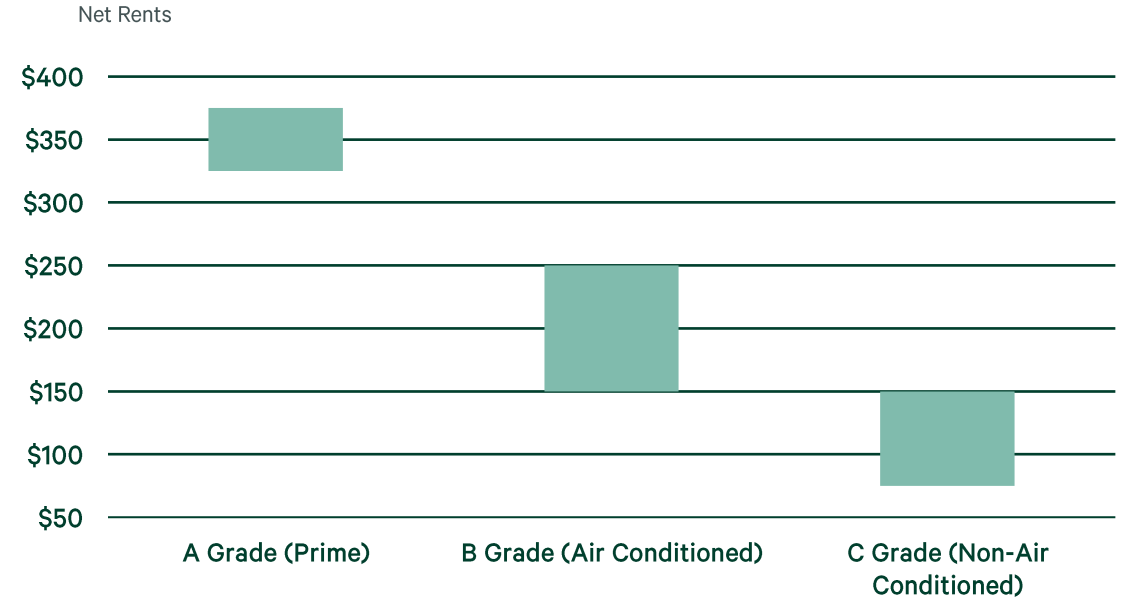
## NET YIELDS



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 | JUNE 2024

# 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

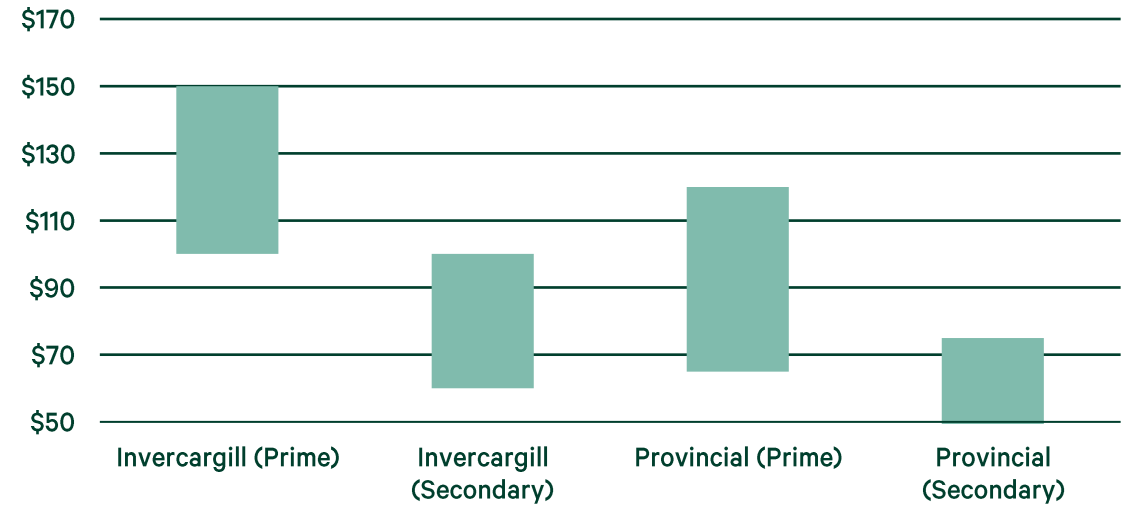


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## OCCUPIER MARKET

	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

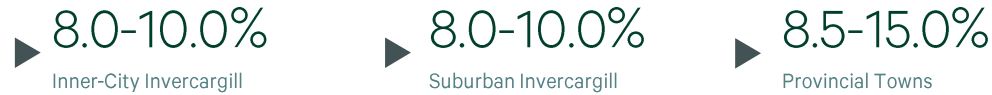
	Market direction	Demand
Invercargill Prime	▶ Static	Average
Invercargill Secondary	▶ Static	Average
Provincial Prime	▶ Static	Average
Provincial Secondary	▶ Static	Average

FIGURES | SOUTHLAND | JUNE 2024

# 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.

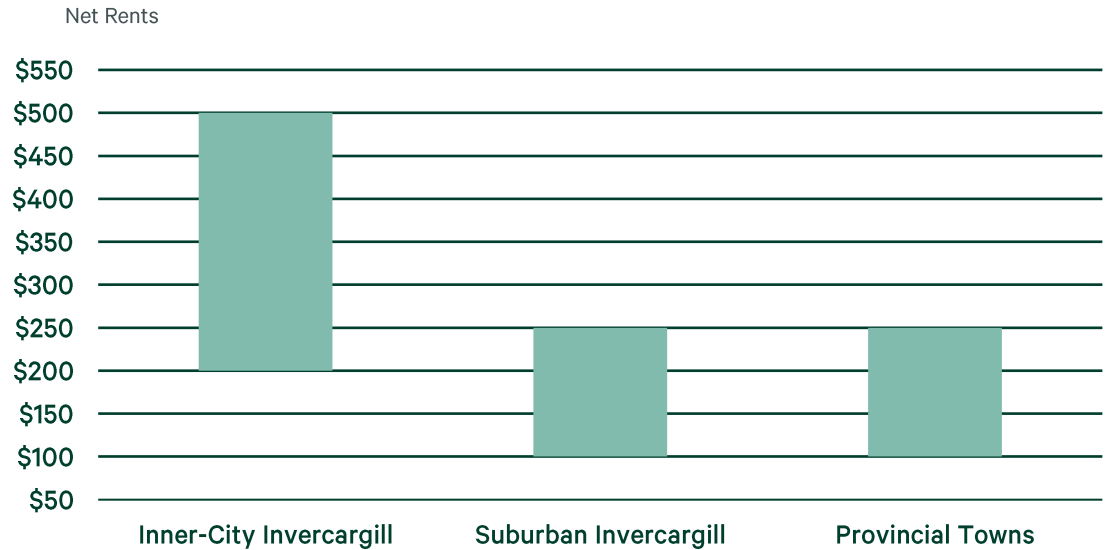
## NET YIELDS



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## OCCUPIER MARKET

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



## INVESTOR MARKET

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