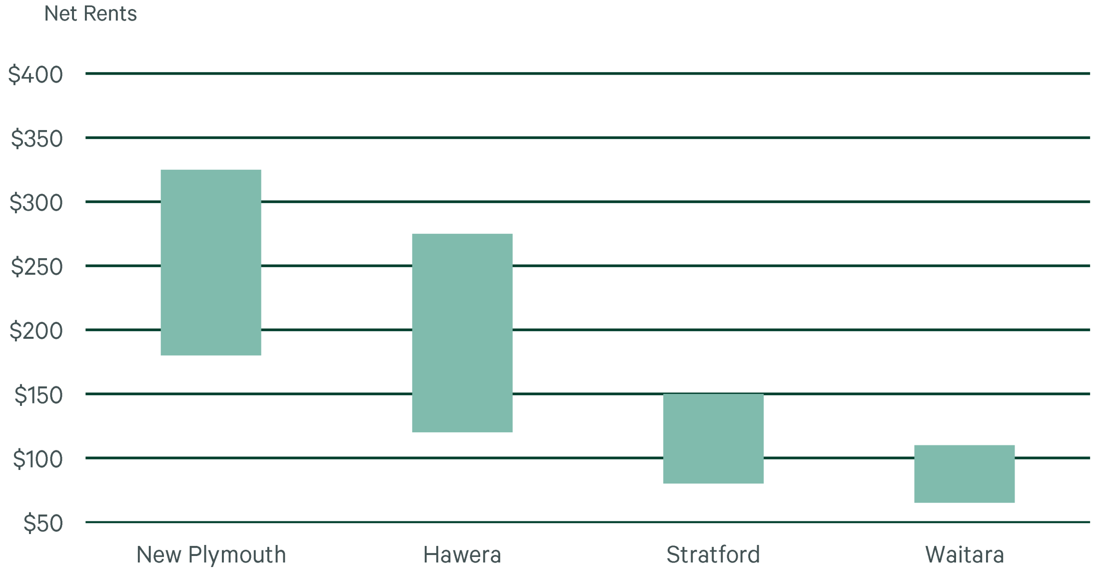
Commercial office

The New Plymouth office market remains static. There have been some rental increases for better-quality stock, with tenants preferring more modern buildings and fitouts. Due to a slowdown in the oil and gas sector and the overall economy, we have seen a number of businesses downsizing, leading to a reduction in demand for office accommodation and an increase in vacancy levels. Prime yield rates have remained around 5.75% – 7.00%.

NET YIELDS

New Plymouth	Hawera	Stratford	Waitara
▶ 5.75-7.5%	▶ 7.0-11.25%	▶ 7.0-11.25%	▶ 7.25-10.5%

Note: Arrows indicate change from previous report.



OCCUPIER MARKET

	Market direction	Supply
New Plymouth	▼ Weakening	Moderate
Hawera	▶ Static	Moderate
Stratford	▶ Static	Moderate
Waitara	▶ Static	Moderate

INVESTOR MARKET

	Market direction	Demand
New Plymouth	▶ Static	Average
Hawera	▶ Static	Average
Stratford	▶ Static	Average
Waitara	▲ Improving	Average

Source: CBRE database

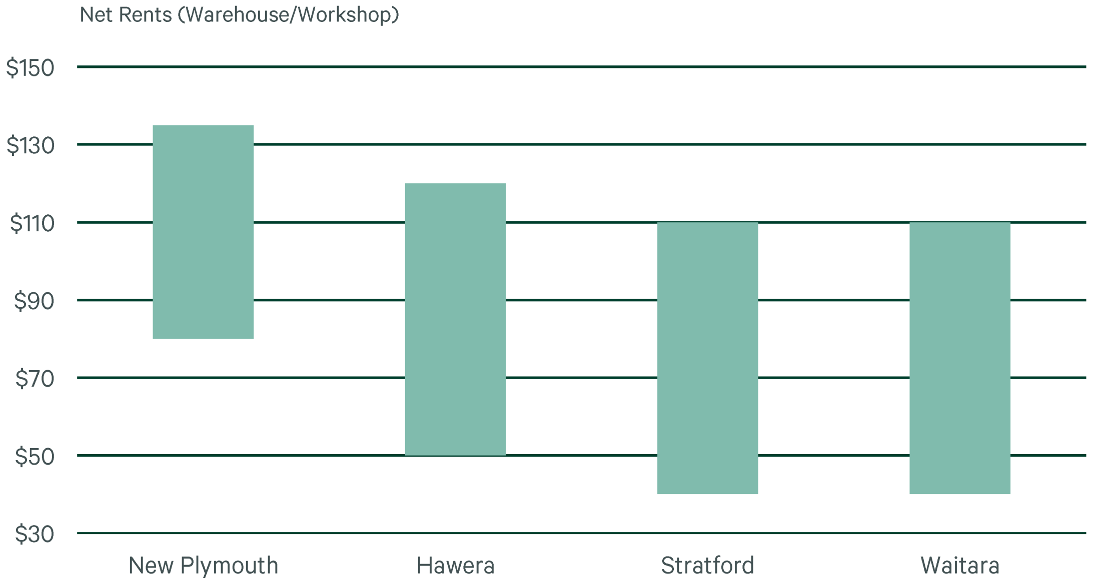
Industrial

The New Plymouth industrial market remains the strongest in the commercial sphere, although demand for industrial space has decreased due to economic conditions, particularly a quiet oil and gas sector. We anticipate this reduced demand will slow rental increases for industrial properties going forward. Properties under $2,500,000 that are affordable to owner-occupiers or investors are still achieving good yields, as these purchasers tend to have capital and are less impacted by higher interest rates. Prime yield rates now sit around 5.75% - 6.50%.

NET YIELDS

New Plymouth	Hawera	Stratford	Waitara
▶ 5.75-7.25%	▶ 6.5-9.0%	▶ 7.0-9.5%	▶ 7.0-9.5%

Note: Arrows indicate change from previous report.



OCCUPIER MARKET

	Market direction	Supply
New Plymouth	▶ Static	Moderate
Hawera	▶ Static	Moderate
Stratford	▶ Static	Moderate
Waitara	▶ Static	Moderate

INVESTOR MARKET

	Market direction	Demand
New Plymouth	▲ Improving	Average
Hawera	▶ Static	Average
Stratford	▶ Static	Average
Waitara	▲ Improving	Average

Source: CBRE database

Retail

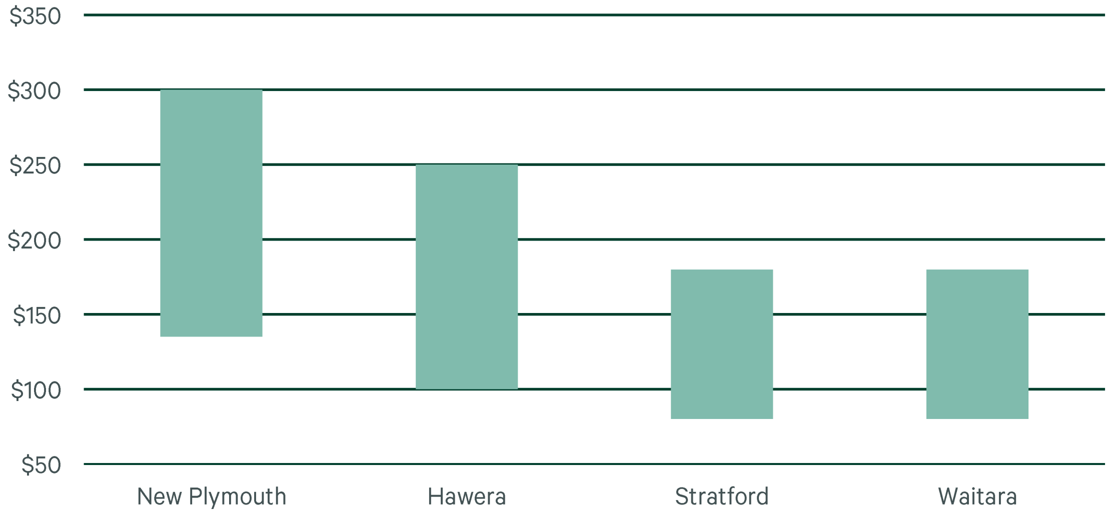
The New Plymouth retail market is currently oversupplied, as evidenced by the growing number of vacancies. The very nature of this sector in New Zealand is changing from traditional retailing to a modern approach, including online shopping. Net rentals for many areas of the CBD have remained static, with total occupancy costs increasing as tenants pay higher rates and insurance costs. The cost of living has reduced many households' disposable incomes, which has had a flow-on effect on retail and hospitality spending. Prime yield rates are between 6.25% - 8.00%, with earthquake-prone buildings in excess of 10.00%.

NET YIELDS

New Plymouth	Hawera	Stratford	Waitara
▶ 6.25-9.0%	▶ 7.0-12.0%	▶ 7.0-11.25%	▶ 7.0-10.5%

Note: Arrows indicate change from previous report.

Net Rents



OCCUPIER MARKET

	Market direction		Supply
New Plymouth	▶	Static	Over supplied
Hawera	▶	Static	Moderate
Stratford	▶	Static	Moderate
Waitara	▶	Static	Moderate

INVESTOR MARKET

	Market direction		Demand
New Plymouth	▶	Static	Weak
Hawera	▶	Static	Weak
Stratford	▶	Static	Weak
Waitara	▶	Static	Weak

Source: CBRE database