

FIGURES | TAURANGA | DECEMBER 2023

Commercial office

Low vacancy and consistent rental growth over the last five years. COVID-19 was not a major factor in the local office market, despite new work from home practices. Car parking rents though have stalled. Suburban office space is supported by a range of organisations. New CBD construction is redefining A grade space and setting new benchmark rents. Lower office grades exhibit markedly lower rents. Tenancies providing lower quality space and/or without parking can prove very challenging to lease.

NET YIELDS

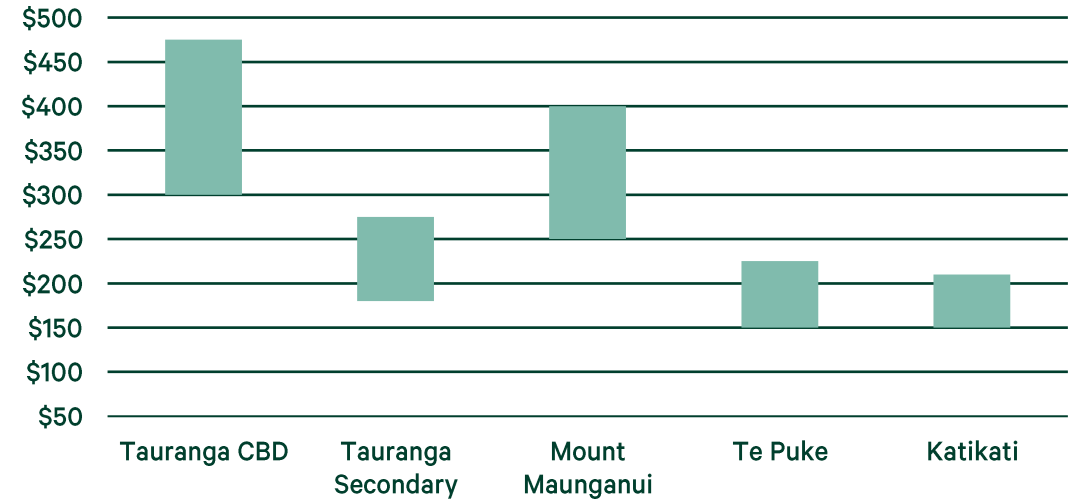


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD	▲ Improving	Moderate
Tauranga Secondary	▲ Improving	Moderate
Mount Maunganui	▲ Improving	Limited
Te Puke	▲ Improving	Limited
Katikati	▶ Static	Limited

Net Rents



INVESTOR MARKET

	Market direction	Demand
Tauranga CBD	▼ Weakening	Average
Tauranga Secondary	▼ Weakening	Weak
Mount Maunganui	▼ Weakening	Average
Te Puke	▼ Weakening	Weak
Katikati	▼ Weakening	Weak

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Industrial

Consistent rental growth has been noted over the last ten years due to constrained supply, low vacancy rates and good tenant demand. Rents in the main industrial areas of Mount Maunganui and Tauriko have showed the strongest upswing. Despite recent economic headwinds, ongoing rental growth strength has continued to be noted. Vacancy rates though have begun to increase and in time will likely attenuate rents. Industrial property remains very popular with investors.

NET YIELDS

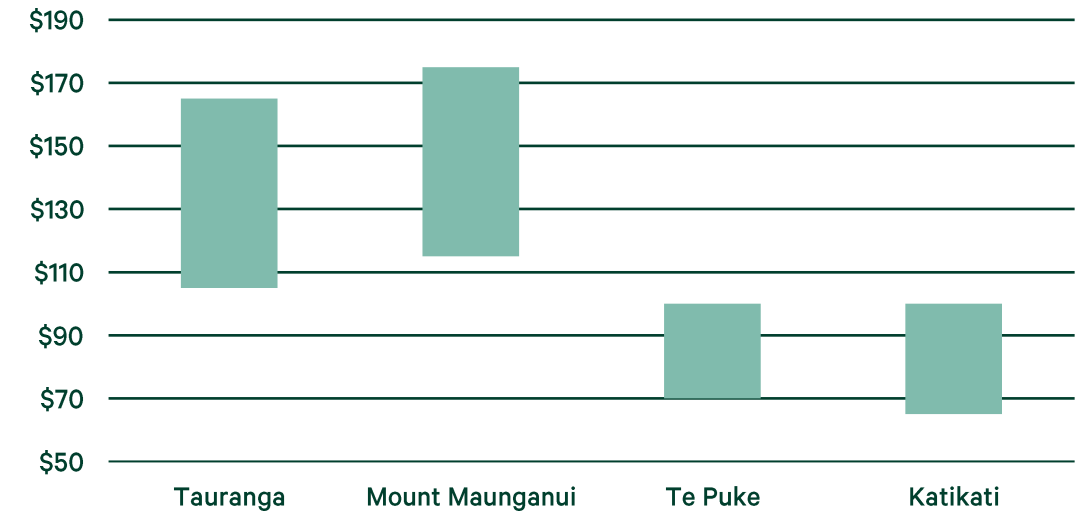


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OCCUPIER MARKET

	Market direction	Supply
Tauranga	▲ Improving	Limited
Mount Maunganui	▲ Improving	Limited
Te Puke	▲ Improving	Limited
Katikati	▲ Improving	Limited

Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Tauranga	▼ Weakening	Average
Mount Maunganui	▼ Weakening	Strong
Te Puke	▼ Weakening	Average
Katikati	▼ Weakening	Average

Retail

The ground floor commercial rental market in the Tauranga region is currently showing low to moderate rental growth in most areas. The two exceptions to this are firstly within the CBD where rental growth is concentrated to select areas (such as “Eat Street”) and a few new builds. Secondly, until earlier this year, the main downtown Mount Maunganui commercial area had exhibited exceptional growth for the prior five years or so. This now appears to have abated. Except for the CBD, most areas have low levels of retail vacancy. Retail is not a favoured asset class for investors.

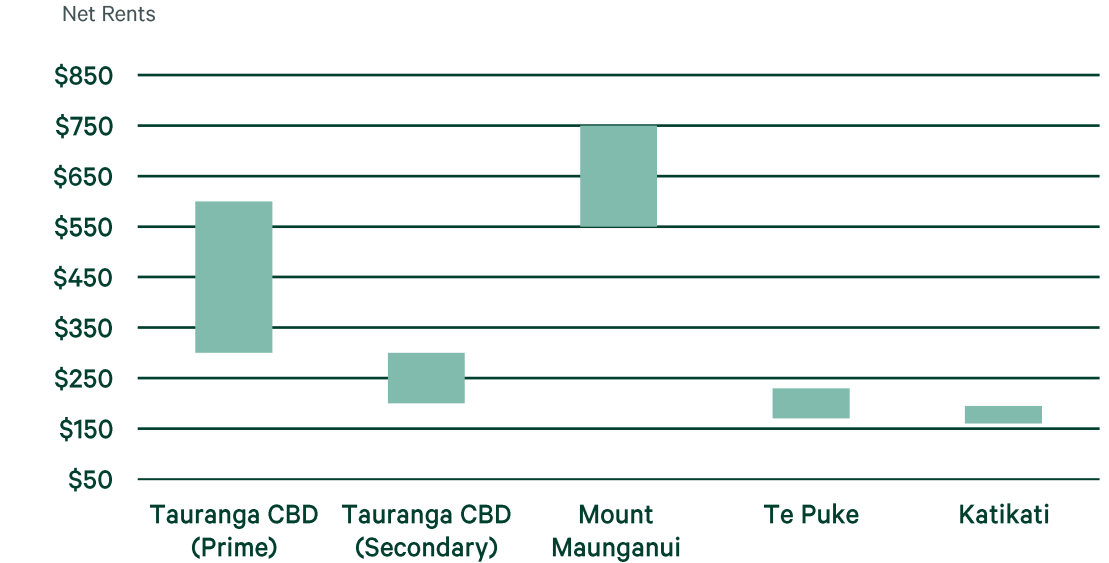
NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD (Prime)	▶ Static	Over supplied
Tauranga CBD (Secondary)	▶ Static	Over supplied
Mount Maunganui	▶ Static	Limited
Te Puke	▲ Improving	Limited
Katikati	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
Tauranga CBD (Prime)	▼ Weakening	Weak
Tauranga CBD (Secondary)	▼ Weakening	Weak
Mount Maunganui	▼ Weakening	Very strong
Te Puke	▼ Weakening	Average
Katikati	▼ Weakening	Average