

FIGURES | QUEENSTOWN | DECEMBER 2023

Commercial office

CBD office demand remains steady and subject to relatively low levels of vacancy, with rental rates having held over the 2023 period. The Frankton office market, which is generally comprised of modern A-grade accommodation, is experiencing gradual upward pressure on rental rates and is subject to greater tenant demand. There have been too few transactions over the 2023 period to have established any meaningful yield trend within the office sector, though we expect yields to have experienced a modest uplift.

NET YIELDS

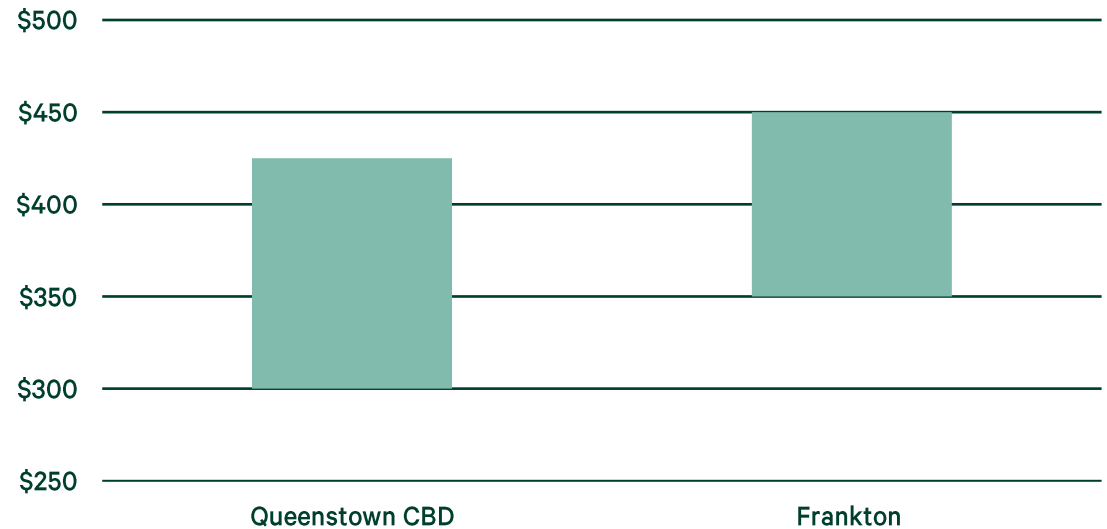


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Queenstown CBD	▶ Static	Limited
Frankton	▲ Improving	Limited

Net Rents



INVESTOR MARKET

	Market direction	Demand
Queenstown CBD	▶ Static	Strong
Frankton	▶ Static	Weak

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Industrial

Industrial rents have experienced uplift in the Frankton and Gorge Road precincts, with secondary locations having remained stable. Vacancy remains extremely low is largely underpinned by low supply and very strong demand. Demand for industrial assets priced under \$3.0 million remains strong, with higher priced assets being subject to upward yield pressure. Frankton is considered the preferred industrial location and tends to achieve stronger results relative to the Gorge Road industrial precinct.

NET YIELDS

▶ 4.5-5.5%
Queenstown

▶ 4.25-5.0%
Frankton

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Queenstown	▲ Improving	Very limited
Frankton	▲ Improving	Very limited

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

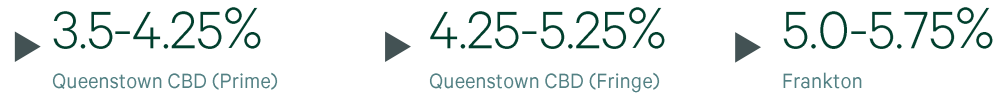
	Market direction	Demand
Queenstown	▶ Static	Average
Frankton	▶ Static	Very strong

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Retail

The Queenstown CBD retail environment has experienced rental uplift in the core, where recent streetscape upgrades have improved the retailing experience and pedestrian flow. New lettings in the prime have resulted in strong rental rates, however these have often been influenced by significant landlord fitout contribution or façade upgrades. Outside of the core, retail rents have experienced modest uplift, with fringe tenancies having experienced little change. Recent transactions indicate yields between 3.50% - 4.25% for prime retail assets.

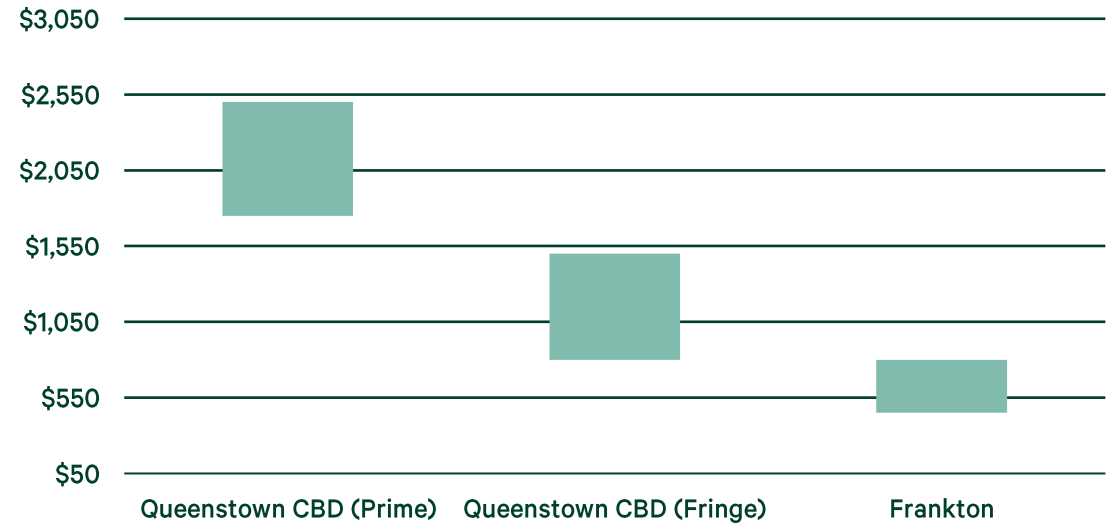
NET YIELDS



OCCUPIER MARKET

	Market direction	Supply
Queenstown CBD (Prime)	▲ Improving	Limited
Queenstown CBD (Fringe)	▶ Static	Limited
Frankton	▶ Static	Moderate

Net Rents



INVESTOR MARKET

	Market direction	Demand
Queenstown CBD (Prime)	▶ Static	Strong
Queenstown CBD (Fringe)	▶ Static	Average
Frankton	▶ Static	Average