Commercial office

There remains an oversupply of Grade C office space within Invercargill. There is limited availability of Grade A and B space, particularly as the ICC relocates staff and DOC prepares to move into new premises. Recent lettings have shown limited change in rental rates other than Grade A, which has shown moderate growth. Lettings in provincial Southland have been static, with only a handful completed recently. It is noted that there is a higher ratio of owner-occupiers in provincial towns compared to main centres.

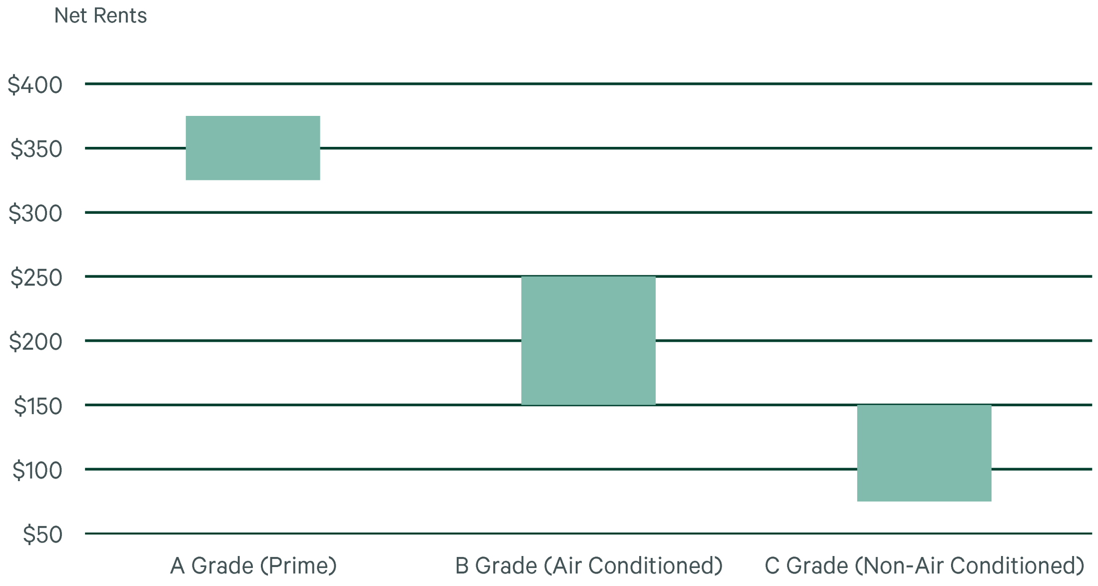
NET YIELDS

▶ 7.0-8.0%
A Grade (Prime)

▼ 8.0-9.0%
B Grade (Air Conditioned)

▲ 9.5-10.5%
C Grade (Non-Air Conditioned)

Note: Arrows indicate change from previous report.



OCCUPIER MARKET

	Market direction	Supply
A Grade (Prime)	▶ Static	Very Limited
B Grade (Air Conditioned)	▶ Static	Limited
C Grade (Non-Air Conditioned)	▶ Static	Over supplied

INVESTOR MARKET

	Market direction	Demand
A-Grade (Prime)	▶ Static	Average
B-Grade (Air conditioned)	▲ Improving	Average
C-Grade (Non-Air Conditioned)	▶ Static	Weak

Source: CBRE database

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FIGURES | SOUTHLAND | JUNE 2026

Industrial

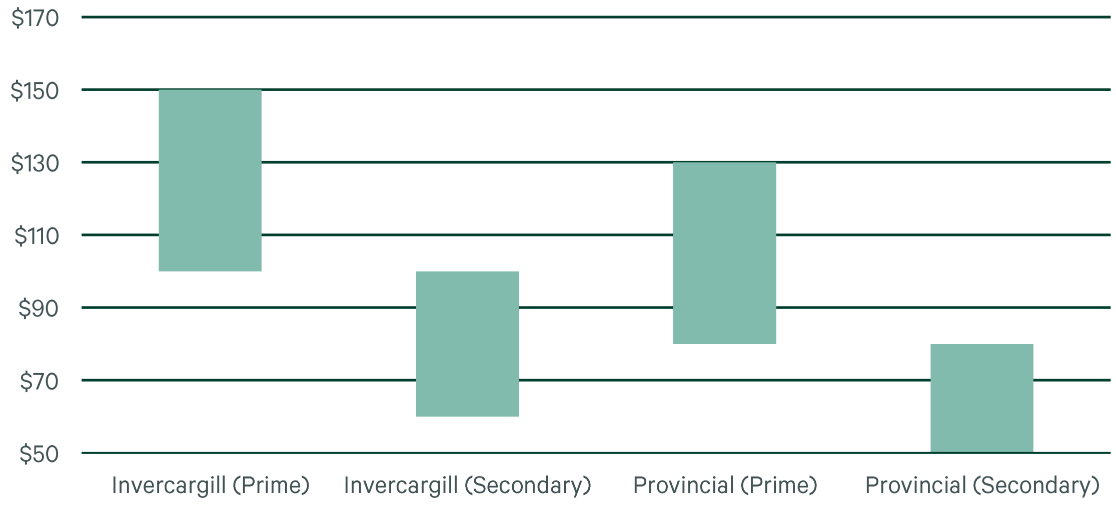
Letting demand remains positive, with a shortage of industrial space across Southland, in particular Invercargill. We have seen continued growth in rentals over the last 36-month period. There have been limited transactions due to supply constraints, although a number of sitting tenants have acquired properties off market over the past 24 months. With buoyant local economic conditions, higher commodity returns, and lower interest rates, demand is expected to remain steady.

NET YIELDS

▶7.25-8.25%	▶8.00-9.50%	▶7.50-9.0%	▶7.50-9.0%
Invercargill Prime	Invercargill Secondary	Provincial Prime	Provincial Secondary

Note: Arrows indicate change from previous report.

Net Rents (Warehouse/Workshop)



OCCUPIER MARKET

	Market direction	Supply
Invercargill (Prime)	▲ Improving	Limited
Invercargill (Secondary)	▲ Improving	Limited
Provincial (Prime)	▲ Improving	Limited
Provincial (Secondary)	▲ Improving	Limited

INVESTOR MARKET

	Market direction	Demand
Invercargill Prime	▲ Improving	Strong
Invercargill Secondary	▲ Improving	Strong
Provincial Prime	▲ Improving	Average
Provincial Secondary	▲ Improving	Average

Source: CBRE database

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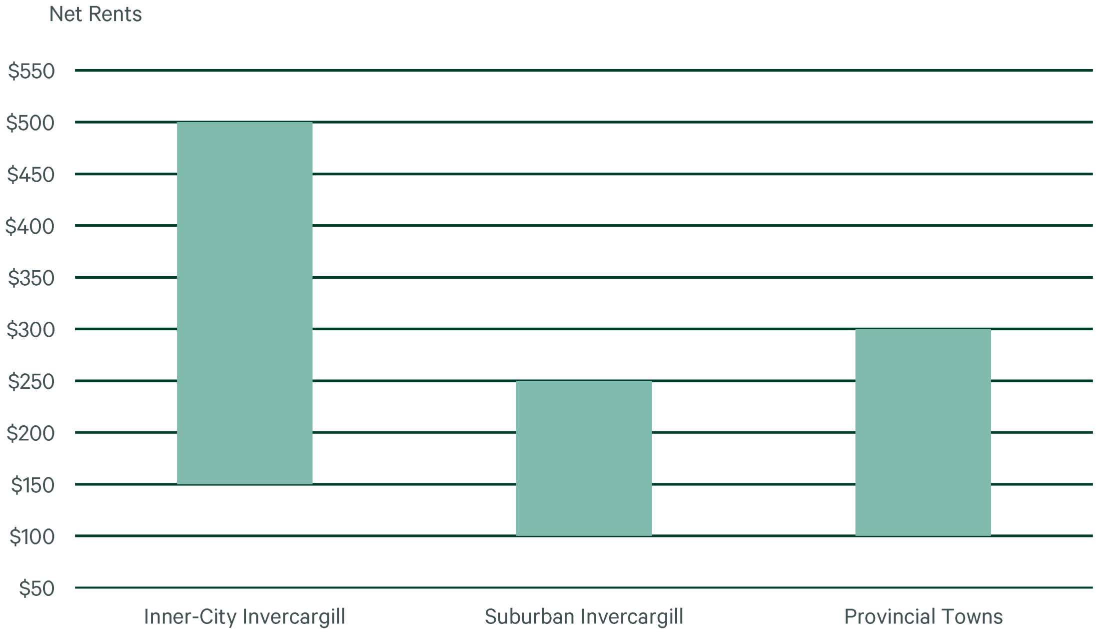
Retail

Invercargill Central (inner city mall) is into its fourth year of operation, with the retail ground floor close to being fully occupied. Two new retailers are due to occupy part of the former Farmers department store on Dee Street, and Hunting & Fishing has relocated to the ex-Smith City store. There is still an oversupply of Secondary retail space in Invercargill, especially for those located within earthquake-prone buildings, including the north side of Esk Street. In provincial Southland there is demand for good quality retail space; however, a large number of earthquake-prone buildings remain vacant.



NET YIELDS

▲ 9.0-10.0%
Inner-City Invercargill

▲ 9.0-10.0%
Suburban Invercargill

▲ 9.0-12.0%
Provincial Towns

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Inner-City Invercargill	▼ Weakening	Moderate
Suburban Invercargill	▶ Static	Over supplied
Provincial Towns	▶ Static	Moderate

INVESTOR MARKET

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

Source: CBRE database

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