

FIGURES | MANAWATŪ | DECEMBER 2025

Commercial office

Transactional evidence show tight investment yields are now being achieved for modern, compliant office properties with long lease term certain periods. Recent office development works in the local market typically relate to retrofitting/upgrading of existing low-rise buildings rather than new build developments, due to shortened turnaround times and lower cost outlay/rental recovery. We note expressions of interest in the marketplace from both Government and private entities seeking fresh, seismically compliant office accommodation with large floorplates.

NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Palmerston North	▲ Improving	Moderate
Feilding	▶ Static	Moderate
Whanganui	▶ Static	Moderate
Levin	▶ Static	Moderate



INVESTOR MARKET

	Market direction	Demand
Palmerston North	▶ Static	Average
Feilding	▶ Static	Average
Whanganui	▶ Static	Average
Levin	▶ Static	Average

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Industrial

The local industrial market experienced an influx of demand over the 2021-2023 period for ‘prime’ industrial property with notable increases in realised rents and historically low vacancy rates. Over the past year, tenant demand has continued albeit to a lesser degree, with the upward tick in achieved rentals now slowing. Transactional evidence showed yields expanded during 2024 due to higher borrowing rates. Over the past six months, as borrowing rates have begun to ease, yields have also reduced.

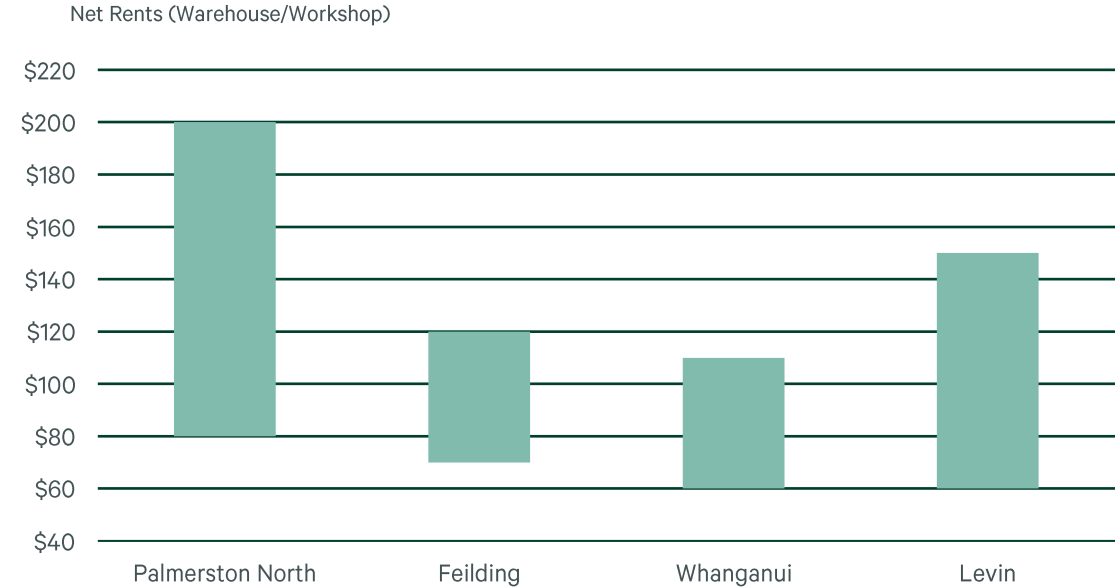
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Palmerston North	▶ Static	Limited
Feilding	▶ Static	Limited
Whanganui	▶ Static	Limited
Levin	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
Palmerston North	▲ Improving	Strong
Feilding	▶ Static	Average
Whanganui	▶ Static	Average
Levin	▶ Static	Average

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Retail

The local retail market has not mirrored recent trends of the office and industrial market. Investment sales show higher returns to compensate for the lack of rental growth and perceived higher risk, thereby resisting the yield compression seen in higher-quality assets.

NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Palmerston North	▶ Static	Moderate
Feilding	▶ Static	Moderate
Whanganui	▶ Static	Moderate
Levin	▶ Static	Moderate



INVESTOR MARKET

	Market direction	Demand
Palmerston North	▶ Static	Weak
Feilding	▶ Static	Average
Whanganui	▶ Static	Average
Levin	▶ Static	Average