

Commercial office

Hamilton

There have been limited transactions of high-quality assets. Demand has been weak with high-quality properties offered to the market, resulting in limited purchaser interest. Vendors are now pricing their properties in line with the market, and transactions are primarily for smaller-scale assets. Purchaser demand is primarily from owner occupiers, with the office asset class generally seen to be out of favour.

NET YIELDS

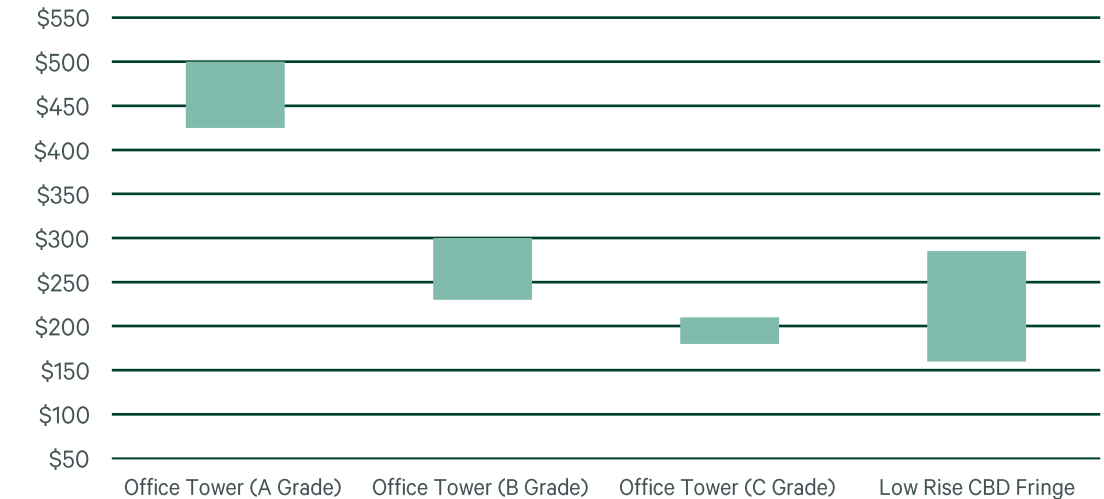


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Office Tower (A Grade)	▲ Improving	Very limited
Office Tower (B Grade)	▶ Static	Over supplied
Office Tower (C Grade)	▶ Static	Over supplied
Low Rise CBD Fringe	No trend apparent	Moderate

Net Rents



INVESTOR MARKET

	Market direction	Demand
Office Tower (A Grade)	▶ Static	Weak
Office Tower (B Grade)	▼ Weakening	Weak
Office Tower (C Grade)	▼ Weakening	Weak
Low Rise CBD Fringe	▶ Static	Average

Industrial Hamilton

Industrial remains the strongest sector, driven by improved lending conditions. Yields have firmed over the last 12 months due to this. However, yields for smaller sized assets (sub \$3 million) have led to a resultant fall in yields. Larger assets, perceived to be good quality, also attract strong interest from investors. Investors remain mindful of key investment criteria, including tenant covenant, lease terms, and the quality of the development. However, strong rental growth has levelled out, while firm occupancy and increased build costs will put pressure on rents.

NET YIELDS

▼ 5.0-6.75%

Te Rapa/Pukete/Burbush

▼ 5.25-7.0%

Frankton East

▼ 5.25-7.0%

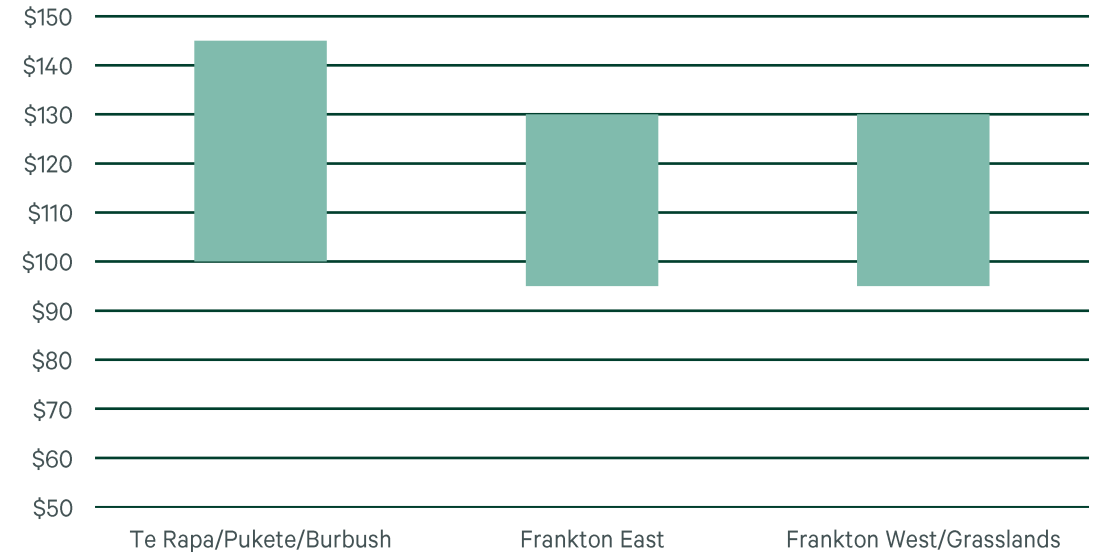
Frankton West/Grasslands

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Te Rapa/Pukete/Burbush	▶ Static	Moderate
Frankton East	▶ Static	Moderate
Frankton West/Grasslands	▶ Static	Moderate

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Te Rapa/Pukete/Burbush	▲ Improving	Average
Frankton East	▲ Improving	Average
Frankton West/Grasslands	▲ Improving	Average

Retail

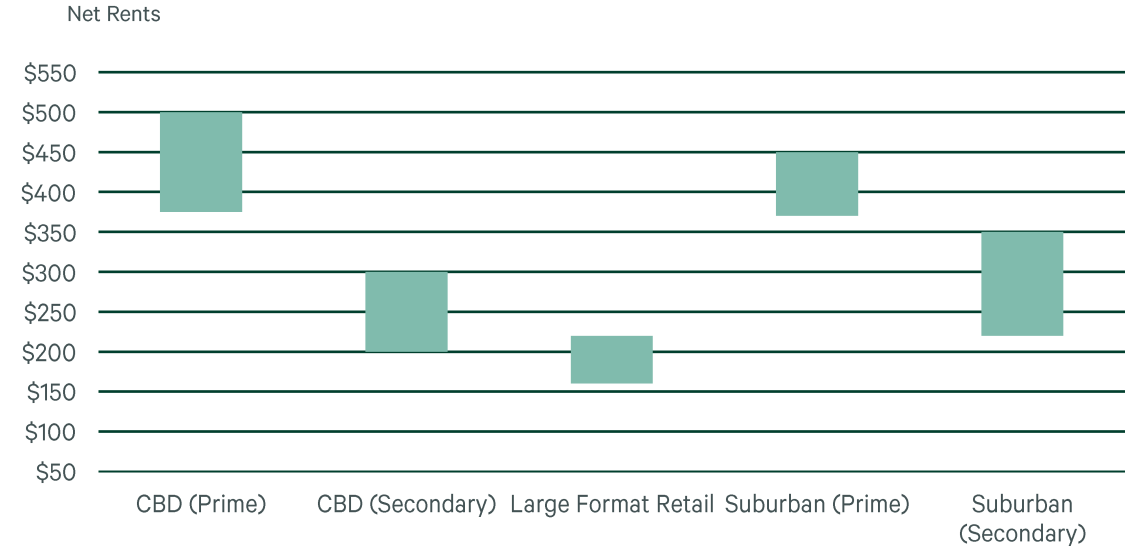
Hamilton

Retail remains subdued, with limited sales transactions over the last 12 months and low levels of stock coming to market. Suburban retail continues to perform more strongly in comparison to assets within the CBD. Rising living costs have had an impact on the hospitality sector, and vacancy levels are rising.

NET YIELDS



Note: Arrows indicate change from previous report.



OCCUPIER MARKET

	Market direction	Supply
CBD (Prime)	▶ Static	Limited
CBD (Secondary)	▼ Weakening	Moderate
Large Format Retail	▶ Static	Limited
Suburban (Prime)	▶ Static	Limited
Suburban (Secondary)	▶ Static	Limited

INVESTOR MARKET

	Market direction	Demand
CBD (Prime)	▼ Weakening	Weak
CBD (Secondary)	▼ Weakening	Weak
Large Format Retail	▶ Static	Weak
Suburban (Prime)	▶ Static	Average
Suburban (Secondary)	▶ Static	Average