

Commercial office

Napier

The Napier commercial office market is weakening as additional stock has entered the market and office uptake remains low. Vacancy rates have increased, and these are expected to climb as more developments are completed, adding to the stock levels. Demand remains soft for investment properties below Grade A. We have seen Grade A offices sitting vacant for longer, and Grade B and C offices being bought for redevelopment.

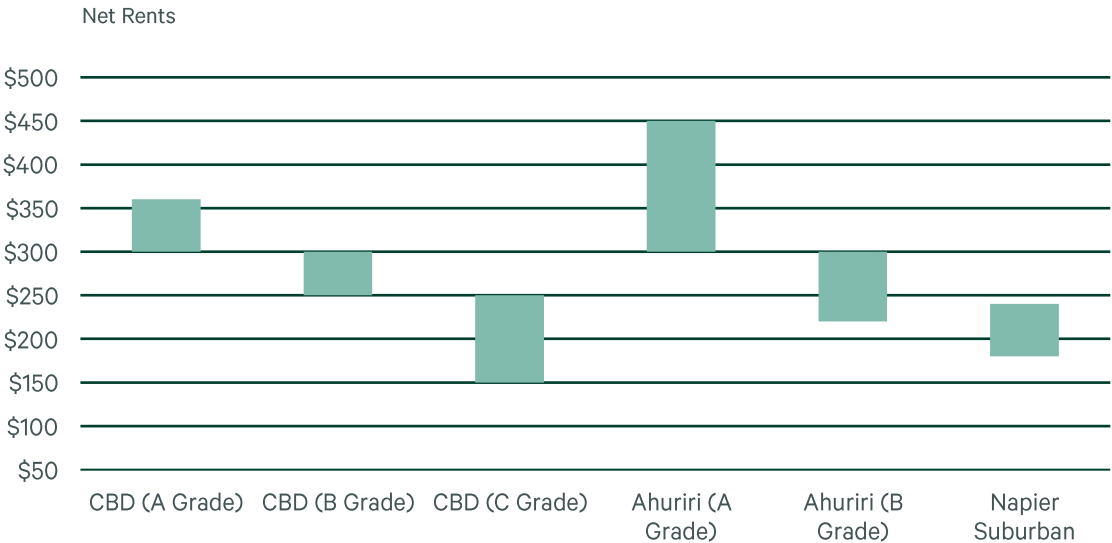
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
CBD (A Grade)	▶ Static	Moderate
CBD (B Grade)	▼ Weakening	Limited
CBD (C Grade)	▼ Weakening	Moderate
Ahuriri (A Grade)	▶ Static	Moderate
Ahuriri (B Grade)	▶ Static	Moderate
Napier Suburban	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
CBD (A Grade)	▶ Static	Average
CBD (B Grade)	▶ Static	Weak
CBD (C Grade)	▶ Static	Weak
Ahuriri (A Grade)	▶ Static	Average
Ahuriri (B Grade)	▶ Static	Weak
Napier Suburban	▶ Static	Average

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Industrial

Napier

The Napier industrial market remains steady, with average demand for industrial accommodation; however, vacancy has increased, which has resulted in static rental rate movement in the short to medium term. Demand remains relatively soft for investment properties when compared to the peak of the market, and those that have recently transacted reside in the lower, more affordable price bracket, with few medium-price-bracket sales in the last year.

NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
Onekawa	► Static	Moderate
Pandora	► Static	Limited

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Onekawa	► Static	Average
Pandora	► Static	Average

Retail

Napier

Vacancy levels remain relatively low within the prime retail strips in Napier CBD, and average demand exists from tenants, although we are now seeing vacancies come down in the last year. There has been limited rental growth for good quality and well-located tenancies. Shorter marketing periods have been seen, however, some Secondary rents have fallen back.

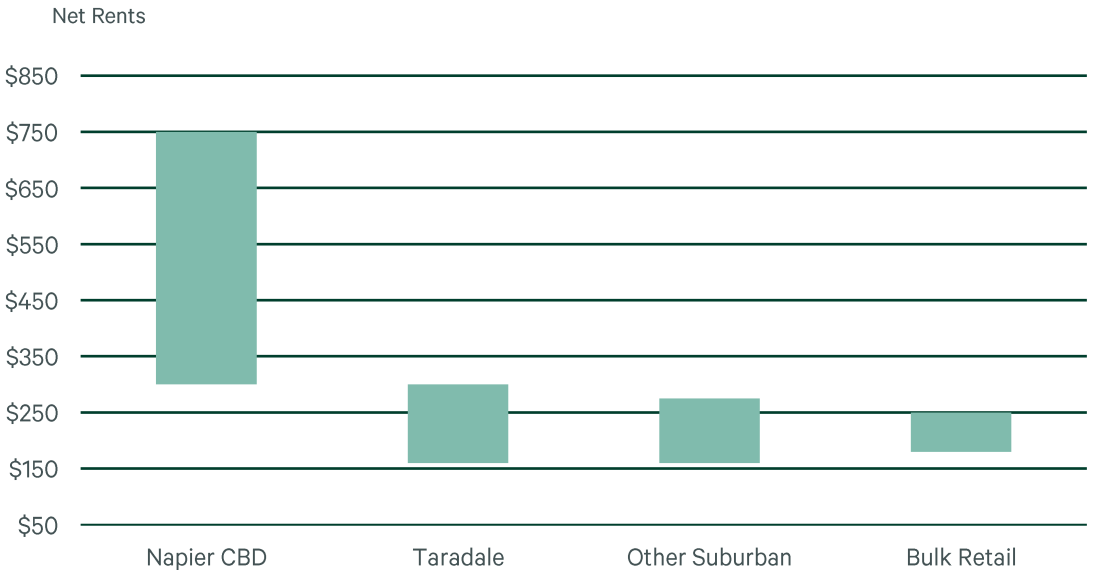
NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
Napier CBD	▶ Static	Limited
Taradale	▶ Static	Moderate
Other Suburban	▶ Static	Limited
Bulk Retail	▶ Static	Moderate



INVESTOR MARKET

	Market direction	Demand
Napier CBD	▶ Static	Average
Taradale	▶ Static	Average
Other Suburban	▶ Static	Average
Bulk Retail	▶ Static	Average

Commercial office

Hastings

The Hastings commercial office market remains steady, with reasonable demand for Grade A and B space and record low vacancy rates across all building types. We have seen strong rental growth over the past two years, although this rate of growth has now slowed. Demand remains soft for investment properties, although purchaser interest is improving. It has become a viable alternative to Napier for many businesses.

NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
Hastings CBD (A Grade)	▲ Improving	Very limited
Hastings CBD (B Grade)	▶ Static	Limited
Hastings CBD (C Grade)	▼ Weakening	Moderate
Havelock (A Grade)	▲ Improving	Very limited
Havelock (B Grade)	▲ Improving	Very limited



INVESTOR MARKET

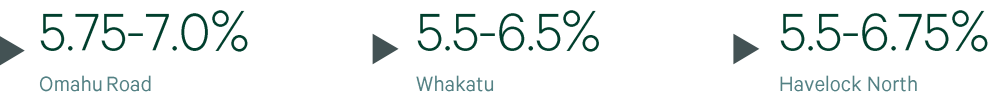
	Market direction	Demand
Hastings CBD (A Grade)	▶ Static	Average
Hastings CBD (B Grade)	▶ Static	Average
Hastings CBD (C Grade)	▶ Static	Average
Havelock (A Grade)	▶ Static	Average
Havelock (B Grade)	▶ Static	Average

Industrial

Hastings

The Hastings industrial market remains steady, with average demand for industrial accommodation. Similarly to Napier, vacancy has increased, resulting in static rental rate movement in the short to medium term. Demand remains relatively soft for investment properties when compared to the peak of the market, and those that have recently transacted reside in the lower, more affordable price bracket, with few medium-price-bracket sales in the last year.

NET YIELDS

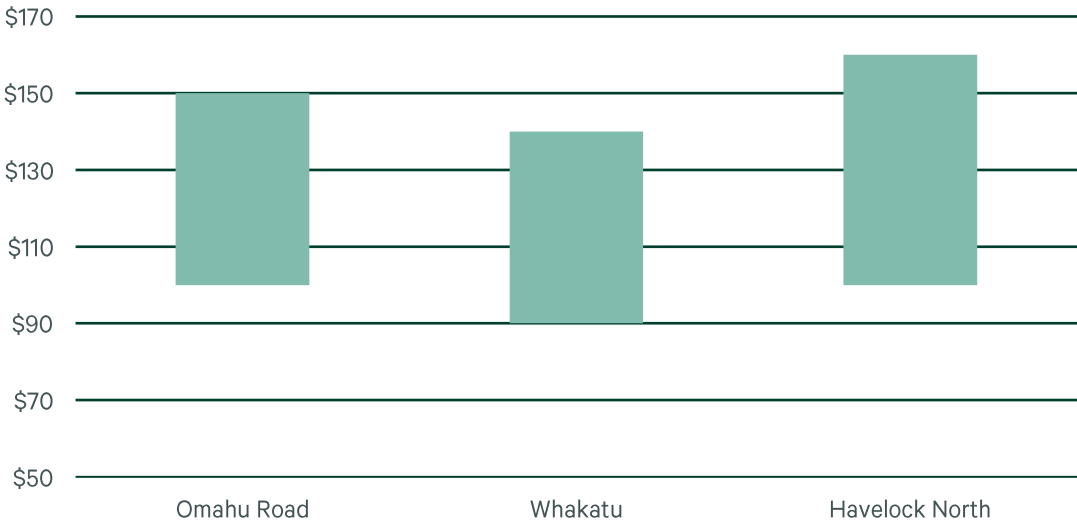


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OCCUPIER MARKET

	Market direction	Supply
Omahu Road	▶ Static	Moderate
Whakatu	▶ Static	Limited
Havelock North	▶ Static	Limited

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

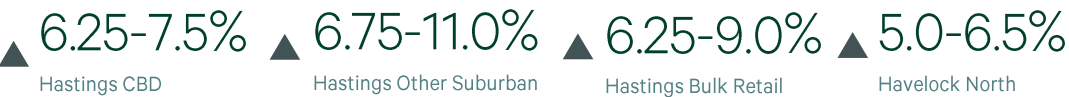
	Market direction	Demand
Omahu Road	▶ Static	Average
Whakatu	▶ Static	Average
Havelock North	▶ Static	Average

Retail

Hastings

Vacancy levels remain low within the 200 West block in the Hastings CBD, with the 100 block experiencing higher levels of vacancy. The eastern end of Heretaunga Street has undergone significant redevelopment over the past three years, which has enhanced the immediate locality, with further redevelopment planned and underway. There has been good rental growth for good quality and well-located tenancies, while secondary tenancies have fallen back slightly.

NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
Hastings CBD	▲ Improving	Moderate
Hastings Other Suburban	▶ Static	Moderate
Hastings Bulk Retail	▶ Static	Limited
Havelock North	▲ Improving	Limited

Net Rents



INVESTOR MARKET

	Market direction	Demand
Hastings CBD	▶ Static	Average
Hastings Other Suburban	▶ Static	Average
Hastings Bulk Retail	▶ Static	Average
Havelock North	▶ Static	Average

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Commercial office

Gisborne

The overall vacancy levels for office space remain high, above 40%, higher than those in the retail and industrial sectors. Office tenancies that have been vacant for some time include mostly first- and upper-floor office spaces that lack sufficient parking. Other contributing factors for prolonged vacancy periods include the need for upgrading and seismic strengthening. Demand has softened with increased vacancies on grade B and C space.

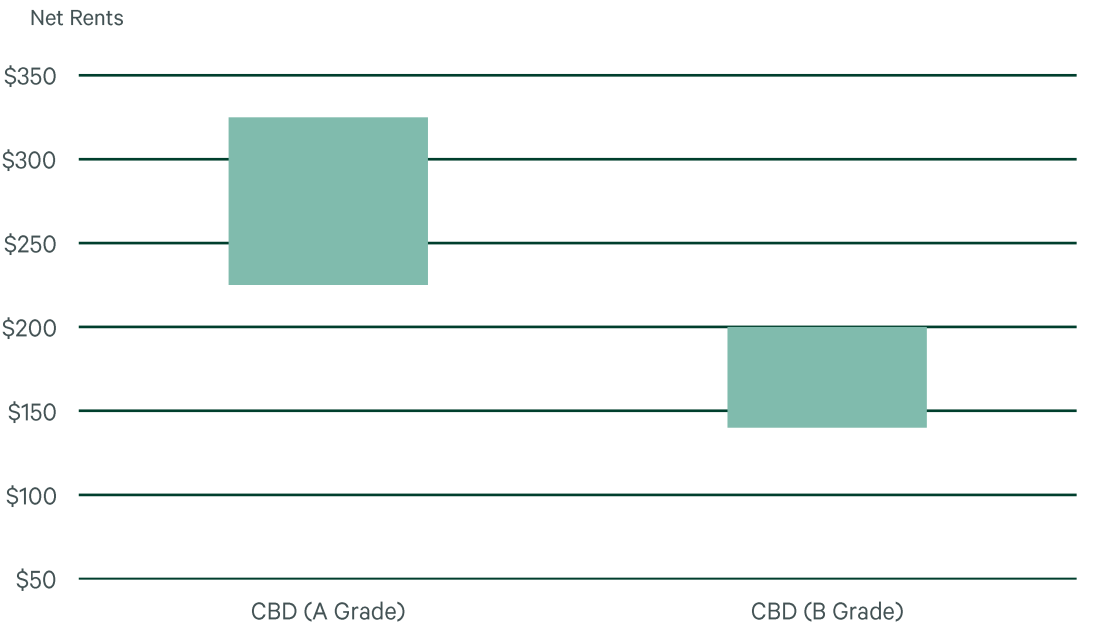
NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
CBD (A Grade)	▶ Static	Limited
CBD (B Grade)	▶ Static	Moderate



INVESTOR MARKET

	Market direction	Demand
CBD (A Grade)	▶ Static	Average
CBD (B Grade)	▶ Static	Weak

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Industrial

Gisborne

A number of industrial spaces of varied quality have come to market and have been vacant for a number of months, and conversely, some spaces have been vacant for very short periods. There has been a shortage of good-quality space over the years in Gisborne. The overall vacancy rate for industrial and outer commercial areas is measured at 3.0%, representing an ongoing sideways trend.

NET YIELDS

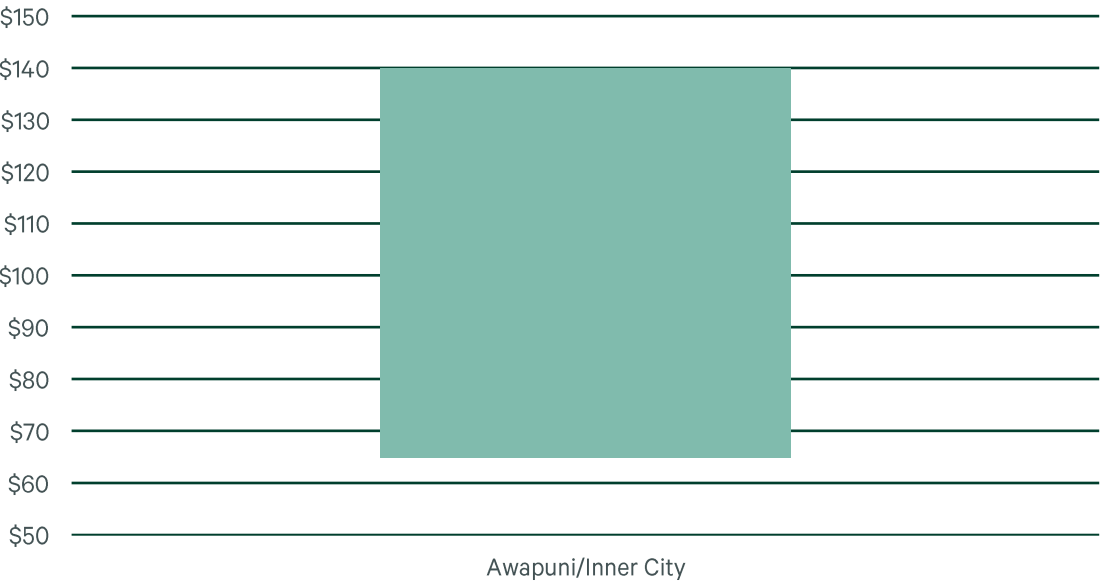
► 6.0-9.0%
Awapuni/Inner City

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Awapuni/Inner City	► Static	Moderate

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Awapuni/Inner City	► Static	Average

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Retail

Gisborne

Recent vacancy levels within the city centre were measured at 24%, about a 1.0% softening compared to August 2025, and this trend has continued sideways. Occupancy levels in the suburban retail pockets softened initially, with an increased number of spaces becoming available, but key national franchises may contribute to an uplift in certain parts, with new lettings secured.

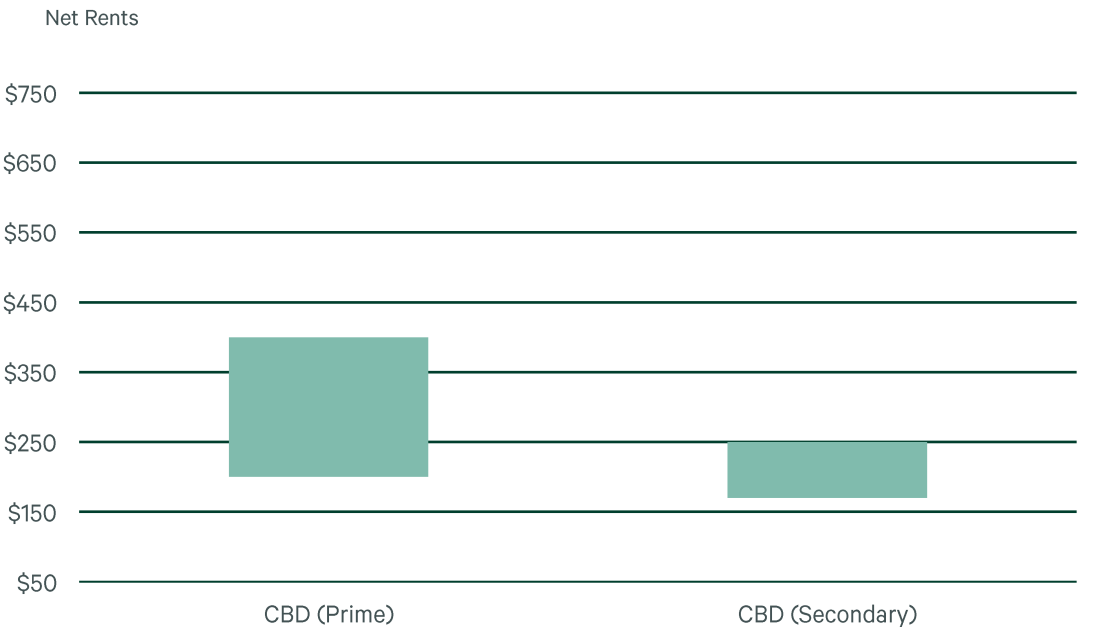
NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
CBD (Prime)	► Static	Moderate
CBD (Secondary)	► Static	Moderate



INVESTOR MARKET

	Market direction	Demand
CBD (Prime)	► Static	Weak
CBD (Secondary)	► Static	Weak