

# Commercial office

## Napier

The Napier commercial office market remains strong, with good demand for A and B grade space and record low vacancy rates across all building types. We have seen strong rental growth over the past two years and very good occupation of a large 8,500m<sup>2</sup> office building that has been redeveloped. There is reduced demand for investment properties, although low available supply, and yields have softened over the past 24 months.

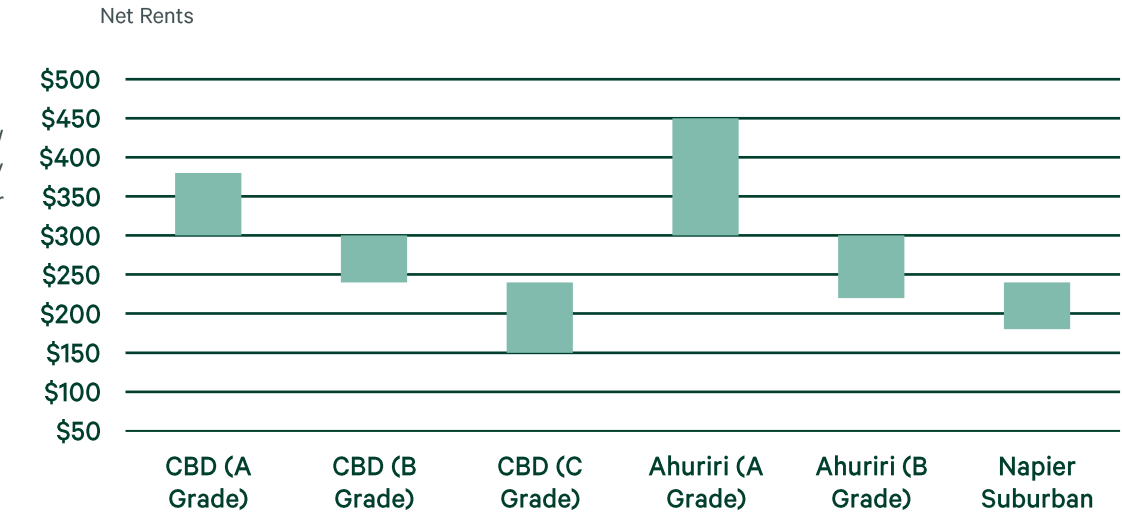
### NET YIELDS



Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

	Market direction	Supply
CBD (A Grade)	▲ Improving	Very limited
CBD (B Grade)	▲ Improving	Limited
CBD (C Grade)	▲ Improving	Limited
Ahuriri (A Grade)	▲ Improving	Very limited
Ahuriri (B Grade)	▲ Improving	Very limited
Napier Suburban	▶ Static	Limited



### INVESTOR MARKET

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

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# Industrial

## Napier

The Napier industrial market remains steady, with good demand for industrial accommodation and record low vacancy rates which has resulted in an upward pressure on rents. There is reduced demand for investment properties, although low available supply, and yields have softened over the past 24 months.

### NET YIELDS

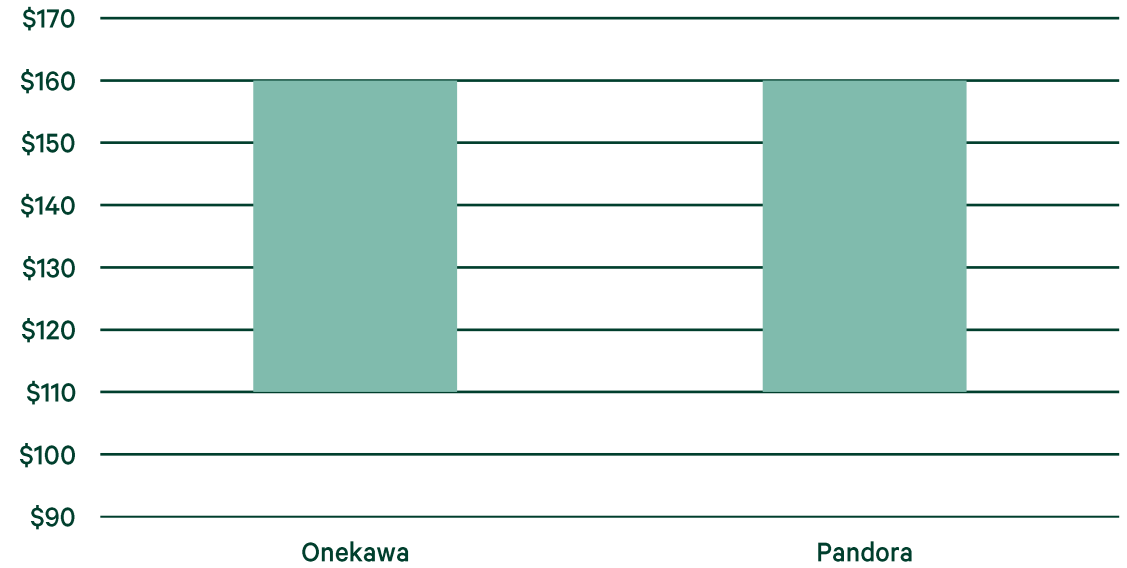


Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

	Market direction	Supply
Onekawa	▲ Improving	Limited
Pandora	▲ Improving	Very limited

Net Rents (Warehouse/Workshop)



### INVESTOR MARKET

	Market direction	Demand
Onekawa	▶ Static	Average
Pandora	▶ Static	Average

# Retail

## Napier

Vacancy levels remain low within the prime retail strips in Napier CBD and average demand exists from tenants, although we are now seeing increased vacancies. There has been improved rental growth for good quality and well-located tenancies.. Reduced investment demand compared to the office and industrial sector.

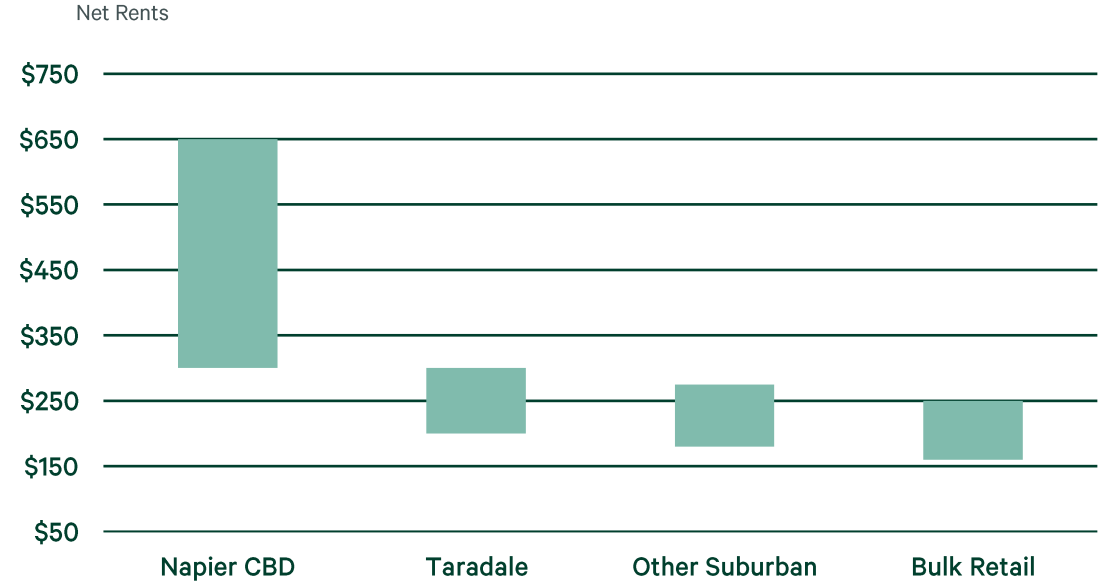
### NET YIELDS



Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

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



### INVESTOR MARKET

	Market direction	Demand
Napier CBD	▼ Weakening	Average
Taradale	▼ Weakening	Average
Other Suburban	▼ Weakening	Average
Bulk Retail	▼ Weakening	Average

# Commercial office

## Hastings

The Hastings commercial office market remains steady, with good demand for A and B grade space and record low vacancy rates across all building types. We have seen strong rental growth over the past two years. There is reduced demand for investment properties, although low available supply and yields have softened over the past 24 months.

### NET YIELDS



Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

	Market direction	Supply
Hastings CBD (A Grade)	▲ Improving	Very limited
Hastings CBD (B Grade)	▲ Improving	Very limited
Hastings CBD (C Grade)	▲ Improving	Limited
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	Weak
Havelock (A Grade)	▶ Static	Average
Havelock (B Grade)	▶ Static	Average

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# Industrial Hastings

The Hastings industrial market remains steady with good demand for industrial accommodation and record low vacancy rates which has resulted in an upward pressure on rents. There is reduced demand for investment properties, although low available supply, and yields have softened over the past 24 months.

### NET YIELDS



Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

	Market direction	Supply
Omahu Road	▲ Improving	Limited
Whakatu	▲ Improving	Limited
Havelock North	▲ Improving	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.

### NET YIELDS



Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

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



### 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, at almost 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. Office vacancy levels continue a sideways trend, hovering around the 39 – 40% mark.

### NET YIELDS

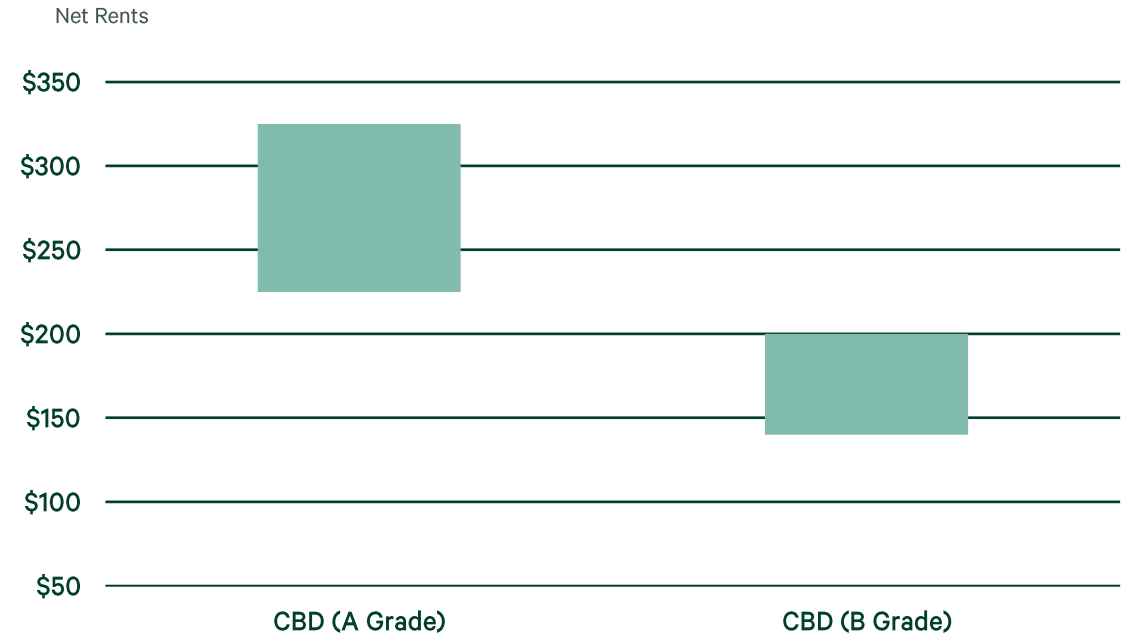
▶ 6.5-7.5%  
CBD (A Grade)

▶ 7.5-9.5%  
CBD (B Grade)

Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

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



### INVESTOR MARKET

	Market direction	Demand
CBD (A Grade)	▼ Weakening	Average
CBD (B Grade)	▼ Weakening	Weak

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# Industrial Gisborne

Several industrial spaces of varied quality have come to market and have been vacant for a few 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 of Gisborne is at 3.5%, which is slightly higher than 1.6% during the previous year, and the trend continues to move sideways.

### NET YIELDS

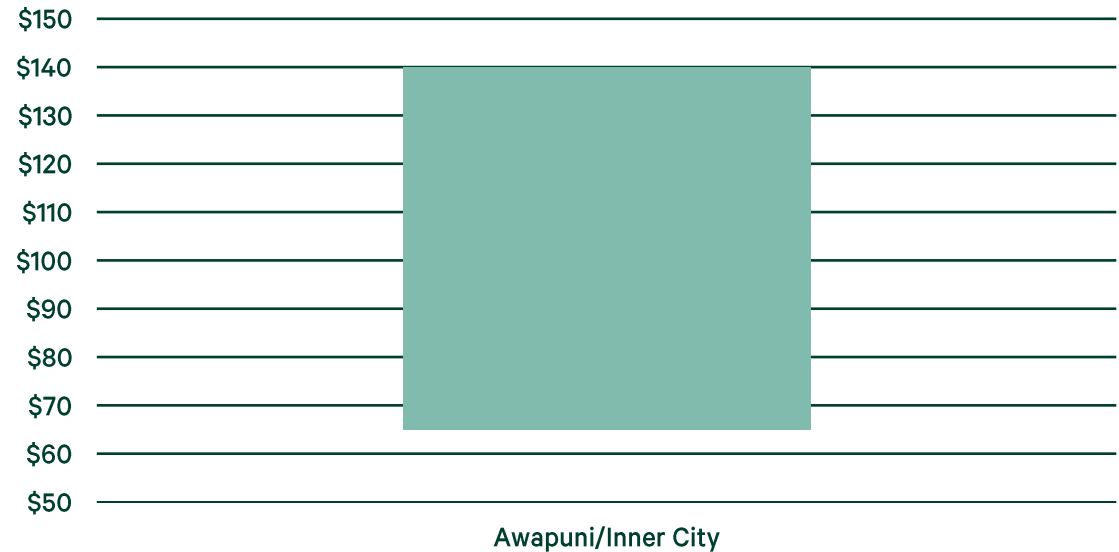
▶ **6.0-9.0%**  
Awapuni/Inner City

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	▼ Weakening	Average

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# Retail

## Gisborne

Recent vacancy levels within the city centre were measured at 17%, about a 3.0% upliftment compared to the previous six to eight months. Occupancy levels in the suburban retail pockets have softened, with an increased number of spaces becoming available due to rent increases and outgoings.

### NET YIELDS

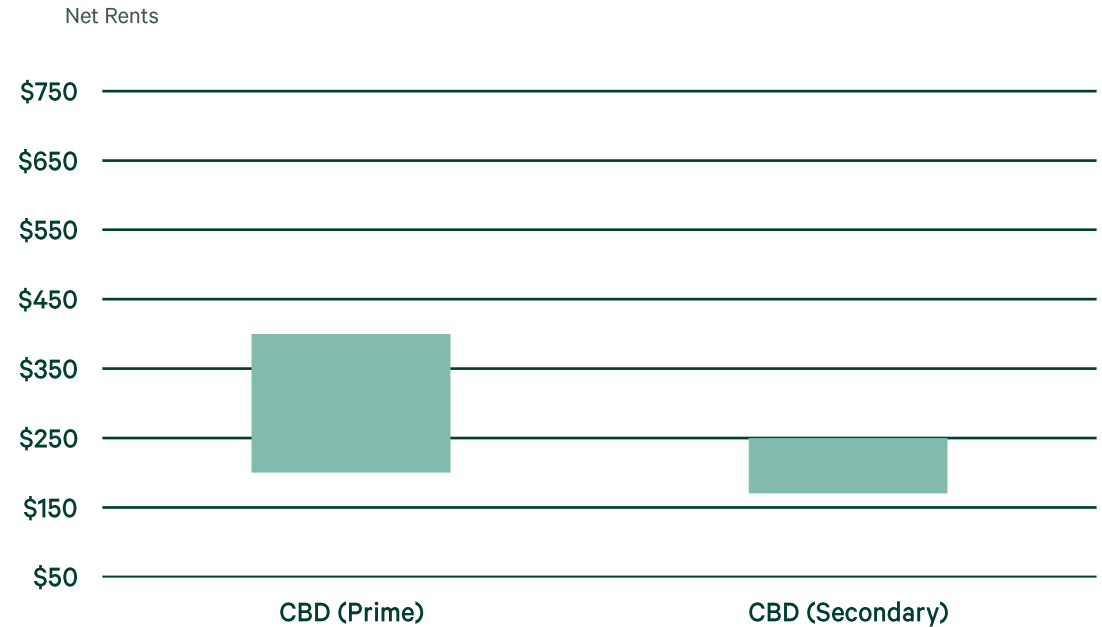
▶ 6.5-7.5%  
CBD (Prime)

▶ 7.0-9.0%  
CBD (Secondary)

Note: Arrows indicate change from previous report.

### OCCUPIER MARKET

	Market direction	Supply
CBD (Prime)	▶ Static	Limited
CBD (Secondary)	▶ Static	Limited



### INVESTOR MARKET

	Market direction	Demand
CBD (Prime)	▼ Weakening	Weak
CBD (Secondary)	▼ Weakening	Weak