

Commercial office

Frankton remains the preferred office location, particularly as the CBD office market has shown signs of softness throughout the latter half of 2024. With Queenstown expanding outward, the Frankton area has become a central hub that is more easily accessible to a majority of the workforce. This accessibility has significantly contributed to its appeal as an office destination as has the availability of parking. The growing preference for Frankton, combined with the shift towards hybrid and remote working practices, has resulted in a decreased need for traditional office space in Queenstown. These factors have contributed to static rental rates and ongoing vacancies in the CBD office market.

NET YIELDS

▶ 4.5-5.5%
Queenstown CBD

▶ 4.5-5.5%
Frankton

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Queenstown CBD	▶ Static	Moderate
Frankton	▲ Improving	Limited

Net Rents



INVESTOR MARKET

	Market direction	Demand
Queenstown CBD	▶ Static	Average
Frankton	▶ Static	Average

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Industrial

The Frankton industrial market remains at near-zero vacancy levels, with strong tenant demand and extremely limited availability of space. Significant rental growth has occurred over the past few years; however, market indicators are demonstrating a slowed rate of growth in the second half of 2024. We are witnessing more pushback from tenants during reviews, indicating limits to the increased cost pressures that operators have absorbed over the past few years. Given the economic pressures, the rate of rental growth has appeared to slow down. Strong fundamentals remain in place with limited supply and continued operator demand.

NET YIELDS

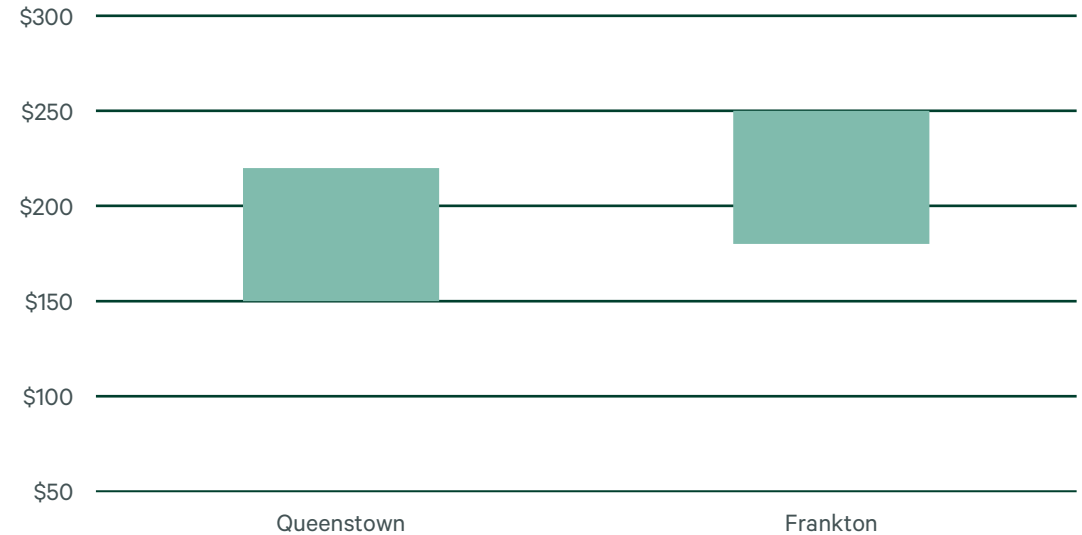
▲ 4.75-5.75% Queenstown ▲ 4.75-5.25% Frankton

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Queenstown	▲ Improving	Very limited
Frankton	▲ Improving	Very limited

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Queenstown	▶ Static	Average
Frankton	▶ Static	Very strong

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Retail

Several new leases in key locations within the Queenstown CBD have set new record rent levels. The prime retail area is now concentrated around the Rees Stress and Beach Street intersection, where recent streetscape enhancements have boosted the retail experience and pedestrian traffic. Simultaneously, some traditional retailers have shifted towards Frankton, while the CBD continues to attract prominent brands who wish to establish bricks and mortar showroom space to increase brand presence.

NET YIELDS

▲ 3.5-4.5%

Queenstown CBD (Prime)

▼ 4.5-5.5%

Queenstown CBD (Fringe)

▲ 4.75-5.75%

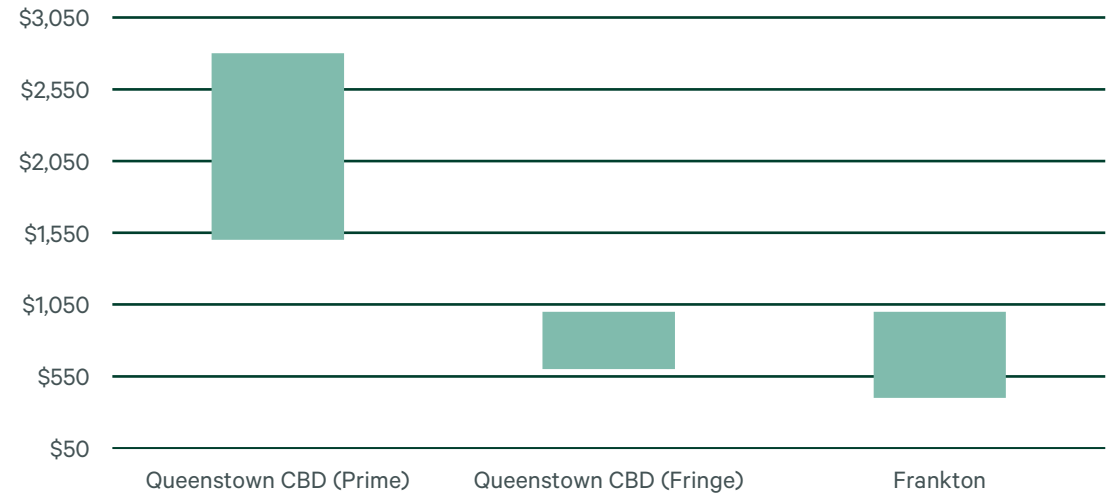
Frankton

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Queenstown CBD (Prime)	▶ Static	Very limited
Queenstown CBD (Fringe)	▶ Static	Very limited
Frankton	▶ Static	Limited

Net Rents



INVESTOR MARKET

	Market direction	Demand
Queenstown CBD (Prime)	▶ Static	Strong
Queenstown CBD (Fringe)	▶ Static	Average
Frankton	▶ Static	Average