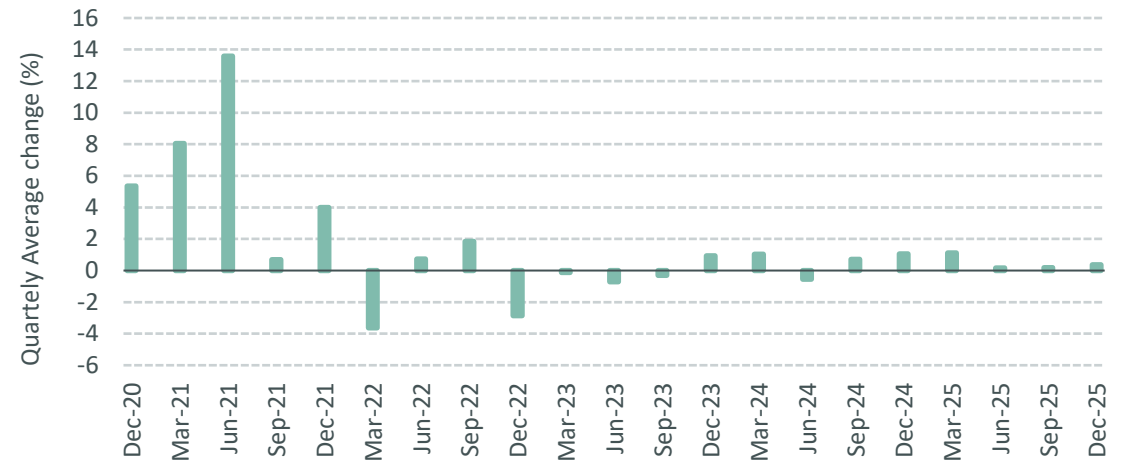


# Christchurch Property Market Overview

## KEY MARKET CHANGES

- The Christchurch CBD office vacancy rate decreased to 7.4% in H2 2025, driven by a decline in Prime CBD office vacancy, despite an increase in vacant stock in Secondary buildings. The decrease in Prime CBD vacancy was attributed to several major leases, the largest at 224 Cashel Street.
- Both the CBD and suburban office markets experienced strong leasing activity during H2 2025, as occupiers seek to optimise premises quality and location.
- The Christchurch industrial vacancy rate declined slightly to 2.1% in the second half of 2025. Vacant stock increased in Grade A buildings, mainly due to uncommitted new supply and the closure of a major manufacturer, whilst it decreased in lower quality assets due to important moves in Sydenham, Bromley, and Sockburn.
- Whilst office rents remained stable in the Prime CBD office submarket and the suburban office market, the Secondary CBD office submarket saw a 1.1% increase in net face rents. Industrial rents have remained steady in the last 18 months.
- The economy is forecast to expand in 2026, driven by increased business investment and consumer spending. Inflation is expected to be on target by year-end. Analysts believe that the RBNZ will hold the OCR at 2.25% at least for the first half of 2026, but potentially until Q2 2027.

Average Office, Retail, Industrial Capital Values – q-o-q % change



Market indicators

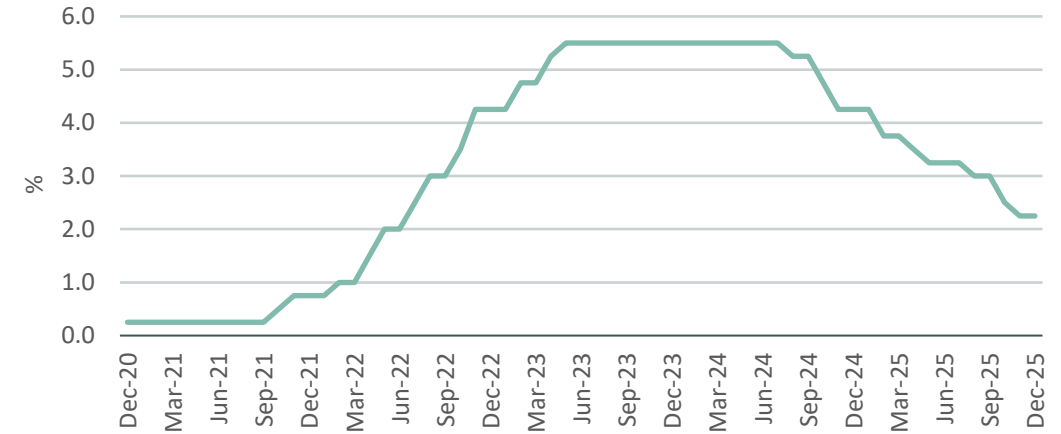
Market Sector	Stock (sqm)	Vacancy (%)	Net Face Rent (\$/sqm/yr)	Incentive (%)	Yield Range (%)
Prime CBD Office	248,400	7.6	360 – 475	4 – 8	5.95 – 7.40
Secondary CBD Office	69,456	6.7	315 – 405	8 – 9	7.15 - 8.00
Prime Suburban Office	67,851	5.6	260 – 365	8 – 9	7.00 - 8.90
Secondary Suburban Office	342,418	10.3	165 – 345	8 – 14	8.30 - 10.30
Prime Industrial	1,742,765	2.8	111 – 168	1 – 2	5.50 - 6.75
Secondary Industrial	2,856,589	1.8	72 – 140	1 – 2	6.05 - 9.10
CBD Retail	-	-	270 - 1,700	4 – 8	-
Suburban Strip Retail	-	-	220 – 700	4 – 8	5.50 – 7.75

# Economy

New Zealand's economy rebounded in Q3 2025, with GDP increasing 1.1% compared to the previous quarter, after a 1.0% decline in Q2. In its November Monetary Policy Statement, the RBNZ had predicted a 0.4% quarterly increase for Q3, considerably lower than the actual figure. Meanwhile, during Q3, 14 out of 16 industries experienced growth, a sharp contrast to the previous quarter, when most industries contracted. Services, which comprised around 75% of the total economy, went up by 0.8% in Q3 compared to the previous quarter, whilst good-producing industries increased by 2.0% and primary industries by 1.0% in the same period. This is in contrast to Q2, where all industry groups registered negative quarterly growth. At an individual industry level, important industries such as manufacturing, construction and business services experienced positive quarterly growth in Q3 (2.2%, 1.7% and 1.6%, respectively), showing a wide-ranging improvement of the New Zealand economy. When analysed by expenditure, even though private consumption remained stable, both investment and exports registered robust growth, by 3.2% and 3.3% respectively.

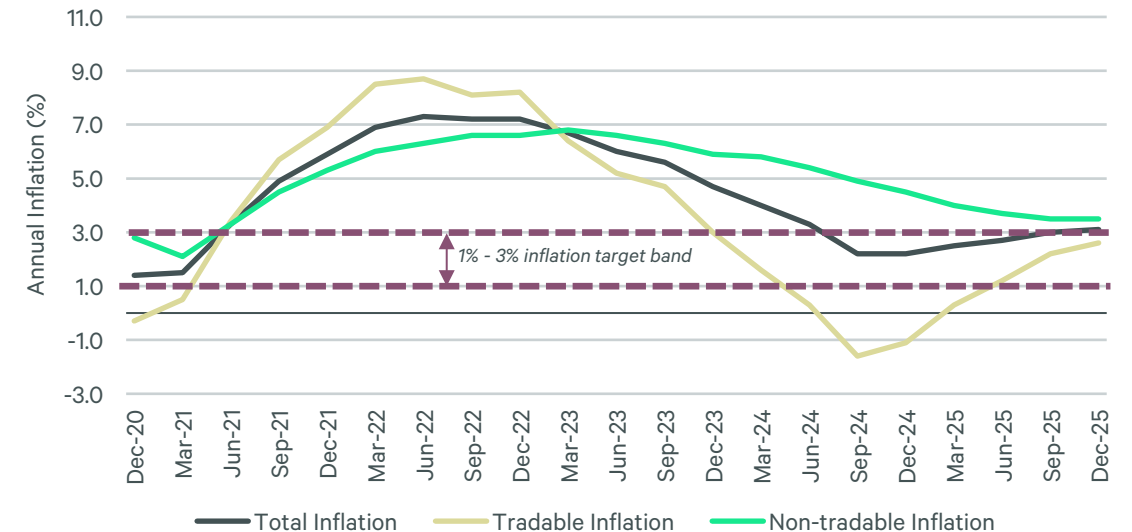
The market believes that GDP will continue to grow throughout 2026, driven by increased economic dynamism, fuelled by improved business investment and higher consumption. Although the RBNZ's monetary easing cycle has run its course, the current low interest rate environment is expected to support the New Zealand economy's recovery in 2026. Also, even though annual inflation reached 3.1% in Q4, slightly above the top end of the RBNZ's 1%-3% target band, it is expected to decrease in 2026, potentially sitting close to the midpoint by the end of the year. Analysts believe that the RBNZ's Monetary Policy Committee (MPC) will hold the OCR at 2.25% at least for the first half of 2026, but potentially until Q2 2027.

Official Cash Rate (OCR)



Source: Reserve Bank of New Zealand

New Zealand Inflation (annual % change)

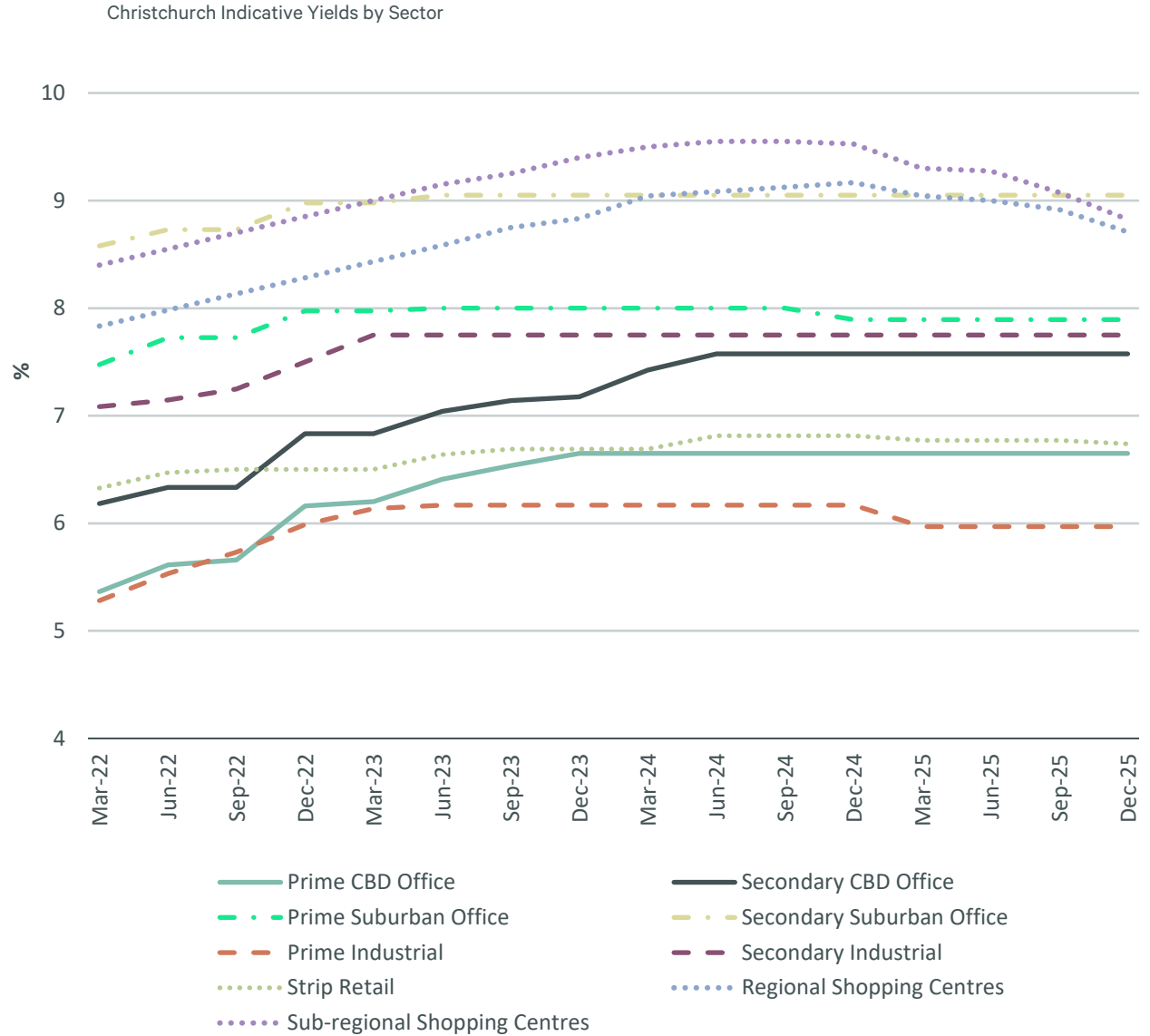


Source: Statistics New Zealand

# Investment market

The current lower interest rate environment is shifting the market towards a more transactional focus. While the interest rate easing cycle has come to an end, and focus has shifted to when, and by how much, interest rates will be rising, (with medium term rates already up by c50 bps since Q3 last year) investors still regard the lowering of debt costs compared to 18 months ago as a major tailwind for investment.

CBRE's Q4 assessment of the Christchurch investment market indicated that yields remained steady across most sectors. The only exception was the retail market. During Q4, Secondary strip retail, regional shopping centres, and sub-regional shopping centres registered firmer yields. Between Q4 and Q3, Secondary strip retail yields decreased by 3 bps. Meanwhile, regional shopping centres yields declined by 21 bps and sub-regional shopping centres yields went down by 25 bps in the same period. Higher investor confidence and increased liquidity are expected to drive up transactional activity in 2026, providing more transparent market pricing.

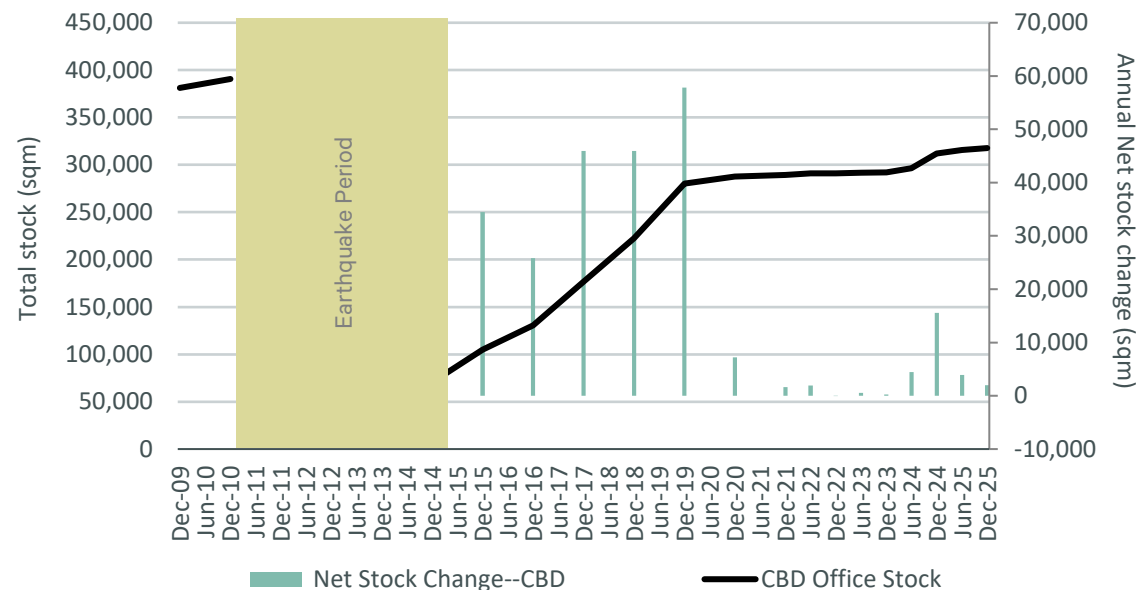


# CBD Office Stock

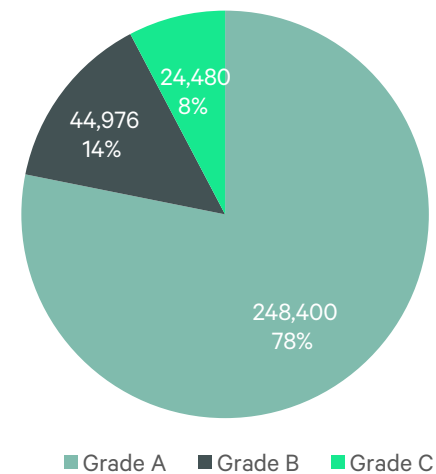
Christchurch CBD office stock started expanding in 2024, a phase that continued in 2025. This year will see a further increase in supply with approximately 10,500 sqm of Prime office space to be added to the CBD, around 8,000 sqm from new buildings and 2,500 sqm from refurbished assets. These buildings will be located in different precincts in the CBD. The largest development is 107 Cambridge Terrace, located in the West End, a 5,500-sqm new build. The other two are 79 Hereford Street, a 2,500-sqm refurbished building in the Core precinct, and 209-211 High Street, a 2,500-sqm new build located in the Frame precinct. Additionally, two new developments are planned for next year, including 56 Worcester Street in the West End, which will be the largest office development planned for Christchurch in the last few years, at 11,000 sqm over 11-stories. The other building for next year is 116 Worcester Street, a 4,200-sqm refurbished asset.

The total office stock in Christchurch CBD is approximately 318,000 sqm. During H2 2025, there was a net increase of 2,013 sqm, driven by the completion of 200 High Street, a 2,217-sqm new building located in the Core precinct and owner occupied by Treshna Enterprises. This increase in stock was offset by 232 sqm of office space converted into retail space and 280 sqm into residential space. Also, 308 sqm of retail space was converted into office space. In relation to the stock's composition, 78% of the CBD office stock is Grade A, 14% is Grade B, and the remaining 8% is Grade C. This distribution has largely remained stable over the past few years.

Christchurch CBD Office Net Supply Changes



Christchurch CBD Office Quality by Composition (H2 2025)



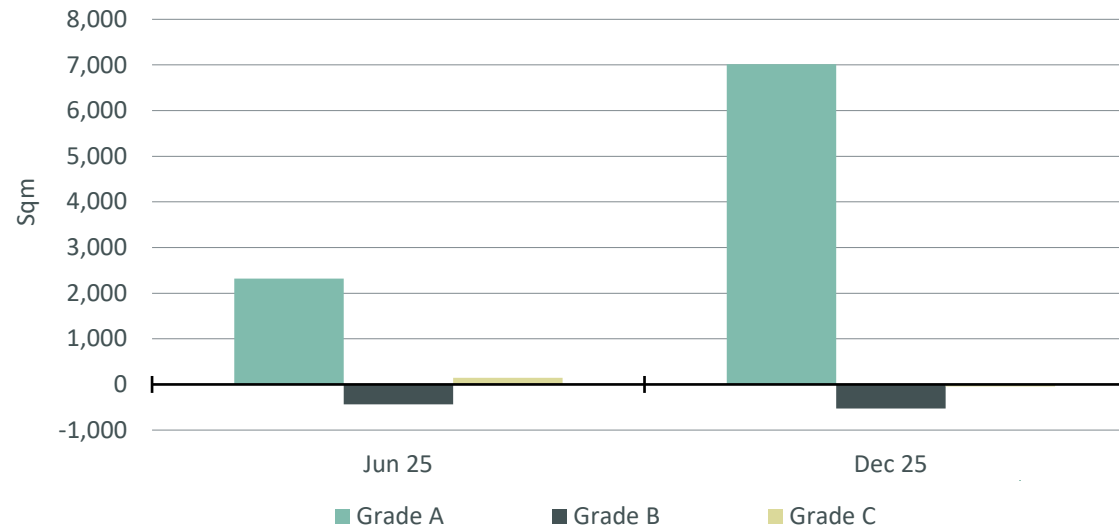
## CBD Office Net Absorption

During H2 2025, net absorption in the Christchurch’s CBD office market was higher compared to the previous period. It reached 6,446 sqm, exceeding the first half of last year's level by 4,417 sqm. Prime (Grade A) reached 7,017 sqm, the highest level in the last five years. However, this was slightly offset by a loss of 571 sqm in the Secondary (Grades B and C) submarket.

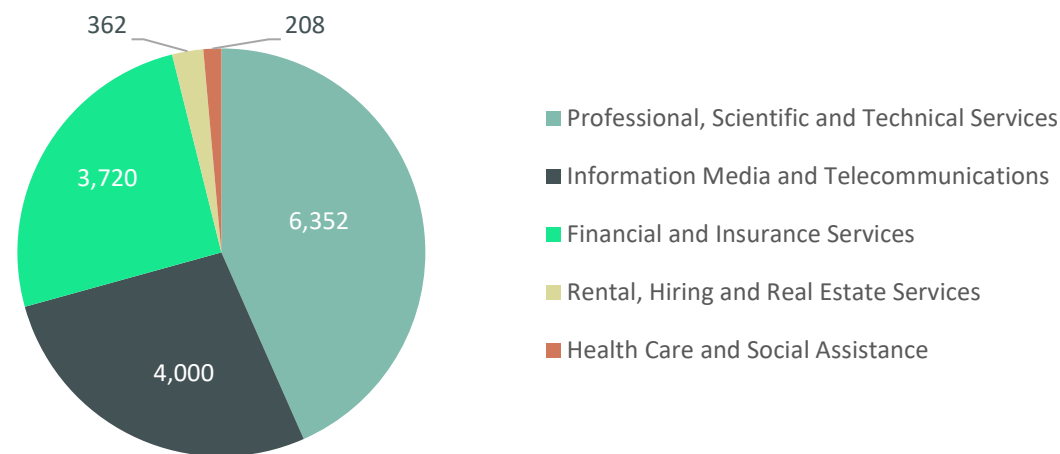
Prime net absorption was supported primarily by the take up of previously vacant space in buildings that entered the market in the last 12 months and also by the introduction of a fully occupied new building in H2. The most important move happened in 224 Cashel Street, a 14,000-sqm refurbished building that entered the market with no pre-commitments in H2 2024. Seequent leased the top two floors in this building (4,000 sqm of office space). Other important new occupancies in the Prime submarket included Kiwibank leasing 1,105 sqm at 213-221 Tuam Street, ICIB Brokerweb moving into 99-119 Cashel Street (800 sqm), and Mott MacDonald taking up 493 sqm at 159 Hereford Street. Additionally, Treshna Enterprises moved into their new building at 200 High Street, occupying 2,217 sqm of Prime office space. In terms of Secondary net absorption, the most important moves included Datastar occupying 483 sqm at 158 Gloucester Street and TSArchitects moving into 339 St Asaph Street (310 sqm). Overall, gross absorption during H2 2025 reached over 14,500 sqm across 36 new occupancies, higher than in H1.

During the first half of this year, the industry that registered the highest take up of space in the CBD office market was professional, scientific, and technical services, totalling 6,352 sqm. It was followed by information, media and telecommunications (4,000 sqm) and financial and insurance services (3,720 sqm).

Christchurch CBD Office Net Absorption by Grade



New Take Up by Industry in H2 2025 (sqm of top five)



# CBD Office Vacancy

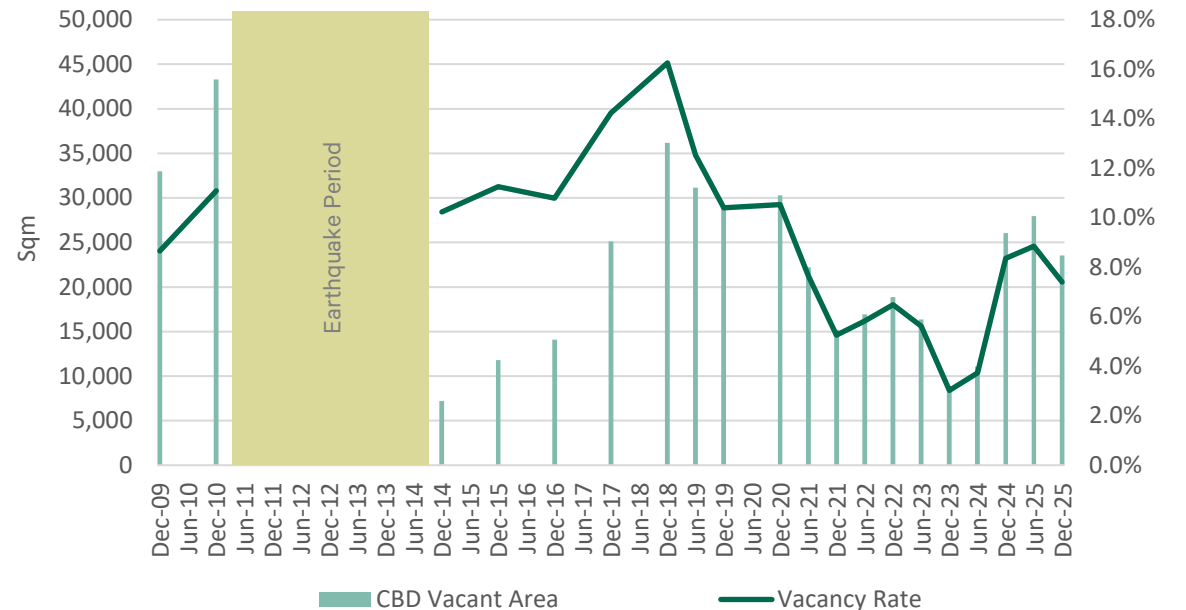
During H2 2025, Christchurch CBD office vacancy decreased, moving to 7.4% from 8.9% (a 4,433 sqm decrease). This is the first drop in vacancy since H2 2023. This was driven by a decline in Prime CBD office vacancy by circa 5,000 sqm. However, this was slightly offset by an increase in Secondary CBD office vacancy, which went up by around 600 sqm. In contrast to previous periods, during H2 the market did not receive any un-committed (or partially un-committed) new or refurbished buildings, something that pushed vacancy up in previous periods. The only building that entered the market in H2 was 200 High Street, which was fully occupied by a software development company. CBRE’s definition of vacancy encompasses space that is both physically vacant and available for lease.

Prime office vacancy in Christchurch’s CBD went down to 7.6% from 9.7% during H2. The moves that brought Prime vacancy down included Seequent leasing 4,000 sqm at 224 Cashel Street, Kiwibank taking up 1,105 sqm at 213-221 Tuam Street, Mott MacDonald leasing 493 sqm at 159 Hereford Street, Bank of China taking up 277 sqm at 172 Cashel Street, and Rider Levett Bucknall leasing 248 sqm at 159 Hereford Street. More than half of the Prime CBD office vacant stock was concentrated in 224 Cashel Street (10,000 sqm out of 18,848 sqm), a 14,000-sqm refurbished building that entered the market with no pre-commitments in H2 2024. In contrast, Secondary office vacancy increased during H2, moving up to 6.7% from 5.9%, prompted primarily by several companies leaving behind vacant space due to relocations: Bank of China left behind 276 sqm at 678 Colombo Street to move to 172 Cashel Street, and Mott MacDonald vacated 219 sqm at 152 Oxford Terrace to move to 159 Hereford Street.

CBD Office Vacancy by Grade

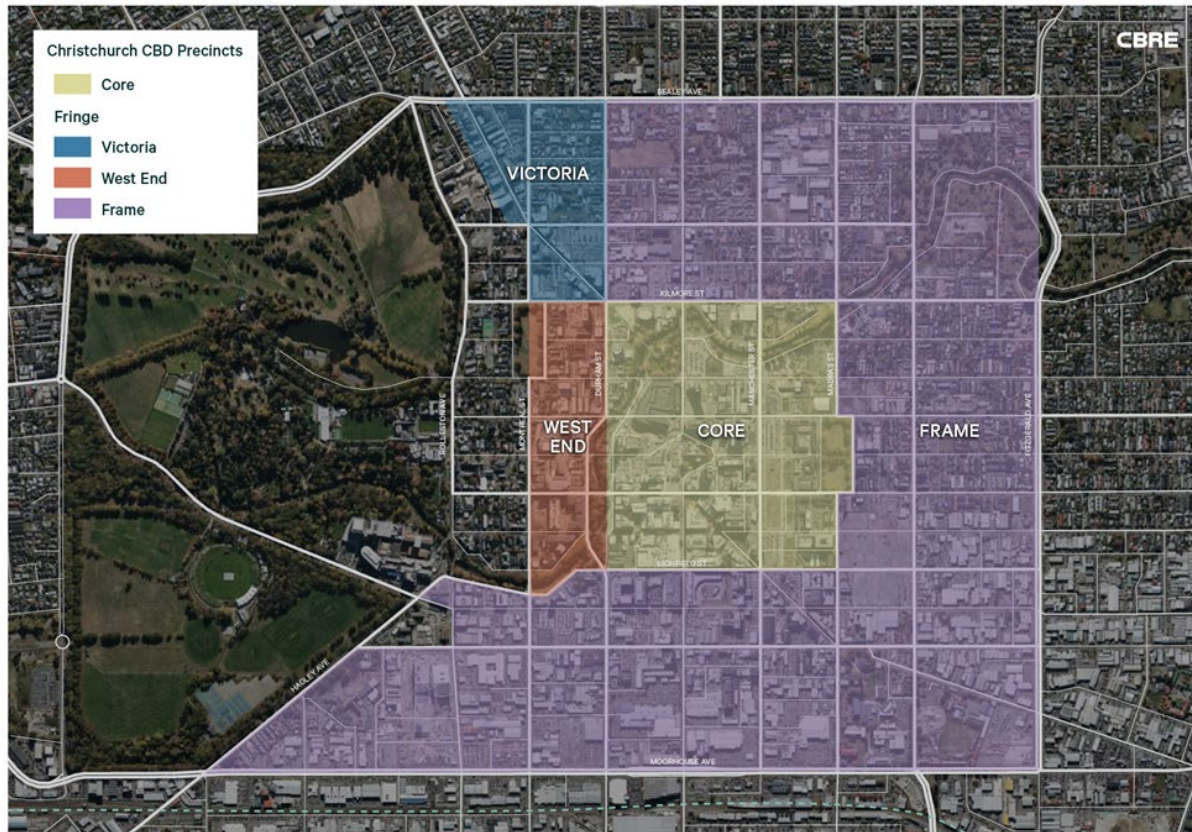
		Grade A	Grade B	Grade C	Total
Vacancy – June 2025	%	9.7%	5.8%	6.1%	8.9%
	sqm	23,881	2,588	1,494	27,963
Vacancy – December 2025	%	7.6%	7.0%	6.3%	7.4%
	sqm	18,848	3,143	1,538	23,529

CBD Office Vacancy



# CBD Office Vacancy by Precinct

During H2 2025, office vacancy decreased in the Core and Frame precincts, reaching 13.1% and 4.4%, respectively. Out of the total vacant stock in the Christchurch CBD office market, 59% is located in the Core precinct, followed by 17% in Frame, 16% in Victoria and 9% in West End. Despite going up in the second half of this year, the West End precinct continues to have the lowest vacancy rate in Christchurch’s CBD (2.4%). This remains a sought-after precinct for professional services companies.



Core Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy – June 2025	%	21.2%	2.5%	0.0%	17.2%
	sqm	17,526	483	0	18,009
Vacancy – December 2025	%	15.4%	5.2%	0.0%	13.1%
	sqm	12,728	999	0	13,727

West End Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy – June 2025	%	1.6%	0.0%	14.3%	2.0%
	sqm	1,239	0	429	1,668
Vacancy – December 2025	%	2.4%	0.0%	6.8%	2.4%
	sqm	1,827	0	203	2,030

Victoria Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy – June 2025	%	4.4%	12.3%	23.6%	9.6%
	sqm	844	1,572	1,065	3,481
Vacancy – December 2025	%	4.4%	12.6%	28.0%	10.2%
	sqm	844	1,572	1,265	3,681

Frame Precinct Vacancy by Grade

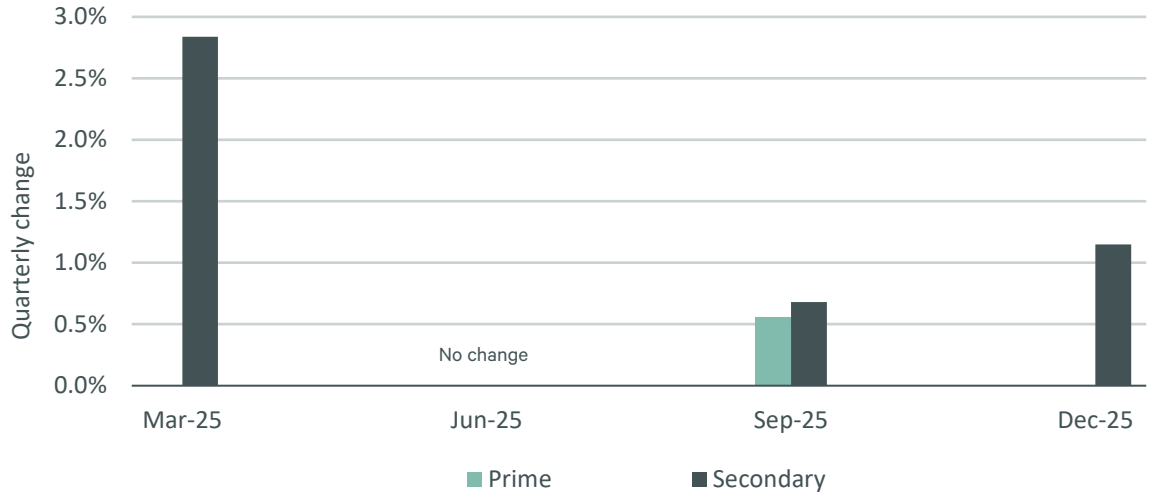
		Grade A	Grade B	Grade C	Total
Vacancy – June 2025	%	6.2%	7.2%	0.0%	5.3%
	sqm	4,272	533	0	4,805
Vacancy – December 2025	%	5.0%	5.6%	0.5%	4.4%
	sqm	3,450	419	70	3,939

# CBD Office Rents

Building on Q3, the Secondary CBD office submarket experienced further rental growth in Q4. This pushed CBD Secondary net face office rent up to \$368 per sqm in Q4, up by 1.1% compared to Q3. Meanwhile, CBD Prime net face office rents remained stable at \$415 per sqm. Rental growth is expected to continue in the coming periods, driven by new stock coming to the market, dictating higher rents.

Similar to the previous period, incentives remained unchanged during Q4 2025. According to CBRE’s assessment, Prime indicative market incentives remained unchanged at 5.0% of face rents, whilst Secondary indicative market incentives remained stable at 8.6% of face rents.

CBD Net Effective Office Rents – Quarterly Change



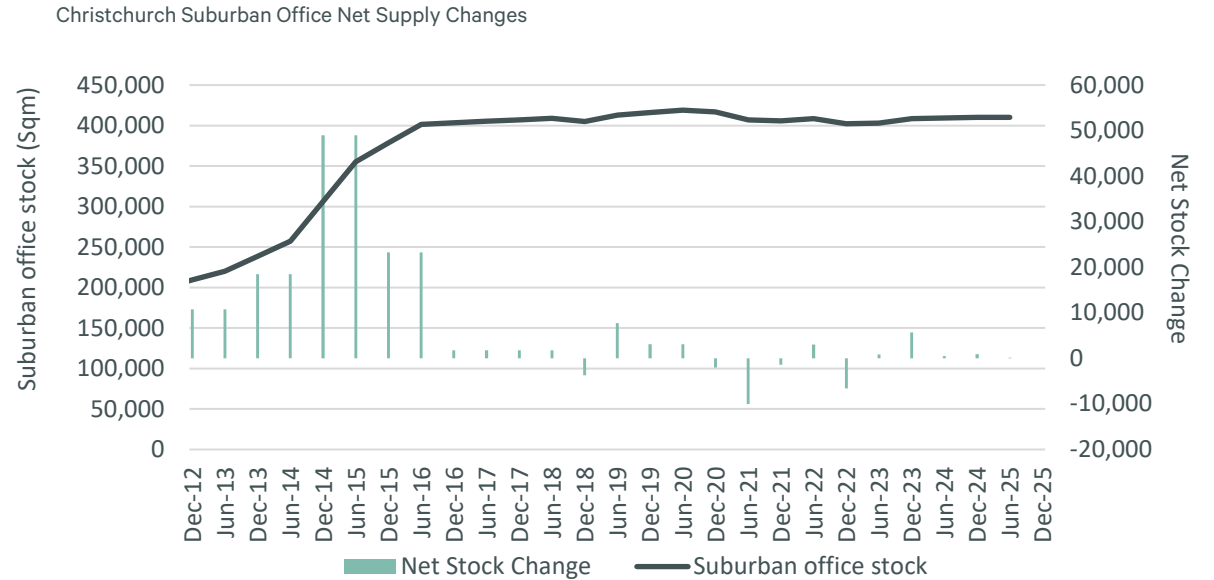
CBD Net Effective Office Rents



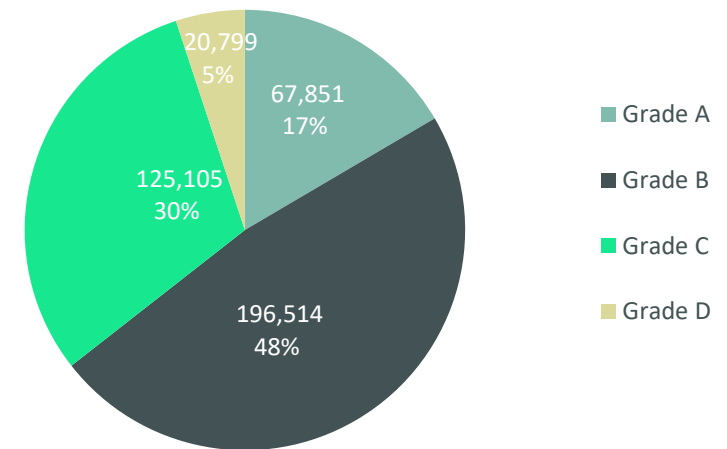
# Suburban Office Stock

During H2 2025, there was a net increase of only 176 sqm in the Christchurch suburban office stock, totalling 410,269 sqm. This follows the 924 sqm net increase in the first half of last year. The main factor driving the increase during H2 was the return of 476 sqm of Grade D refurbished office space at 18 Winston Avenue in Papanui. This was offset by 300 sqm of Grade C office space at 240 St Asaph Street converted into residential space.

During the second half of last year, 48% of the suburban office stock was Grade B, whilst 30% was Grade C, 17% was Grade A, and the remaining 5% was Grade D. This composition has shown little variation over the last three years.



Christchurch Suburban Office Quality by Composition (H2 2025)



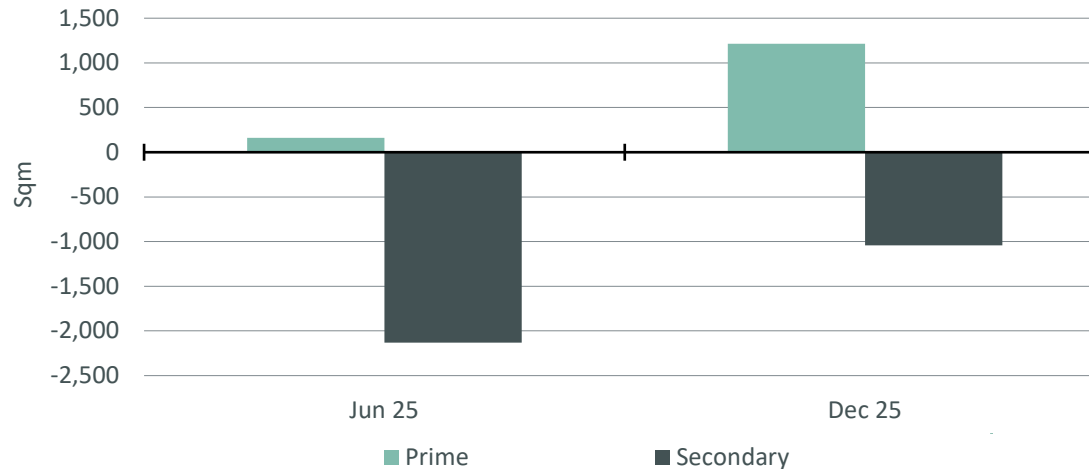
## Suburban Office Net Absorption

Following two consecutive periods with negative net absorption levels, H2 2025 saw net absorption returning to positive territory (170 sqm). This was primarily driven by a positive net absorption in the Prime (Grade A) office submarket, which reached 1,213 sqm, the highest level since H2 2022. Meanwhile, Secondary net absorption was negative across most suburban office submarkets, with Grade C and D registering negative net absorption levels of -874 sqm and -362 sqm, respectively, while Grade B reported a positive net absorption of 192 sqm.

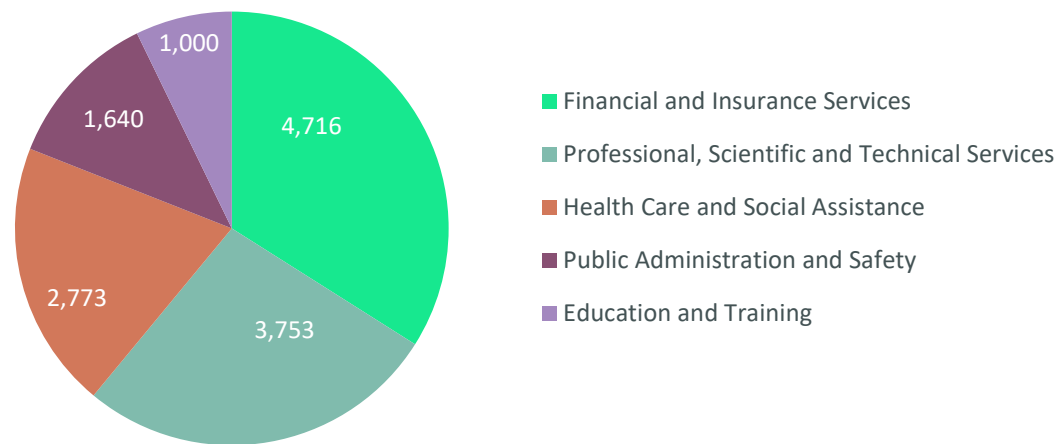
The Christchurch suburban office market witnessed strong leasing activity during H2, with almost 20,000 sqm of gross absorption, above the level registered during the first half of last year (circa 16,000 sqm). In relation to new take up (gross absorption) in the Prime suburban office submarket, the most relevant move was by IAG moving into 1,382 sqm at 14 Show Place in Addington. Meanwhile, the most relevant moves in the Secondary submarket included Stepping Stone Trust (non-profit mental health organization) moving into 2,400 sqm of Grade B office space at 2 Barry Hogan Place in Addington, the Electoral Commission occupying 1,640 sqm of Grade C space in the City Fringe East, and the NZ School of Tourism moving into 1,000 sqm of Grade B space in the City Fringe West.

The industry that recorded the highest take up of Suburban office space during H2 2025 was financial and insurance services, with a total of 4,716 sqm, followed by professional, scientific and technical services (3,753 sqm), and health care and social assistance (2,773 sqm).

Christchurch Suburban Office Net Absorption by Grade



New Take Up by Industry in H2 2025 (sqm of top five)



# Suburban Office Vacancy

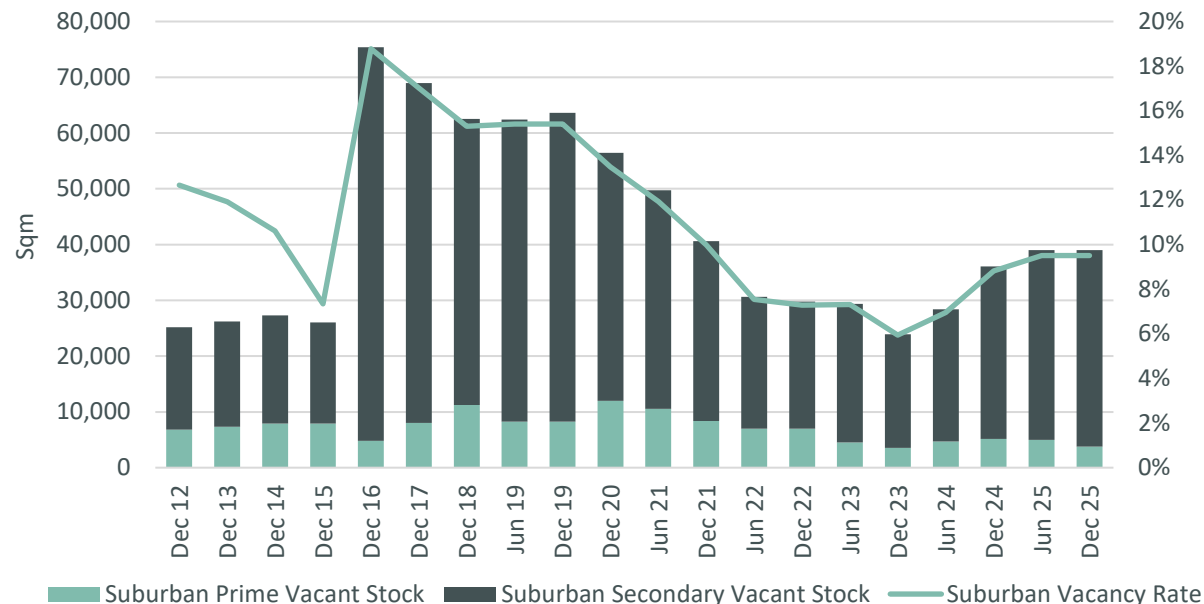
After rising steadily since the first half of 2024, suburban office vacancy plateaued during H2 2025, remaining stable at 9.5%. Total vacant space sat at 38,997 sqm during H2, less than 10 sqm higher compared to H1, driven by a decrease in Prime office vacancy by 1,213 sqm and a rise in Secondary office vacancy by 1,220 sqm, mainly in Grade C and D. Prime suburban office vacancy went down to 5.6% from 7.4% during H2, whilst Secondary vacancy increased to 10.3% from 9.9%.

The most important moves in the Prime suburban office submarket during H2 included Ray White moving into 525 sqm at 110 Wrights Road in Addington, Re-Generate (an engineering firm) occupying 453 sqm at 118 Wrights Road, and Masthead Limited (an investment firm) moving into 339 sqm at Hazeldean Business Park. In contrast, the most relevant moves in the Secondary submarket included TREC vacating 1,136 sqm of Grade B office space at 11 Deans Avenue in Addington, Heartland Bank moving out of 800 sqm of Grade D space at 75 Riccarton Road in Riccarton, and Hawkins Construction vacating 600 sqm of Grade B office space at 14 Barry Hogan Place in Addington.

Suburban Office Vacancy by Grade

		Grade A	Grade B	Grade C	Grade D	Total
Vacancy – June 2025	%	7.4%	7.9%	12.9%	11.1%	9.5%
	sqm	5,010	15,576	16,150	2,254	38,991
Vacancy – December 2025	%	5.6%	7.8%	13.4%	14.9%	9.5%
	sqm	3,797	15,384	16,724	3,092	38,997

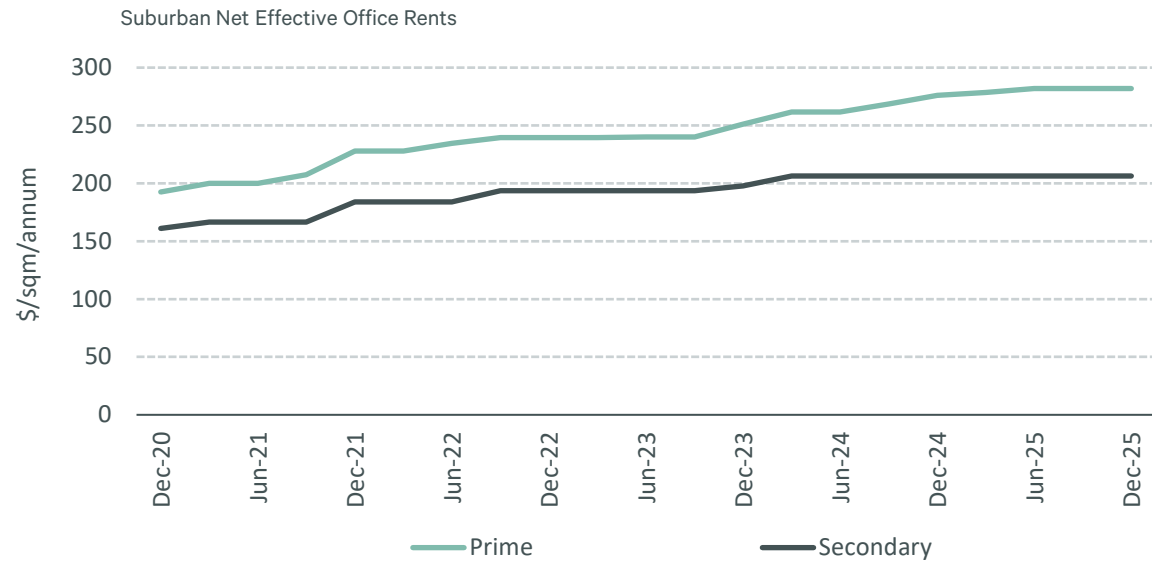
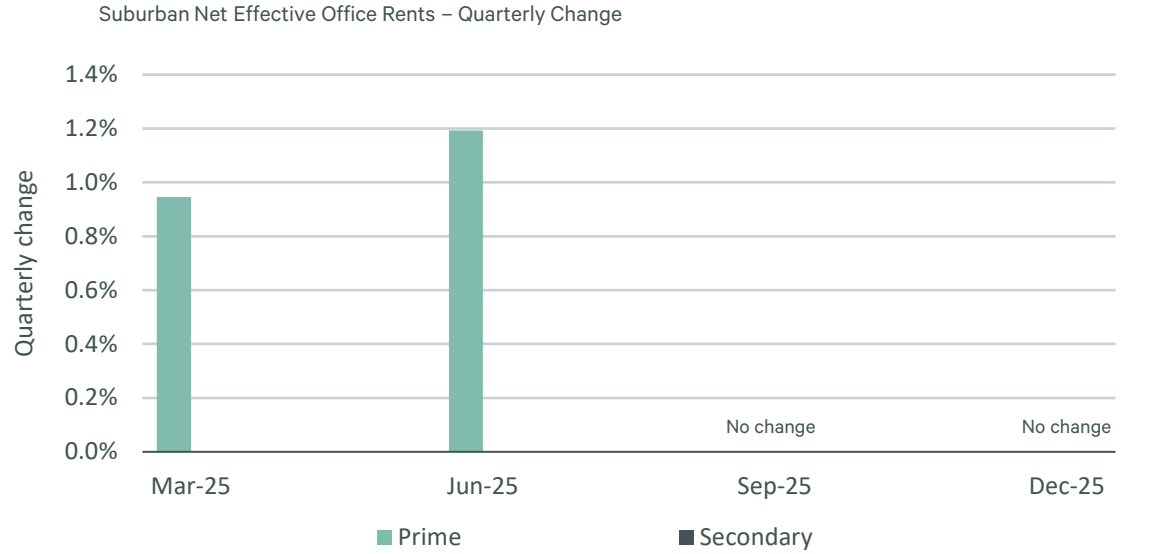
Suburban Office Vacancy



# Suburban Office Rents

Despite good demand levels for high-quality office space in specific pockets of the Christchurch suburban office market, such as Hazeldean Business Park and Show Place, rents remained stable in both Q4 and Q3 2025. Net effective rents are \$282 per sqm for Prime, and \$206 per sqm for Secondary office space.

Incentives in both Prime and Secondary buildings remained unaltered in Q4. According to CBRE's assessment, Prime indicative market incentives were 8.3% of face rents, while Secondary indicative market incentives remained at 12.3% of face rents.

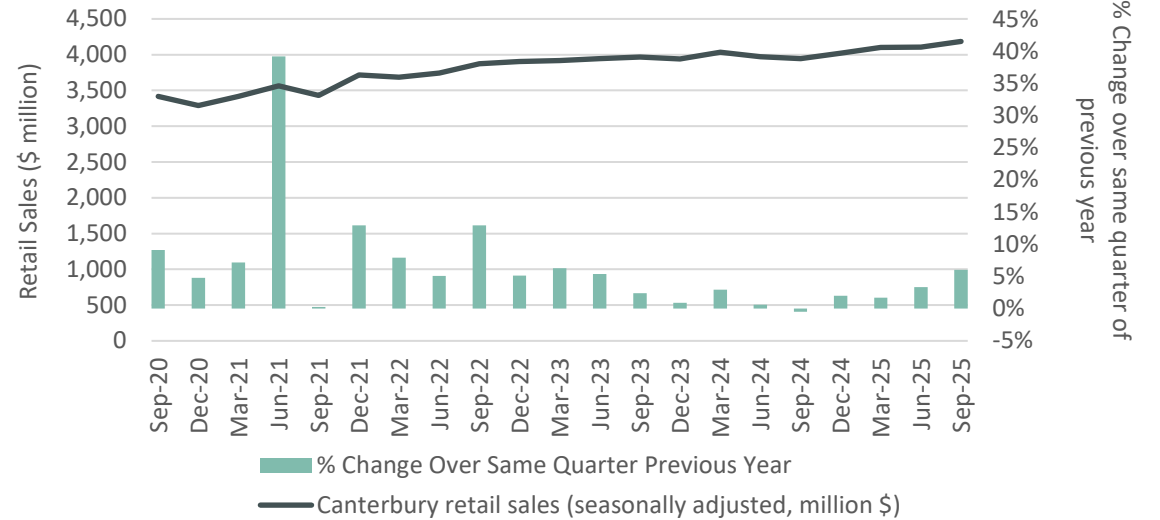


# Retail Sales

In the year up to September 2025, retail sales in Canterbury increased by 3.3% compared to the previous 12-month period. The figures for Auckland and the Wellington region were also positive during this period (1.8% and 0.8%, respectively), albeit more modest. Canterbury continued to outperform these regions, driven by a good performance of its agricultural sector. However, even though consumer confidence is improving in all three regions, it remains below its long-term average.

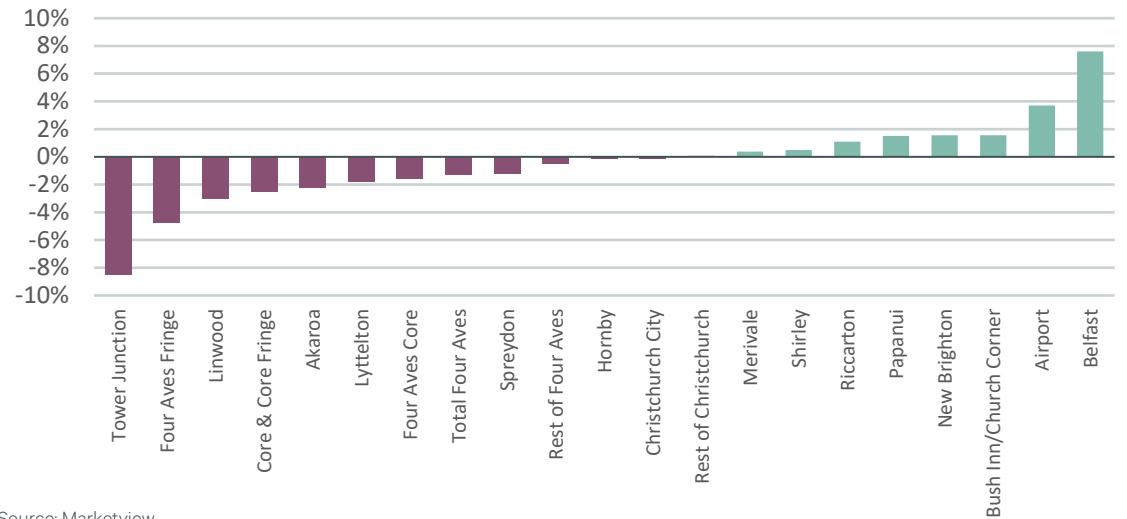
At a territorial authority level, in the year ending November 2025 retail spending in Christchurch decreased by 0.1% compared to the previous year. By area, Belfast saw the highest growth rate at 7.6%, followed by the area around the Airport (3.7%) and Bush Inn/Church Corner (1.6%). In addition, retail spending in Christchurch’s Central City went down by 2.5% during this period.

Canterbury Retail Sales



Source: Statistics New Zealand

Spending Growth by Area (YE November 2025 vs YE November 2024)

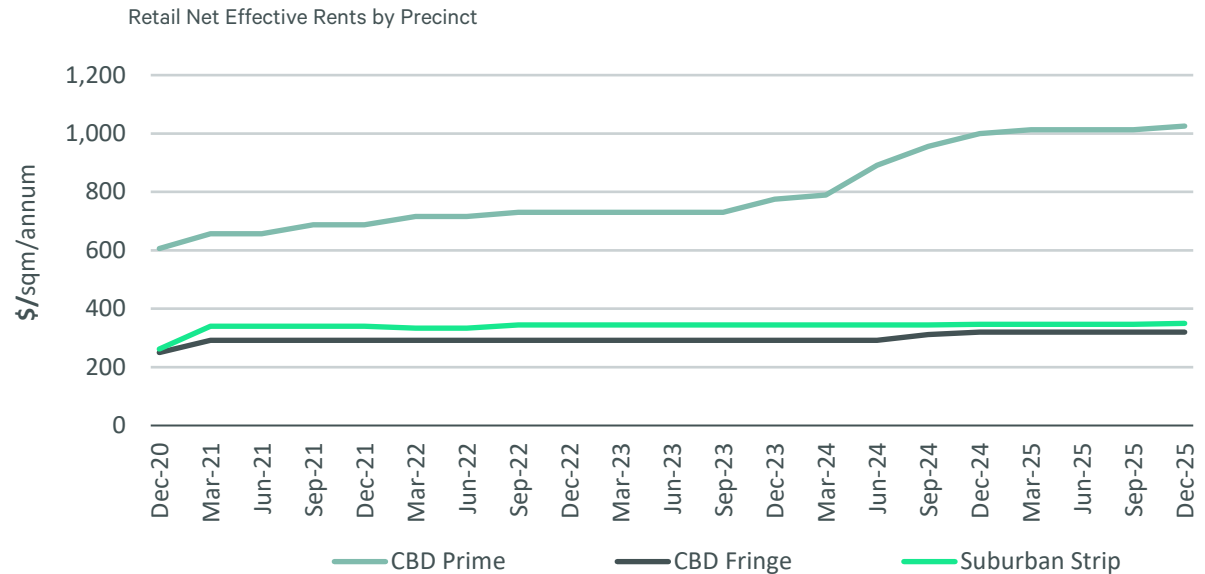
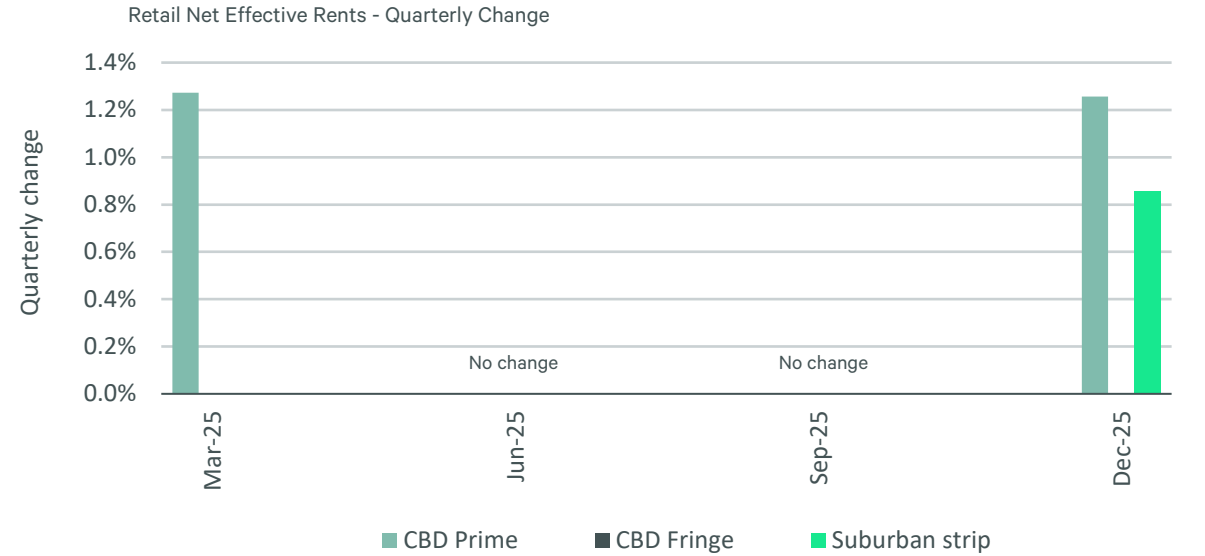


Source: Marketview

# Retail Rents

Following two quarters with stable rents, Christchurch's retail market registered rental growth once again in the last quarter of this year. During Q4, net effective rents in Prime CBD retail locations rose to \$1,026 per sqm, 1.3% higher than in Q3. These locations continued to benefit from high demand levels and low vacancy. Net effective rents in the suburban strip submarket rose by 0.5% to \$347 per sqm, mainly driven by robust demand in Sydenham and Merivale. Meanwhile, retail locations in the CBD Fringe did not register any rental growth in Q4 due to subdued demand.

According to CBRE's assessment, incentives remained unchanged in Q4, at 4.2% of face rents for Prime CBD retail assets, 8.3% of face rents for Fringe locations and 7.4% of face rents for Suburban Strip locations.



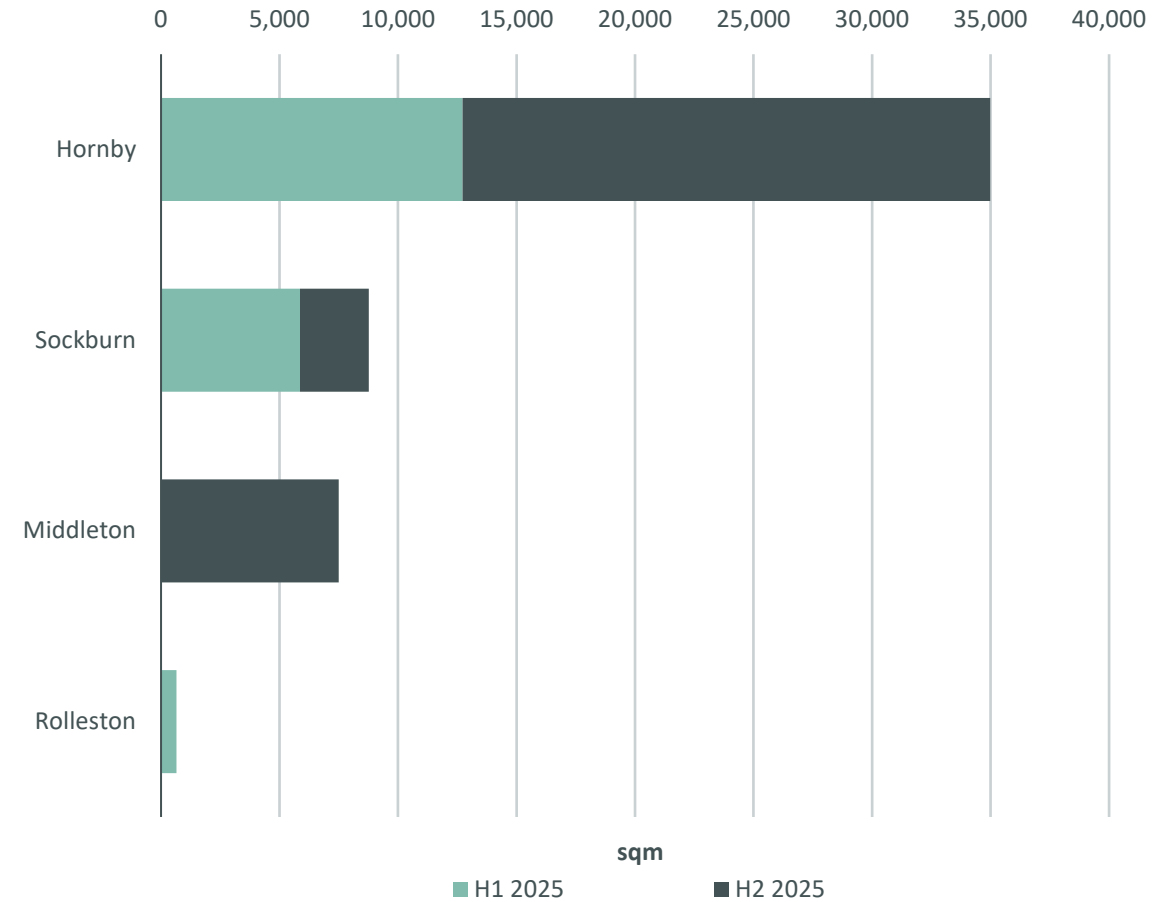
# Industrial New Supply

During 2025, Christchurch’s industrial market registered the addition of 51,906 sqm of new stock. A total of 19,235 sqm were introduced during the first half of last year, whilst 32,671 sqm were added during the second half. This was partially offset by the demolition of two industrial assets during H1 2025: a 8,910 sqm Grade C light manufacturing industrial building in Waltham and a 788 sqm Grade D asset in Christchurch Central. No industrial buildings above 500 sqm were demolished during H2 2025.

Only Hornby, Sockburn, and Middleton witnessed the arrival of new industrial space in H2 2025. Following the trends of previous periods, Christchurch continued to lack geographical diversification in its new industrial stock. Most of the new industrial supply continued to be concentrated in Hornby, which witnessed during H2 the arrival of 22,267 sqm of new industrial space through five new assets. During H1, Hornby only registered the introduction of 12,720 sqm of new stock (also in five buildings). Middleton increased its industrial stock by 7,500 sqm with the completion of HamiltonJet’s new production facility at 20 Lunns Road. Also, Sockburn saw its industrial stock going up by 2,904 sqm through two new assets on Waterloo Road.

Hornby saw the completion of the largest industrial building in Christchurch during the second half of last year, 20 Aruhe Road, a 10,300 sqm warehouse in Islington occupied by Cottonsoft. The other completed buildings exceeding 5,000 sqm were 14 Gallagher Drive (also in Hornby), a new 6,640 sqm distribution centre occupied by Summit Steel and Wire, and the previously mentioned asset built by HamiltonJet at Lunns Road in Middleton (7,500 sqm).

New Industrial Supply



# Industrial Net Absorption

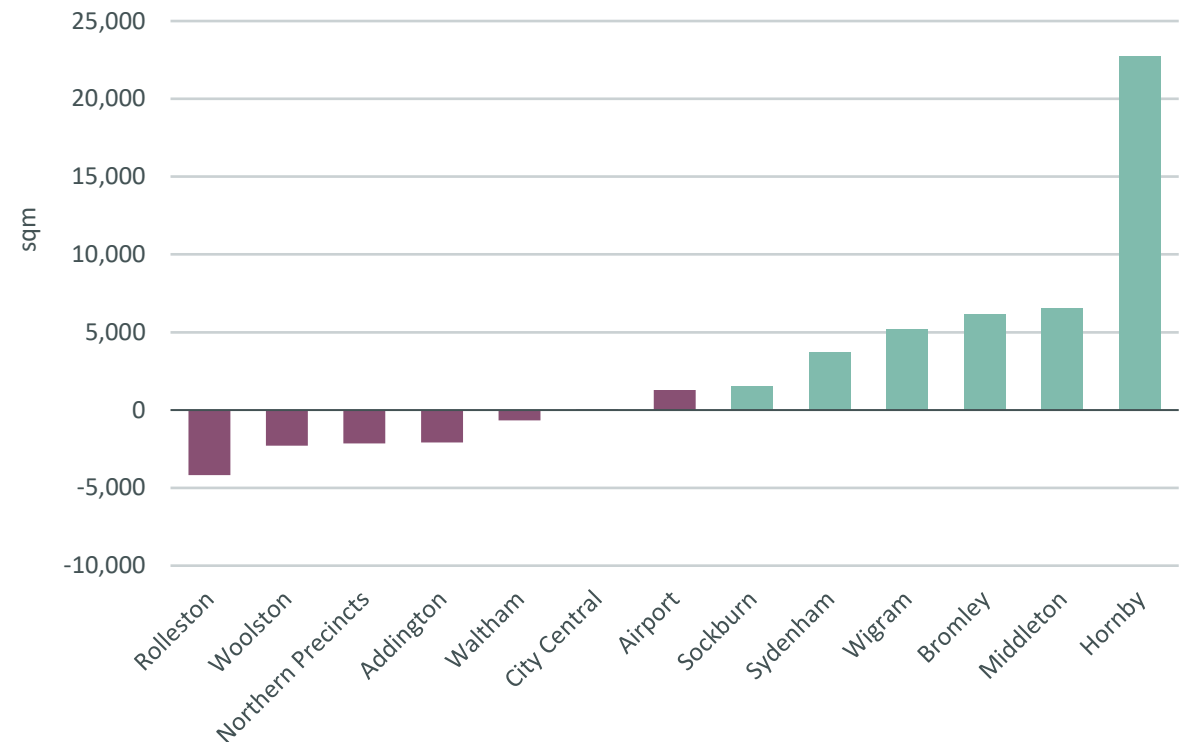
The Christchurch industrial market saw a shift to positive total net absorption after two consecutive periods in negative territory. During H2 2025, total net absorption increased to 35,762 sqm, moving from -15,388 sqm in H1. However, it still remained below the average biannual net absorption over the last five years (circa 42,000 sqm). This positive result was mainly driven by high net absorption levels in the Prime (Grade A) industrial submarket, which reached close to 28,400 sqm during H2, supported by the introduction of new industrial stock. Of the eight completed industrial buildings during the second half of last year, five were fully committed. Hornby recorded the largest positive net absorption level during H2, at nearly 22,800 sqm, followed by Middleton (6,517 sqm) and Bromley (6,130 sqm).

Net absorption in the Secondary (Grade B and C/D) industrial submarket was also positive during H2, reaching 7,416 sqm. Grade C/D experienced positive net absorption levels, increasing to 8,072 sqm during H2. Sydenham and Bromley, suburbs characterised by low quality industrial stock, recorded the highest levels during this period, reaching 3,680 sqm and 2,780 sqm, respectively. Meanwhile, net absorption in the Grade B submarket remained in negative territory during H2, albeit less negative compared to the previous period.

Industrial Net Absorption by Grade

	Total	Grade A	Grade B	Grade C/D
June 2025	-15,388	5,852	-2,400	-18,840
December 2025	35,762	28,346	-657	8,072

Industrial Net Absorption by Precinct—H2 2025



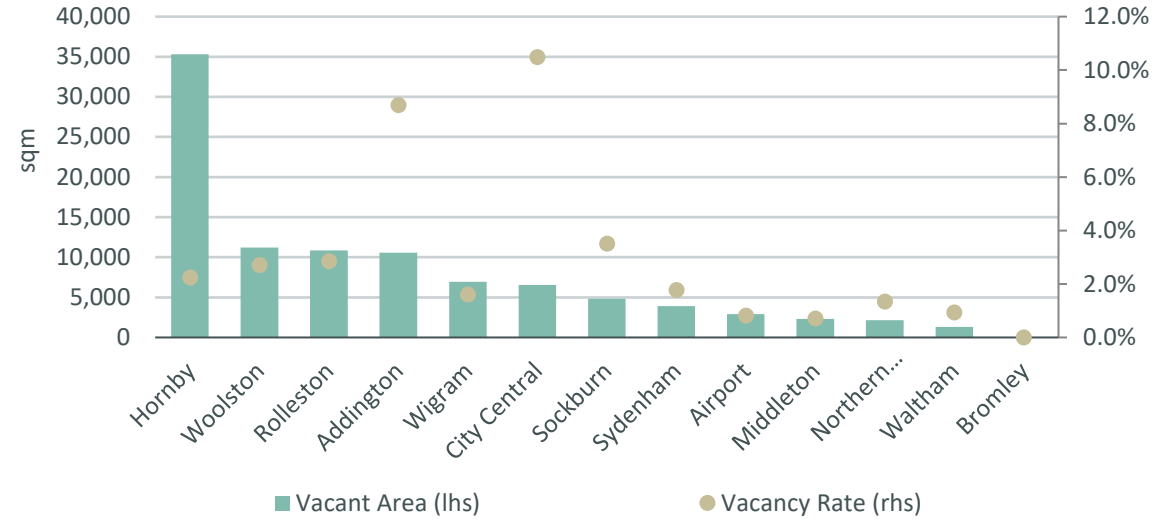
# Industrial Vacancy

Following three consecutive periods of increasing levels, Christchurch industrial vacancy decreased to 2.1% from 2.2% during H2 2025, sitting on par with the average vacancy rate over the last five years. During this period, industrial vacancy registered a divergence across submarkets. Whilst vacant space increased in Grade A buildings, which experienced a 4,940 sqm rise in vacant stock, vacant space in Grade B buildings remained largely unchanged and vacant stock in Grade C/D assets decreased considerably, going down by 8,072 sqm. Of the 13 precincts, vacancies increased in seven, remained unchanged in one, and decreased in five. The precinct with the highest vacancy rate continued to be City Central (10.5%), followed by Addington (8.7%) and Sockburn (3.5%).

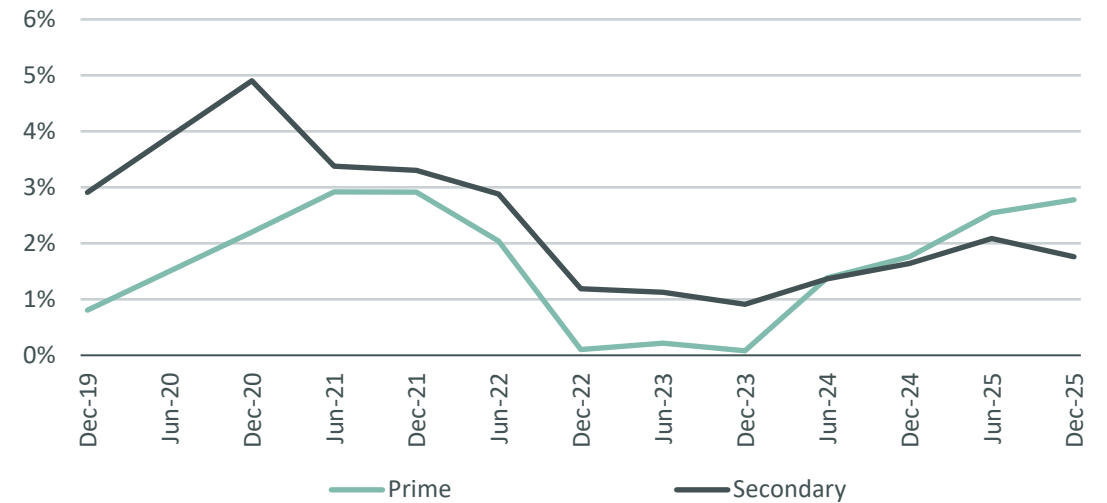
Prime industrial vacancy increased to 2.8% from 2.5% during the second half of last year. This was mainly driven by the closure of Wimpex, New Zealand’s largest manufacturer of dry food packaging, and also by new un-committed stock. Before going into liquidation, Wimpex occupied 11,765 sqm across three different buildings on Innovation Road in Hornby. Also, three new buildings completed in H2 remained vacant: two in Sockburn at 491 Waterloo Road (2,044 sqm) and 51 Waterloo Road (860 sqm), and one in Hornby at 35 Mania Road (1,532 sqm). Other important moves during H2 occurred at 268A Main South Road in Hornby, where NEXT Generation Windows & Doors vacated 3,965 sqm, at 652 Halswell Junction Road, with CEVA Logistics leaving behind 2,250 sqm, at 66 Kennaway Road, where Paramount Safety Products vacated 2,200 sqm, and 66A Izone Drive in Rolleston, with Farmlands vacating 1,800 sqm.

During H2, Secondary industrial vacancy went down to 1.8% from 2.1%. This was the first time Secondary vacancy declined since H2 2023. The main moves in the Grade C/D submarket occurred in Sydenham, where five previously vacant buildings were occupied (circa 5,000 sqm) on Antigua Street, Montreal Street, Byron Street, and Coleridge Street. This was followed by a move in Bromley, where Gill Joinery occupied 2,780 sqm at 181 Maces Road, and multiple tenants moving into 1,542 sqm at 75 Main South Road in Sockburn.

Industrial Vacancy by Precinct – H2 2025



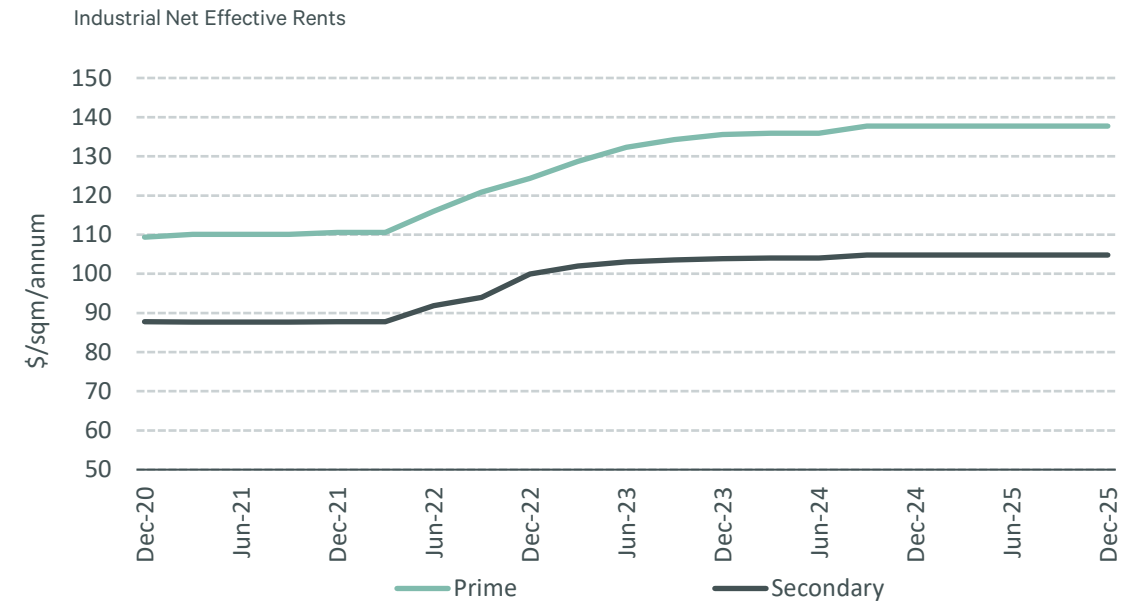
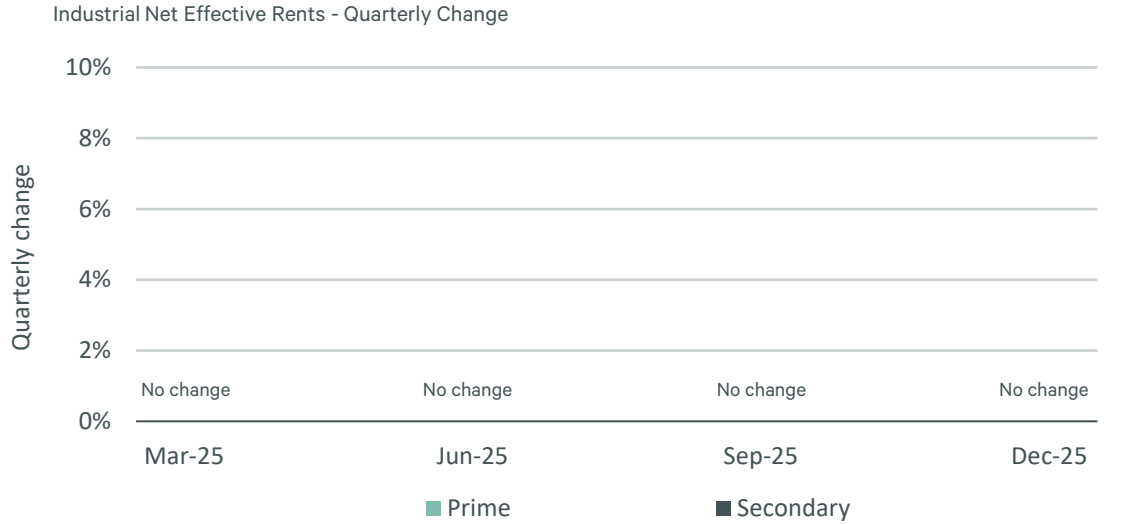
Industrial Vacancy



# Industrial Rents

Christchurch’s industrial rental market remained stable in Q4, following the trend of previous periods. The last period of rental growth was in Q3 2024. This was driven by low levels of leasing activity and by companies still considering cost-cutting measures.

Net effective rents are \$138 per sqm, whilst Secondary net effective rents are \$105 per sqm. According to CBRE's assessment, both the Prime and Secondary market incentives are holding steady at 1.4% of face rents, a level that has been consistent since H2 2022.



## Definitions

### Office building grades

**Premium:** Top quality landmark space which is generally the pacesetter in establishing rents and includes the following general attributes: prestige lobby; high architectural merit; prominent location; prestigious occupiers; the latest or recent generation of building services; ample natural lighting; good views and outlook; quality access to and from an attractive street environment; large size - +20,000 sqm. **Grade A:** High-quality modern space including many but not all Premium features. **Grade B:** Good quality modern space with some but not all Grade A features and to a lower standard. **Grade C:** Average quality air-conditioned space. **Grade D:** Older style poor quality space. **Prime:** Combination of Premium and Grade A. **Secondary:** Combination of Grade B and C.

### Industrial building grades

**Prime:** Industrial space used for general warehousing or logistics with stud heights of 9 metres or more, largely column free. Lettable area will exceed 1,500 sqm. The property will be of a high specification and well maintained. The grade encompasses properties from the current generation of design build premises to buildings built over the previous cycle. **Secondary:** Industrial space generally built prior to the mid 1990s, inferior to Prime space in terms of building quality and specifications being lower stud (generally between 6 and 9 metres) and in some cases lacking Capex and having deferred maintenance issues although still providing functional industrial accommodation. Lettable area will exceed 500 sqm.

### Rents and yields

CBRE uses the “basket of buildings” methodology to determine market yields and rents. For each property sector covered, a group of representative buildings are nominated and a panel containing senior members of appropriate departments within CBRE convenes to assess the market level of yields and rents for these buildings. Based on this, CBRE’s indicative average rental and yield figures reflect our view of the market after considering available appropriate evidence. Yields represent initial yields based on market rents. Rents are net effective. The industrial rents presented are a combined warehouse and office figure.

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