

FIGURES | NELSON | JUNE 2023

# Commercial office

The office market remains relatively stable, overall with limited vacancy, although a number of tenancies have recently become available in the market. Rental rates are modestly increasing, as the market takes stock of a change in dynamics post pandemic with reduced demand. A number of new developments, yet to commence, remain available for leasing in the pre-development stage.

## NET YIELDS

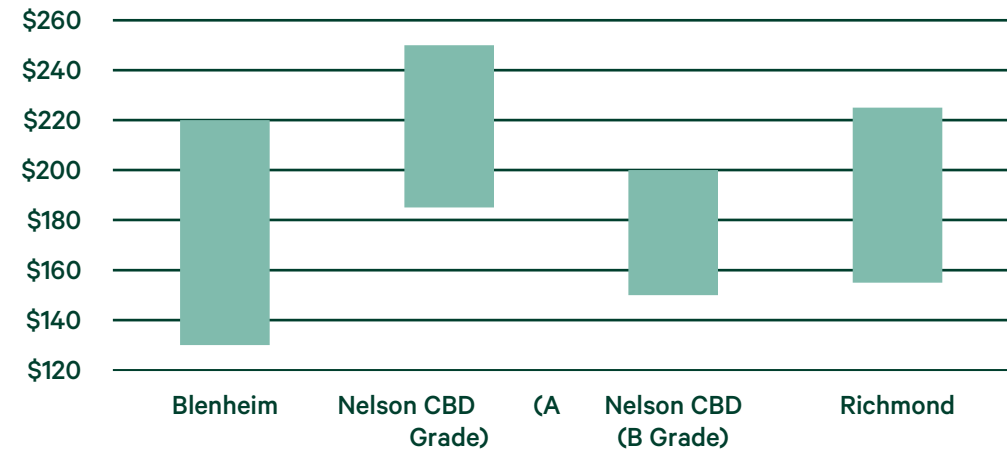


Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

	Market direction	Supply
Blenheim	▶ Static	Moderate
Nelson CBD (A Grade)	▲ Improving	Very limited
Nelson CBD (B Grade)	▲ Improving	Limited
Richmond	▲ Improving	Limited

FIGURE 1: Net Rents



## INVESTOR MARKET

	Market direction	Demand
Blenheim	▶ Static	Average
Nelson CBD (A Grade)	▶ Static	Average
Nelson CBD (B Grade)	▶ Static	Strong
Richmond	▶ Static	Average

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# Industrial

The industrial market remains strong across the region, with limited available property for sale or leasing. Industrial land availability remains limited, with recent developments finding a ready market for sale. Vacancy rates remain low with steady rental growth across the asset class. Property for owner occupation continues to perform well, as businesses look to expand within the region. Design Build leasing continues to outperform existing properties, reflecting increased construction and borrowing costs.

## NET YIELDS

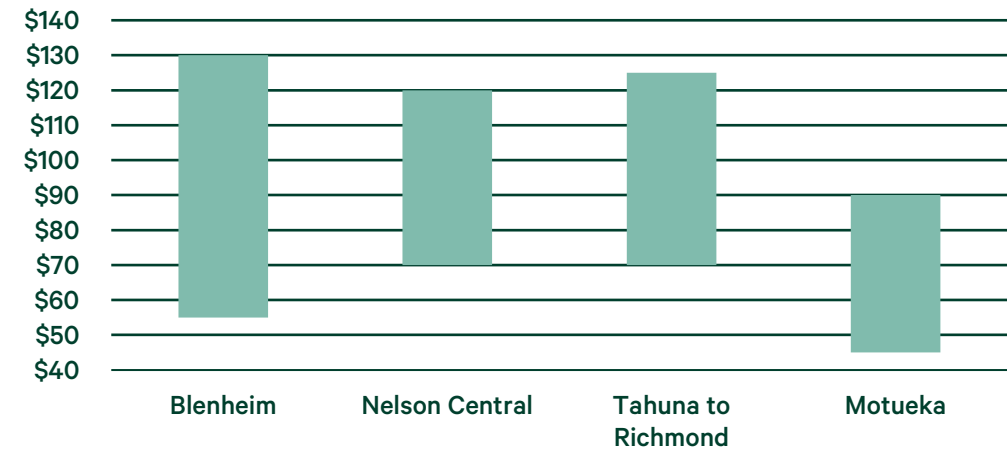


Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

	Market direction	Supply
Blenheim	▶ Static	Limited
Nelson Central	▲ Improving	Limited
Tahuna to Richmond	▲ Improving	Limited
Motueka	▲ Improving	Limited

FIGURE 1: Net Rents (Warehouse/Workshop)



## INVESTOR MARKET

	Market direction	Demand
Blenheim	▶ Static	Strong
Nelson Central	▶ Static	Strong
Tahuna to Richmond	▶ Static	Strong
Motueka	No trend apparent	Strong

# Retail

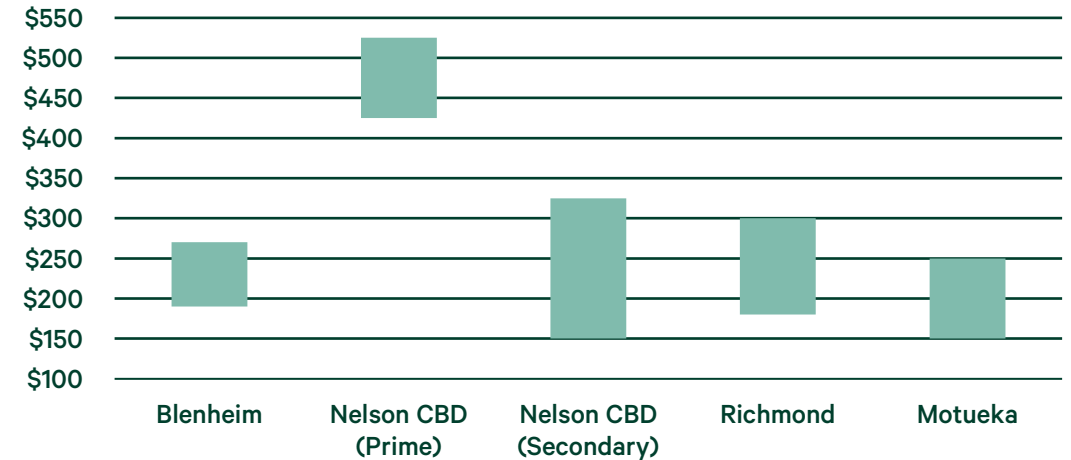
The retail market within the prime CBD locations shows limited vacancies, generally reflecting limited supply. Those second tier properties or locations see a greater variability in demand and value levels. Those properties which have recently come to the market show increasing returns being demanded by investors, in reaction to both market uncertainty and increasing borrowing costs. The effect of the new bulk retail development within suburban locations is yet to be seen within the primary CBD locations, with some uncertainty around potential tenant relocations.

## NET YIELDS



Note: Arrows indicate change from previous report.

FIGURE 1: Net Rents



## OCCUPIER MARKET

	Market direction	Supply
Blenheim	▶ Static	Moderate
Nelson CBD (Prime)	▶ Static	Limited
Nelson CBD (Secondary)	▶ Static	Moderate
Richmond	▶ Static	Limited
Motueka	▶ Static	Limited

## INVESTOR MARKET

	Market direction	Demand
Blenheim	▶ Static	Average
Nelson CBD (Prime)	▶ Static	Very strong
Nelson CBD (Secondary)	▶ Static	Strong
Richmond	▶ Static	Strong
Motueka	No trend apparent	Average