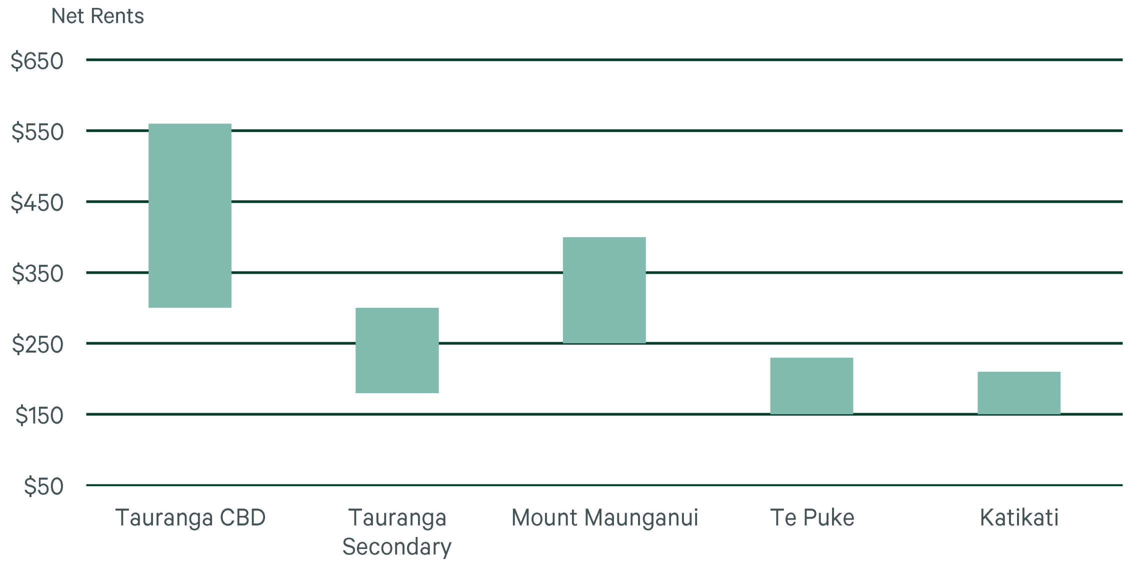
CBRE

Commercial office

Vacancy is relatively low, with rental growth apparent across office types. Despite work-from-home practices, major downsizing has not occurred. Car parking rents are again increasing, and the provision of car parking is an important factor for office space. New CBD construction is redefining Grade A space and setting new benchmark rents. Lower office grades exhibit markedly lower rents. Tenancies providing lower-quality space and/or without parking can prove very challenging to lease and sell.



NET YIELDS

Tauranga CBD	Tauranga Secondary	Mount Maunganui	Te Puke	Katikati
▶ 5.25-6.5%	▶ 5.25-6.75%	▶ 4.5-6.25%	▶ 5.75-7.0%	▶ 5.75-7.0%

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction		Supply
Tauranga CBD	▶	Static	Moderate
Tauranga Secondary	▶	Static	Moderate
Mount Maunganui	▶	Static	Limited
Te Puke	▶	Static	Limited
Katikati	▶	Static	Limited

INVESTOR MARKET

	Market direction		Demand
Tauranga CBD	▲	Improving	Average
Tauranga Secondary	▲	Improving	Weak
Mount Maunganui	▶	Static	Average
Te Puke	▶	Static	Weak
Katikati	▶	Static	Weak

Source: CBRE database

Industrial

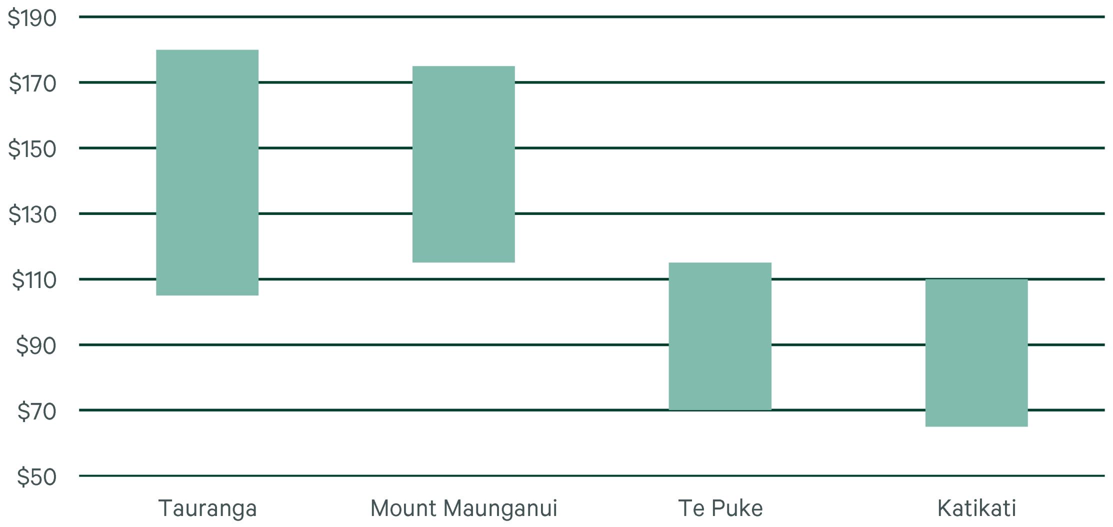
There has been relatively consistent and strong rental growth over the last decade, due to constrained supply and good tenant demand. Recently, rental increases have attenuated as vacancy has begun to rise. Industrial property remains popular with investors. The cost of industrial land has made new development economically marginal in many instances. Properties that exhibit negative issues (e.g. with lease terms and consents) are generally treated harshly by the market.

NET YIELDS

▼ 4.75-6.25%	▶ 4.75-6.0%	▶ 5.5-7.0%	▶ 6.0-7.0%
Tauranga	Mount Maunganui	Te Puke	Katikati

Note: Arrows indicate change from previous report.

Rents (Warehouse/Workshop)



OCCUPIER MARKET

	Market direction	Supply
Tauranga	▲ Improving	Moderate
Mount Maunganui	▶ Static	Limited
Te Puke	▶ Static	Limited
Katikati	▶ Static	Limited

INVESTOR MARKET

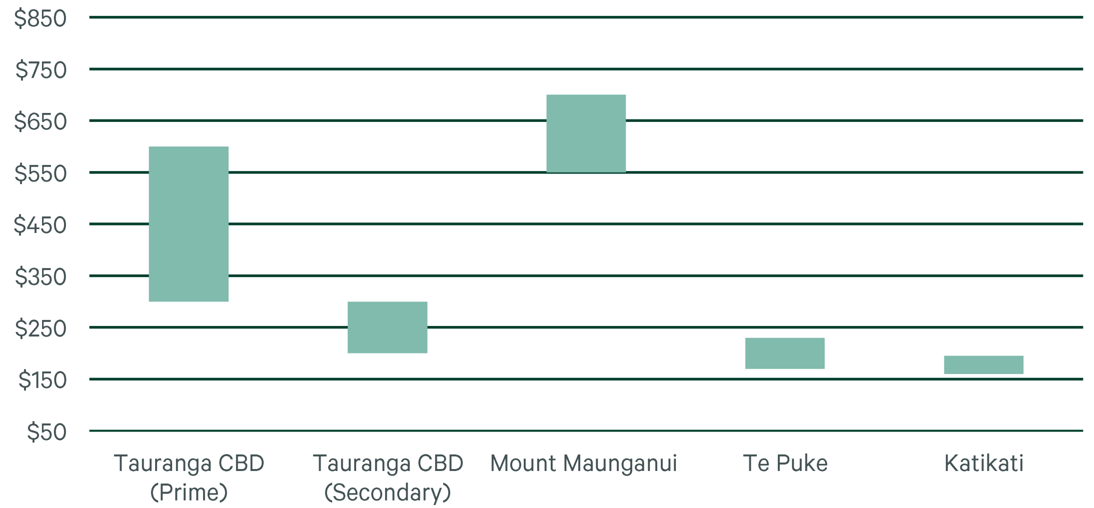
	Market direction	Demand
Tauranga	▲ Improving	Average
Mount Maunganui	▶ Static	Strong
Te Puke	▶ Static	Average
Katikati	▶ Static	Average

Source: CBRE database

Retail

The ground floor commercial rental market is currently showing low growth outside of the CBD. Generally such areas have low levels of vacancy. Within the CBD, rental growth is concentrated in selected areas (such as "Eat Street") and a few new builds. The bulk of the CBD has notably high vacancy. The main Mount Maunganui downtown commercial area has seen rents fall in 2024 and then stabilise in 2025. Retail is not a favoured investor asset class.

Net Rents



NET YIELDS

5.25-6.5%	5.25-6.75%	3.5-5.25%	5.75-7.0%	5.75-7.0%
Tauranga CBD (Prime)	Tauranga CBD (Secondary)	Mount Maunganui	Te Puke	Katikati

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD (Prime)	Static	Over supplied
Tauranga CBD (Secondary)	Static	Over supplied
Mount Maunganui	Static	Limited
Te Puke	Static	Limited
Katikati	Static	Limited

INVESTOR MARKET

	Market direction	Demand
Tauranga CBD (Prime)	Improving	Weak
Tauranga CBD (Secondary)	Static	Weak
Mount Maunganui	Static	Very strong
Te Puke	Static	Average
Katikati	Static	Average

Source: CBRE database