

Commercial office

Provincial Canterbury

The office rental market in Timaru continues to be subdued, driven by an oversupply of office space and a small tenant pool. The market is relatively active in terms of investment demand, with a number of transactions having occurred over the last 12 months. The leasing market has remained relatively strong in North Canterbury and some rental growth has been observed of late, particularly for superior office space. In Rangiora, several developments have enhanced quality office options in recent years. The investment market remains strong as a result of few properties being offered for sale and limited redevelopment opportunities.

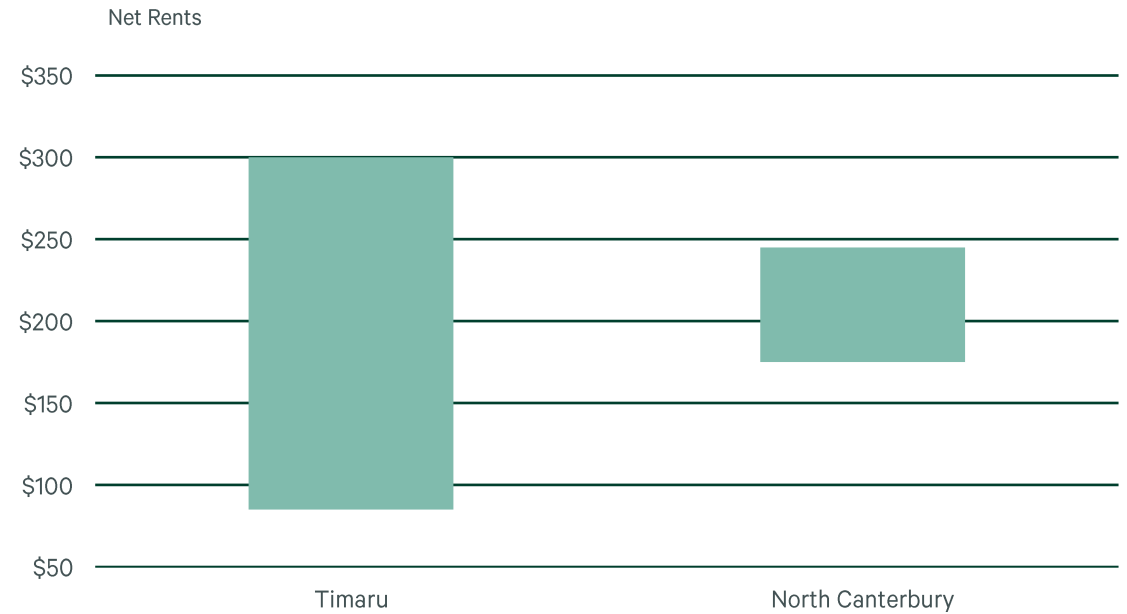
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Timaru	▶ Static	Over supplied
North Canterbury	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
Timaru	▶ Static	Average
North Canterbury	▶ Static	Strong

Industrial

Provincial Canterbury

Much of the development land in Rangiora has now been taken up, with strong prices having been achieved, which has flowed onto rental levels achieved. The Timaru market remains relatively active, with large market participants purchasing large areas of development land, with strong interest in development land remaining. Overall, good purchaser demand remains.

NET YIELDS

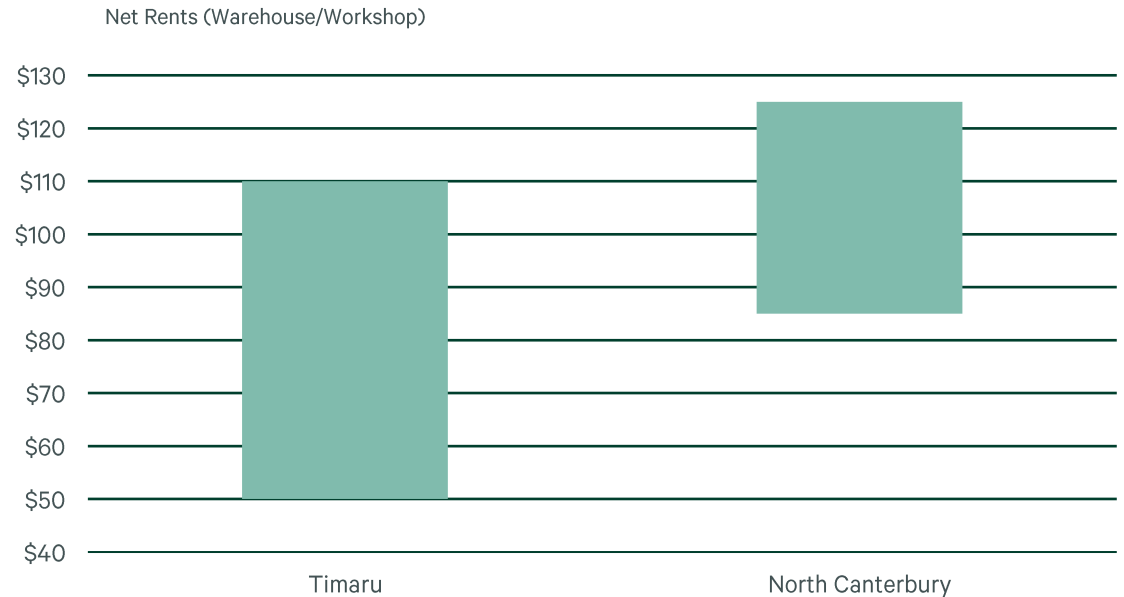
▶ **6.0-8.0%**
Timaru

▶ **5.5-6.75%**
North Canterbury

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Timaru	▶ Static	Adequate
North Canterbury	▶ Static	Adequate



INVESTOR MARKET

	Market direction	Demand
Timaru	▶ Static	Average
North Canterbury	▶ Static	Average

Retail

Provincial Canterbury

The retail leasing market remains active, albeit with low availability in key locations remain. Supply of large format retail accommodation is very limited at the present time. The investment market remains tight, with few properties made available for purchase of late. Tenant activity in central Timaru has been stable, with few leasing deals and unchanged rental levels. The development of the Showgrounds site has been met with good tenant demand, with a number of national tenants relocating to the development.

NET YIELDS

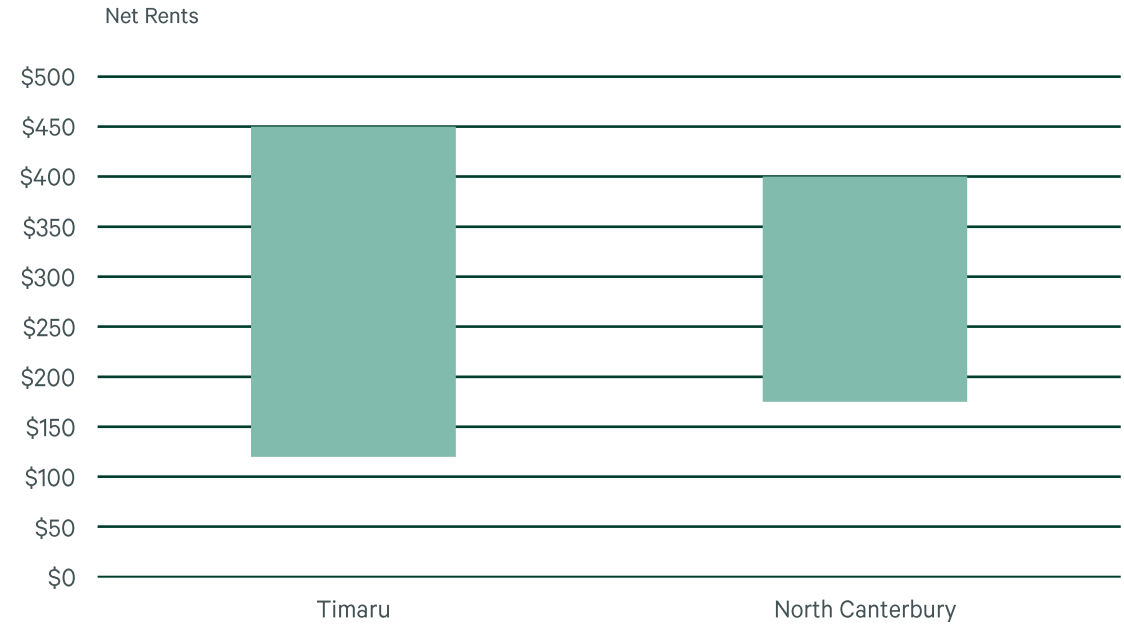
▶ 6.5-9.0%
Timaru

▶ 5.75-6.5%
North Canterbury

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Timaru	▶ Static	Over Supplied
North Canterbury	▲ Improving	Limited



INVESTOR MARKET

	Market direction	Demand
Timaru	▶ Static	Average
North Canterbury	▶ Static	Average