

FIGURES | MANAWATU | JUNE 2023

# Commercial office

There is a wide divergence of office rental and value expectations in Palmerston North. There is evidence of corporate and institutional tenants seeking new compliant office space, preferably with larger floor plates. Rentals established for modern purpose-built accommodation are largely development cost driven and are at levels exceeding that for older and/or less versatile space.

## NET YIELDS



Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

	Market direction	Supply
Palmerston North	▶ Static	Moderate
Feilding	▶ Static	Moderate
Whanganui	▶ Static	Moderate
Levin	▶ Static	Moderate

FIGURE 1: Net Rents



## INVESTOR MARKET

	Market direction	Demand
Palmerston North	▼ Weakening	Average
Feilding	▶ Static	Average
Whanganui	▶ Static	Average
Levin	▶ Static	Average

FIGURES | MANAWATU | JUNE 2023

# Industrial

The Palmerston North market has seen upward movement for industrial premises market rents and values in recent years. We note continued strong demand within this sector which we believe relates to several factors, including a shortage of modern good-quality premises available for occupancy, significant growth of underlying land value, plus current and forecasted industrial development/projects. Tightening of yields within the industrial market over the past 6 months have been partly offset by rental growth.

## NET YIELDS



Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

	Market direction	Supply
Palmerston North	▲ Improving	Limited
Feilding	▶ Static	Limited
Whanganui	▶ Static	Limited
Levin	▶ Static	Limited

FIGURE 1: Net Rents (Warehouse/Workshop)



## INVESTOR MARKET

	Market direction	Demand
Palmerston North	▶ Static	Strong
Feilding	▶ Static	Average
Whanganui	▶ Static	Average
Levin	▶ Static	Strong

FIGURES | MANAWATU | JUNE 2023

# Retail

Conventional strip or ribbon development retailing areas evidence a spread of restaurant/food, vape, and pop-up outlets; and there has been little or no rental growth in the sector over recent years. This is influenced by a combination of factors including escalating property operating costs, competition from big box retailing, The Plaza Shopping Centre, and internet shopping.

## NET YIELDS



Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

	Market direction	Supply
Palmerston North	▶ Static	Moderate
Feilding	▶ Static	Moderate
Whanganui	▶ Static	Moderate
Levin	▶ Static	Moderate

FIGURE 1: Net Rents



## INVESTOR MARKET

	Market direction	Demand
Palmerston North	▶ Static	Average
Feilding	▶ Static	Average
Whanganui	▶ Static	Average
Levin	▶ Static	Average