

FIGURES | NORTHLAND | DECEMBER 2023

# Commercial office

The office sector has seen an increase in vacancy rates with an increased supply on the market. The demand for prime is stronger than secondary, with A grade getting a premium rent. Sales have remained strong to owner occupiers with investors retracting unless the property provides a higher return on investment.

## NET YIELDS

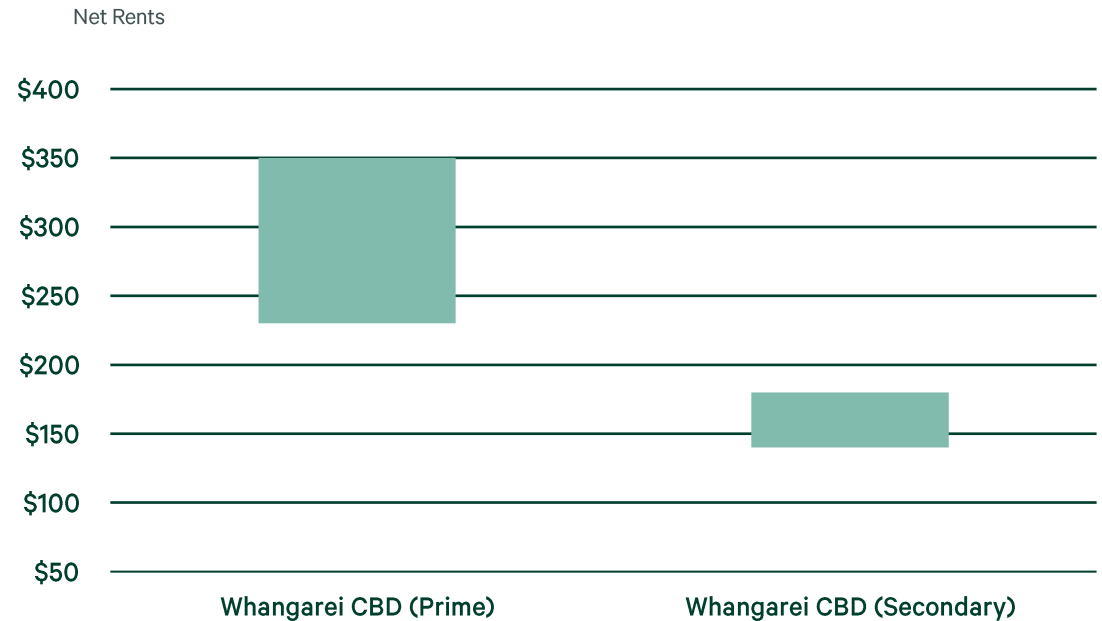
▶ 6.0-7.5%  
CBD (Prime)

▶ 7.0-9.5%  
CBD (Secondary)

Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

|                 | Market direction | Supply   |
|-----------------|------------------|----------|
| CBD (Prime)     | ▲ Improving      | Limited  |
| CBD (Secondary) | ▲ Improving      | Moderate |



## INVESTOR MARKET

|                 | Market direction | Demand  |
|-----------------|------------------|---------|
| CBD (Prime)     | ▼ Weakening      | Average |
| CBD (Secondary) | ▼ Weakening      | Average |

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# Industrial

The industrial rental market has continued due to the lack of supply of existing premises and vacant industrial land, albeit at a decreased rate. Sales to owner occupiers have been strong, however investors have adjusted their required rate of return and we have seen yields weaken. Overall, values have remained relatively stable due to rental growth.

## NET YIELDS

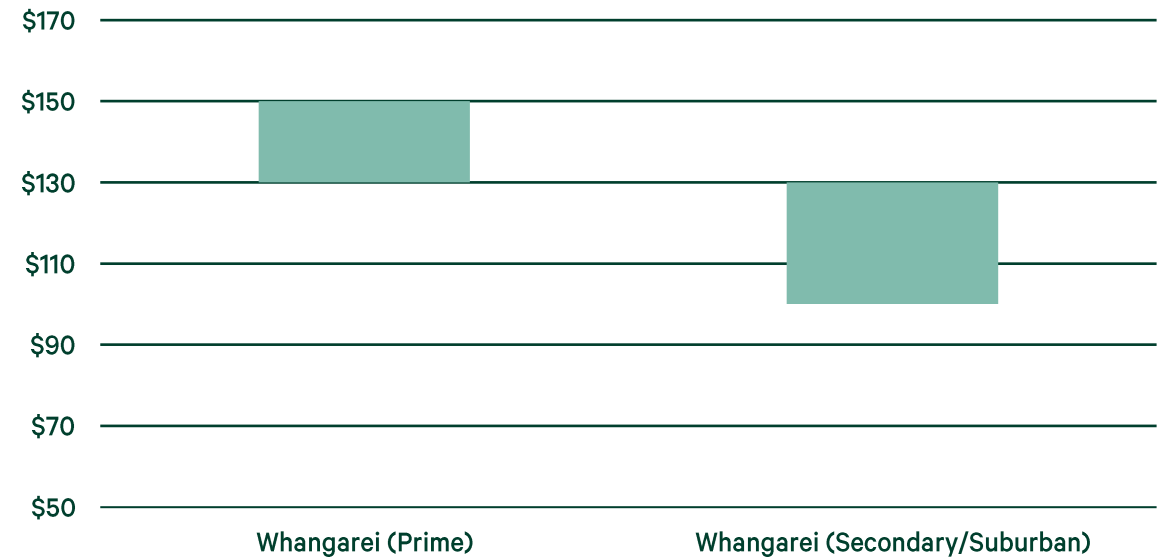


Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

|                    | Market direction | Supply       |
|--------------------|------------------|--------------|
| Prime              | ▲ Improving      | Very limited |
| Secondary/Suburban | ▲ Improving      | Limited      |

Net Rents (Warehouse/Workshop)



## INVESTOR MARKET

|                 | Market direction | Demand  |
|-----------------|------------------|---------|
| CBD (Prime)     | ▼ Weakening      | Strong  |
| CBD (Secondary) | ▼ Weakening      | Average |

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# Retail

The retail market has remained static despite the strong pressure from online shopping. Many retailers have adapted their offering to include online sales since the onset of the pandemic. There has been continued rental growth in the suburbs at a lower rate and similar to inflation rates. Rental growth in secondary CBD locations have been weaker than suburbs. Vacancy rates have generally remained static however demand for retail investment has weakened.

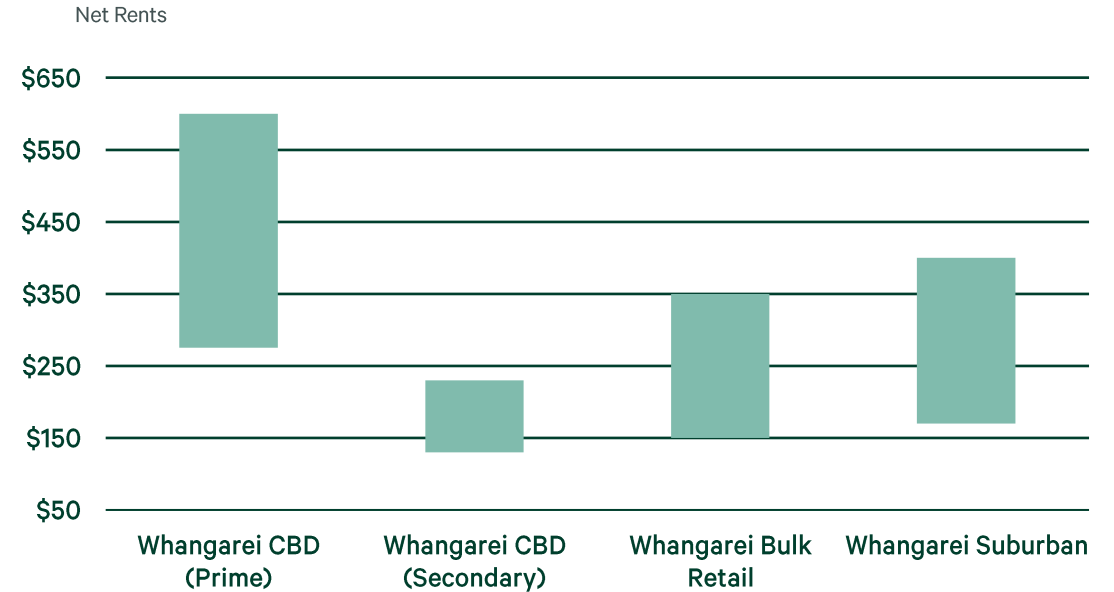
## NET YIELDS



Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

|                 | Market direction | Supply   |
|-----------------|------------------|----------|
| CBD (Prime)     | ▶ Static         | Limited  |
| CBD (Secondary) | ▶ Static         | Moderate |
| Bulk Retail     | ▲ Improving      | Limited  |
| Suburban        | ▲ Improving      | Limited  |



## INVESTOR MARKET

|                 | Market direction | Demand  |
|-----------------|------------------|---------|
| CBD (Prime)     | ▼ Weakening      | Average |
| CBD (Secondary) | ▼ Weakening      | Average |
| Bulk Retail     | ▼ Weakening      | Average |
| Suburban        | ▼ Weakening      | Average |