

FIGURES | NELSON | FEBRUARY 2025

# Commercial office

The reduced activity levels seen in the first half of 2024 have continued in both office premise leasing and property sales. There has been limited office investment property offered for sale. In Nelson, rental levels across the sector have stabilized, with rent reviews showing modest growth due to the time lag from the market two to three years ago. Richmond continues to have a limited supply of office accommodation, with new developments showing similar rental levels to the Nelson market.

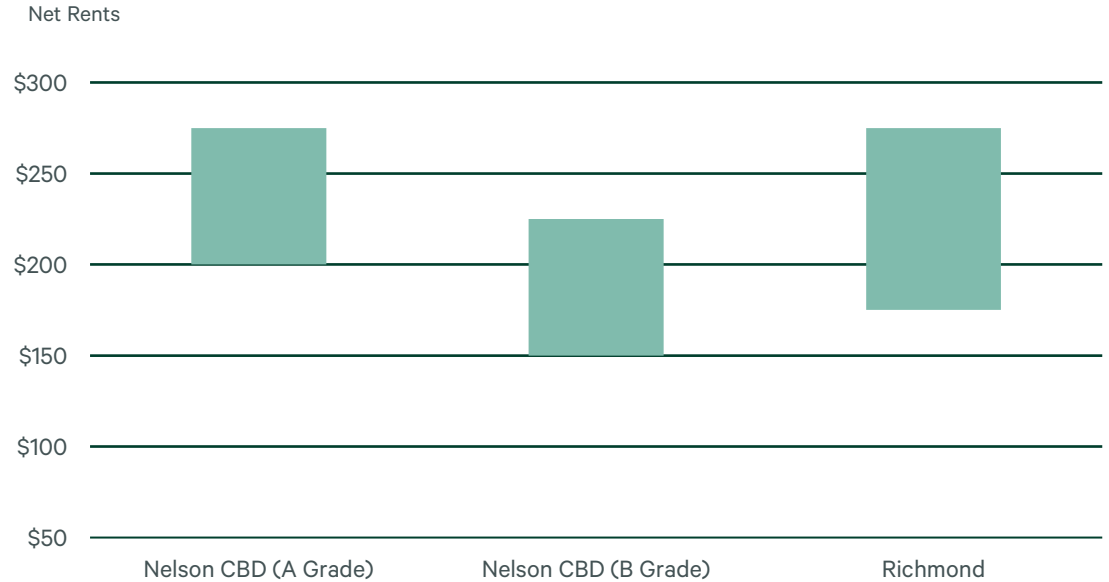
## NET YIELDS



Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

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



## INVESTOR MARKET

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

# Industrial

The industrial market across the region has stabilised following a correction from its peak in 2021/2022. Although there has been limited transaction activity, this trend is in line with the limited availability of properties for sale and a slight increase in leasing stock. While the availability of industrial land has increased, supply remains constrained and tightly held. Recent transactions have shown variability depending on specific conditions, but generally suggest that industrial land values are holding steady. Transactions involving lower value assets continue, whereas higher value assets have seen a decline in investor interest and corresponding higher yields. Vacancy rates remain relatively low, with continued rental growth in this market.

## NET YIELDS

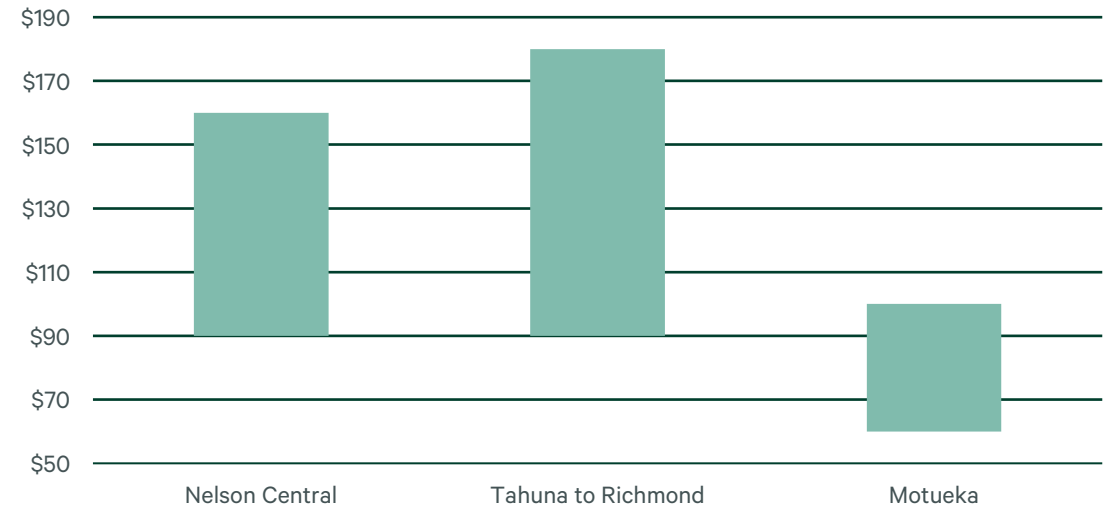


Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

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

Net Rents (Warehouse/Workshop)



## INVESTOR MARKET

	Market direction	Demand
Nelson Central	▶ Static	Average
Tahuna to Richmond	▶ Static	Average
Motueka	▶ Static	Strong

# Retail

Several retail investment properties remain on the market in central Nelson at asking yields of 5.6% to 6.4%. There have been no sales of note recorded in the last six months. The pending closure of the Morrison Square fashion retail centre in Nelson has seen some tenancy relocations into the Trafalgar Street prime retail area, now with limited vacancy. Prime retail levels have largely stabilised following a correction last year with some evidence of a minor uplift. New leases established in two redeveloped retail properties in secondary and fringe locations have shown a good uplift in rental levels. Increasing costs of rates and insurance are a headwind in the market. The Richmond retail precinct continues to have limited vacancies and is showing modest rental growth.

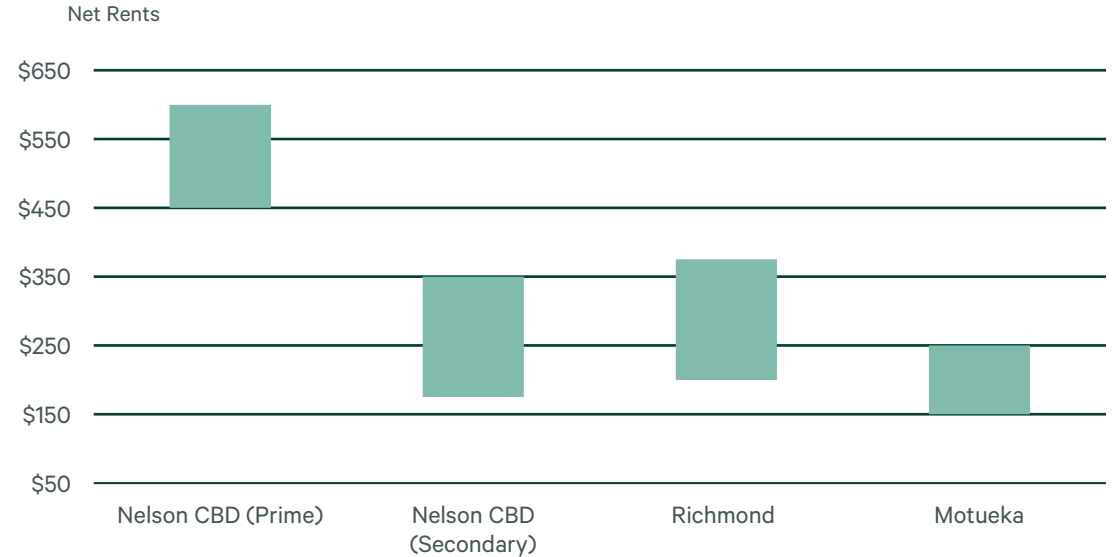
## NET YIELDS

▲ 5.5-7.0% Nelson CBD (Prime)   ► 6.0-7.25% Nelson CBD (Secondary)   ▼ 5.5-7.0% Richmond   ▲ 6.0-10.0% Motueka

Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

	Market direction	Supply
Nelson CBD (Prime)	► Static / ▲ Improving	Very limited
Nelson CBD (Secondary)	► Static / ▲ Improving	Moderate
Richmond	► Static / ▲ Improving	Limited
Motueka	▼ Weakening	Limited



## INVESTOR MARKET

	Market direction	Demand
Nelson CBD (Prime)	► Static	Average
Nelson CBD (Secondary)	► Static	Average
Richmond	► Static	Average
Motueka	► Static	Weak