

Future Cities | New Zealand Research

Real Estate Impacts of the City Rail Link

REPORT

CBRE RESEARCH
JUNE 2026



CBRE



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01

Executive Summary

Executive Summary

Soon, Auckland’s City Rail Link (CRL) will open after a decade of construction and a \$5.5bn build cost. Its real estate consequences extend well beyond faster commutes: the CRL recalibrates accessibility across the Auckland region, and accessibility is a primary influence on land use, property values, and the spatial pattern of new development.

Headline Findings

01

The announcement effect has been present in Auckland.
Residential prices in station catchments have grown 36% over ten years against an Auckland-wide average of 29%. For several station locations the announcement effect has also materialized as new housing supply.

02

Improved positioning will help absorption in the CBD office market.
Post Covid-19 CBD vacancy of 18.4% sits alongside CBRE office occupier survey evidence that more businesses rank proximity to public transport as a top location priority. The CRL converts that desire into a credible relocation thesis.

03

Mt Eden (Maungawhau) is the major new development opportunity
Government-owned, masterplannable, and now five minutes from midtown — the most controllable upside on the network.

04

Midtown as the epicentre of the Auckland’s economy.
The strongest accessibility profile on the network has driven anticipatory investment in the lead up to the CRL.

05

Industrial sector benefits occur indirectly.
Reduced road congestion and viable outer-urban precincts are the main mechanisms.

06

Build-to-rent is the most credible apartment delivery vehicle in the near term.
For-sale apartment buildings at scale remain difficult with presale volumes near record lows; BTR avoids this and is already clustering around stations.

07

The biggest downside risk is patronage.
Use of rail as a main means of travel to work fell from 2.9% (2018) to 1.6% (2023). If ‘work from home’ continues to suppress patronage, the assumed real estate uplift will be slower and shallower than global precedents suggest.

What CBRE expects over 2026–2036

Sector	Direction
CBD office (Prime)	Absorption; flight to connectivity; rental recovery in tandem with improving economy
CBD office (Secondary)	Bifurcation; redevelopment or repurposing for those that can; obsolescence for those that can’t
Retail (CBD and station-adjacent)	Foot traffic uplift; food and beverage and convenience-led; redistribution rather than uniform growth
Industrial	Loss of older stock in gentrifying suburbs; new developments in locations that are customer accessible
Residential (station catchments)	Modest direct uplift; bigger uplift on parcels that can be redeveloped under PC120
Build-to-rent	Main apartment delivery vehicle during the early operational years; clustering around rail nodes
Hotels	CBD catchment most exposed to upside
Investment yields	Some yield compression for station-adjacent assets relative to non-catchment comparables

02

Introduction & Project Overview

Introduction and Project Overview

“
The City Rail Link
is not just a
transport story.
”


Mayor Len Brown
OurAuckland
21 January 2016

The CRL is the most expensive transport infrastructure project in New Zealand’s history. Its core engineering achievement of two 3.45km tunnels and two new underground CBD stations converts Britomart from a terminus into a through station. This unlocks rail capacity across the entire network by enabling a greater frequency of services that will help people get to the places they need to go faster, elevating the utility of rail as a mode of transport and ultimately improving accessibility across the urban area. The effect on access is the lever that turns a transport project into a real estate project.

This report sets out the global evidence base of other rail investments impacts on their real estate sector, the Auckland evidence accumulated during the build, and the sector-by-sector implications for the decade ahead. It is intended for investors, developers, occupiers and capital allocators making decisions whose pay-off periods extend beyond the CRL’s opening date.





Project Facts

 **\$5.5B**
Cost

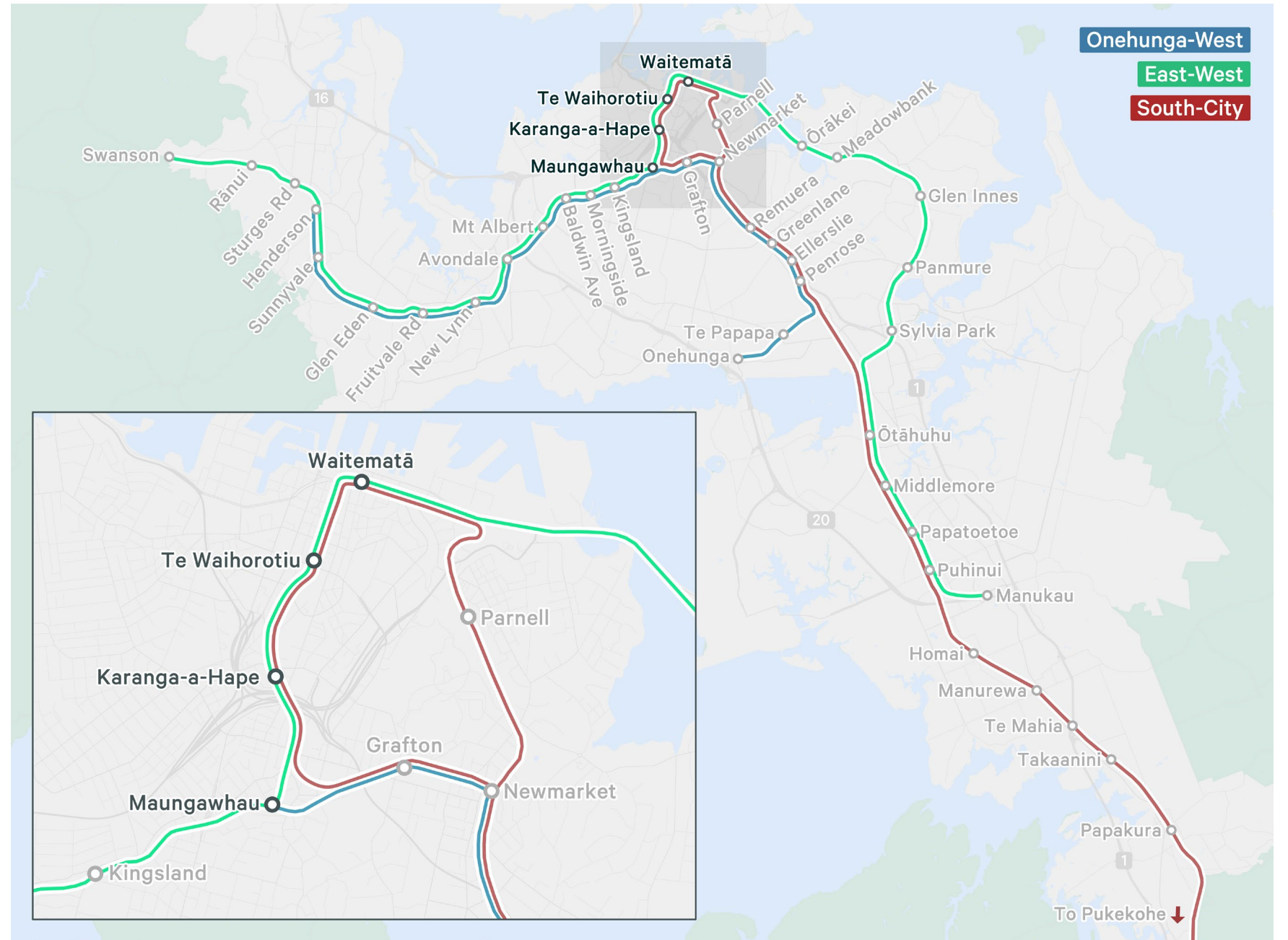
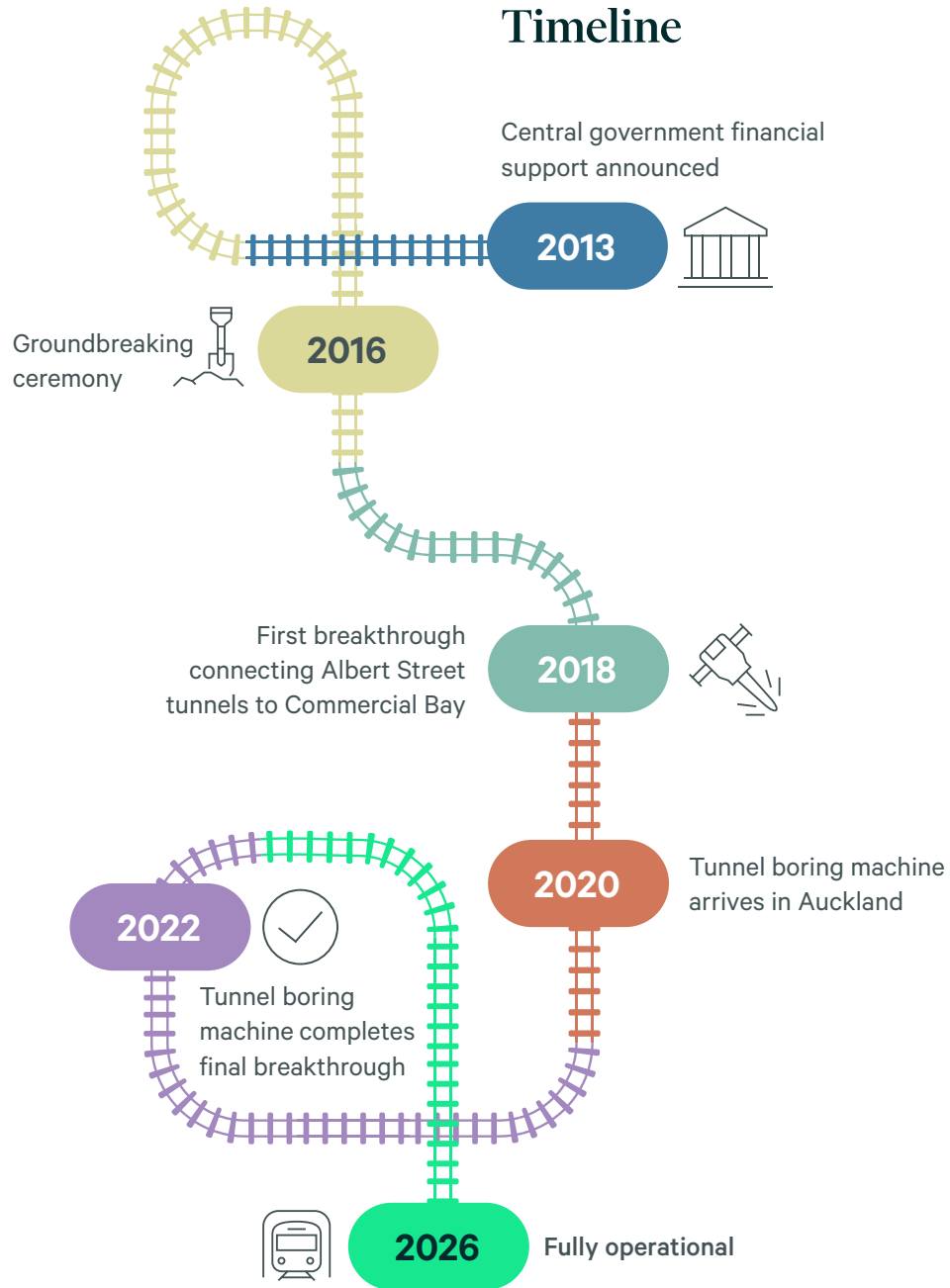
 **\$11.9B**
Modelled economic benefits

 **2026**
Opening year

 **New CBD Stations**
Te Waihorotiu (midtown), Karanga-a-Hape, plus the redeveloped Waitematā (Britomart) and Maungawhau (Mt Eden).

 **45 Stations TOTAL**
Following southern line extensions

Timeline



03

How Transport Investment Creates Real Estate Value

3.1 The mechanism: accessibility, agglomeration and the announcement effect

3.2 Global evidence

3.3 Local precedent: Britomart 2003



How Transport Investment Creates Real Estate Value

3.1 The mechanism: accessibility, agglomeration and the announcement effect

Three economic mechanisms convert transport investment into real estate value:

01

Accessibility

Land value is in large part a function of what can be reached from a parcel within a given travel time. Improving accessibility extends the effective catchment of a site for labour, customers and amenity, and is capitalised into prices.

02

Agglomeration

Firms and households cluster because proximity raises productivity, expands matching, and lowers transaction costs. The CRL increases the effective size of the Auckland CBD agglomeration by shortening the time-distance between the city centre and the rest of the region.

03

The announcement effect

Markets are priced on expectation of future accessibility, not just current accessibility. International evidence consistently shows real estate value uplift beginning well before a project opens, and in some cases, several years ahead of the actual delivery. This effect has been seen in projects where rail stations already existed but were improved with major investments as well as in projects that created brand new stations.

3.2 Global Evidence

CBRE Research undertook a literature review of local and international works from academic and industry sources on the property impacts of urban rail investment, to gain an understanding of how other projects have impacted their local market real estate pricing, property development, and rail utilisation. The projects that were canvassed differ in scope to the CRL project which changes a terminus station into a through station to unlock total network capacity, making it a fundamentally different project to some of the global examples where whole new rail lines have been created. With due consideration of how situational differences might apply, the research findings have been clustered into four themes.

The implication for Auckland is twofold. First, the accessibility impact of the CRL should already be visible in property pricing. Second, new supply uplift will likely occur at stations with capacity — pointing strongly to Maungawhau (Mt Eden), the southern extension stations, and gentrifying western line suburbs that currently have semi-industrial land uses.

Theme	Key finding
When the impact begins	<p>Real estate impacts begin at announcement, not at opening.</p> <p><i>Example 1: Motu's 'Anticipatory Effects of Rail Upgrades: Auckland's Western Line' (2010) found a statistically significant rise in the values of houses located near a western line station upon announcement of the Auckland rail upgrade project. The paper also cited a 2004 study by McMillen and McDonald which found anticipated benefits of a new transit line to be capitalized into house prices six years before the construction of the line was completed.</i></p> <p><i>Example 2: CBRE's research report on the Sydney metro rail network 'Metro-fication 2.0' (2025) found higher value uplift of apartments near City and Southwest line station suburbs, compared to neighbouring suburbs. This higher uplift started five years before opening in 2024, despite retail spend only lifting post-delivery.</i></p>
Land and property value	<p>New rail infrastructure increases land values.</p> <p><i>Example 1: A Parliament of Australia inquiry into the role of transport connectivity on stimulating development and economic activity found a large amount of evidence on the effect of new public transport infrastructure on land values. A review conducted by the Bureau of Infrastructure and Transport Research Economics of 18 heavy rail projects found an average value uplift due to the infrastructure of 6.9%.</i></p> <p><i>Example 2: CBRE's research report 'Crossrail: The Impact on London's Property Market' (2014) identified that since the project had got the go ahead, house prices around affected stations had increased by 20%. This was on top of underlying capital appreciation in London and the South East, and occurred several years in advance of the first lines becoming operational.</i></p>
Network utilisation	<p>Ridership increases upon completion.</p> <p><i>Example 1: CBRE's Metro-fication 2.0 report analysed station usage trends before and after delivery of metro lines. It found that office nodes had been a major beneficiary of the new network, with usage at the major office node of Martin Place increasing by ~50% since delivery in 2024.</i></p> <p><i>Example 2: While ridership tends to jump immediately at the most popular stations, a more gradual uplift at historically underserved ones has been observed. The Metro-fication 2.0 report noted that riders at Tallawong who had previously been underserved by transit have taken some time to adjust, but with ridership growth continuing more than five years after delivery, there was further potential for uplift going forward.</i></p>
Property development response	<p>Rail investment leads to property development.</p> <p><i>Example 1: In 2013 the OMEGA Centre at UCL profiled the Jubilee Line Extension (JLE) which completed in 1999. The research found that residential development had increased at a faster rate in the JLE corridor than the rest of inner east London reference area since the JLE was approved. In 1991 and 1992 the number of new dwellings in the corridor was 17% of the total reference area, while between 1993 and 2000 it was 34%.</i></p> <p><i>Example 2: CBRE's Crossrail report noted that in the 1980s, the Isle of Dogs had no office market, however the arrival of the Docklands Light Railway, and over a decade later the Jubilee Line, helped transform Canary Wharf into one of London's leading office markets.</i></p>

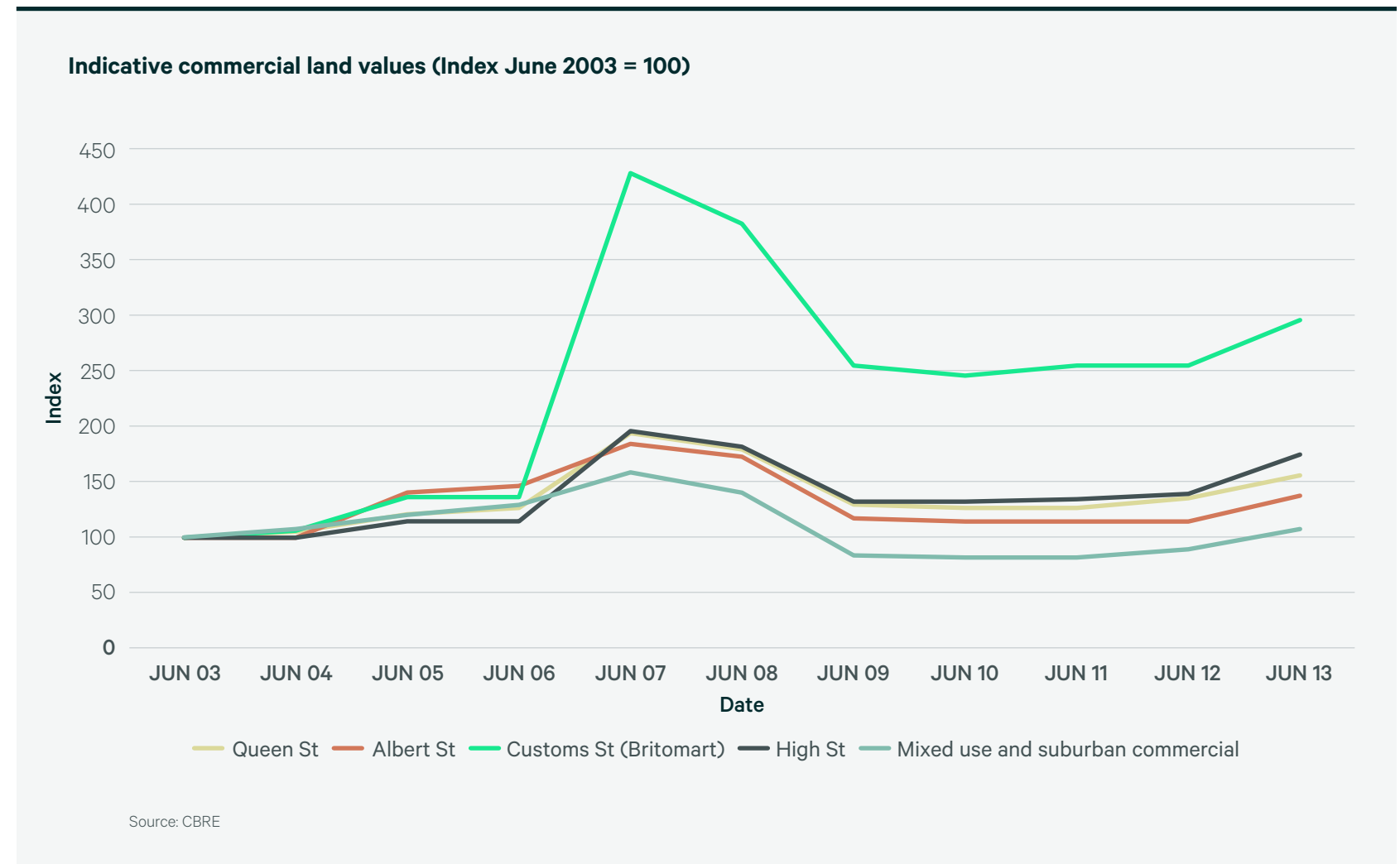
3.3 Local precedent: Britomart, 2003

Britomart’s opening in 2003 is the closest local precedent to a major CBD rail station coming online.

In the decade following Britomart’s opening, the surrounding precinct went from a low-grade warehouse and surface-Car parking fringe to one of Auckland’s most prime mixed-use precincts, with rents and capital values that consistently outperform the wider CBD. The station opening acted as a catalyst for a wider precinct masterplan that had a strong emphasis on placemaking and a quality urban environment.

Looking closely at commercial land value performance post station opening, the acceleration in value took a few years to gather momentum with much of the structural uplift occurring during a period when the wider property market was strengthening. The data indicates that some wider city wide economic forces need to be at play but that the growth rate in commercial land value around station locations can be boosted ahead of the wider market growth due to new infrastructure.

The Britomart precedent supports the idea that the brand new Te Waihorotiu and Karanga-a-Hape stations will materially reshape their immediate precincts. It also highlights the time horizon — the bulk of Britomart’s uplift occurred 3-5 years after opening, not in the first 24 months. Investors expecting a 2027 step-change in midtown values are likely to be disappointed but historic evidence suggests that investors with a 5+ year horizon won’t be.



04

The CRL: Travel Time & Accessibility Gains

4.1 Travel time savings

4.2 Access to jobs

The CRL: Travel Time and Accessibility Gains

4.1 Travel time savings

The CRL reduces travel times not by running trains faster but by making journeys to and from new midtown stations more direct, and by reducing congestion on competing road routes. Rail travel time savings vary by line:

The reshaping of Auckland’s effective time-geography expressed as the proportion of future time savings on journeys is more meaningful for real estate than headline minute counts. For many people, the southern fringe becomes a viable commuting catchment for CBD jobs in a way it was not before, and suburban west station of Mt Albert becomes effectively as close to midtown as what Parnell and Orakei are today.

WESTERN LINE

20min

more than 20 minutes saved on journeys into midtown. Western Line travellers no longer detour via Newmarket; instead, they enter the city via Maungawhau.

SOUTHERN LINE

10min

more than 10 minutes saved. Pukekohe-to-midtown improves by 15 minutes despite three new intermediate stations.

EASTERN LINE

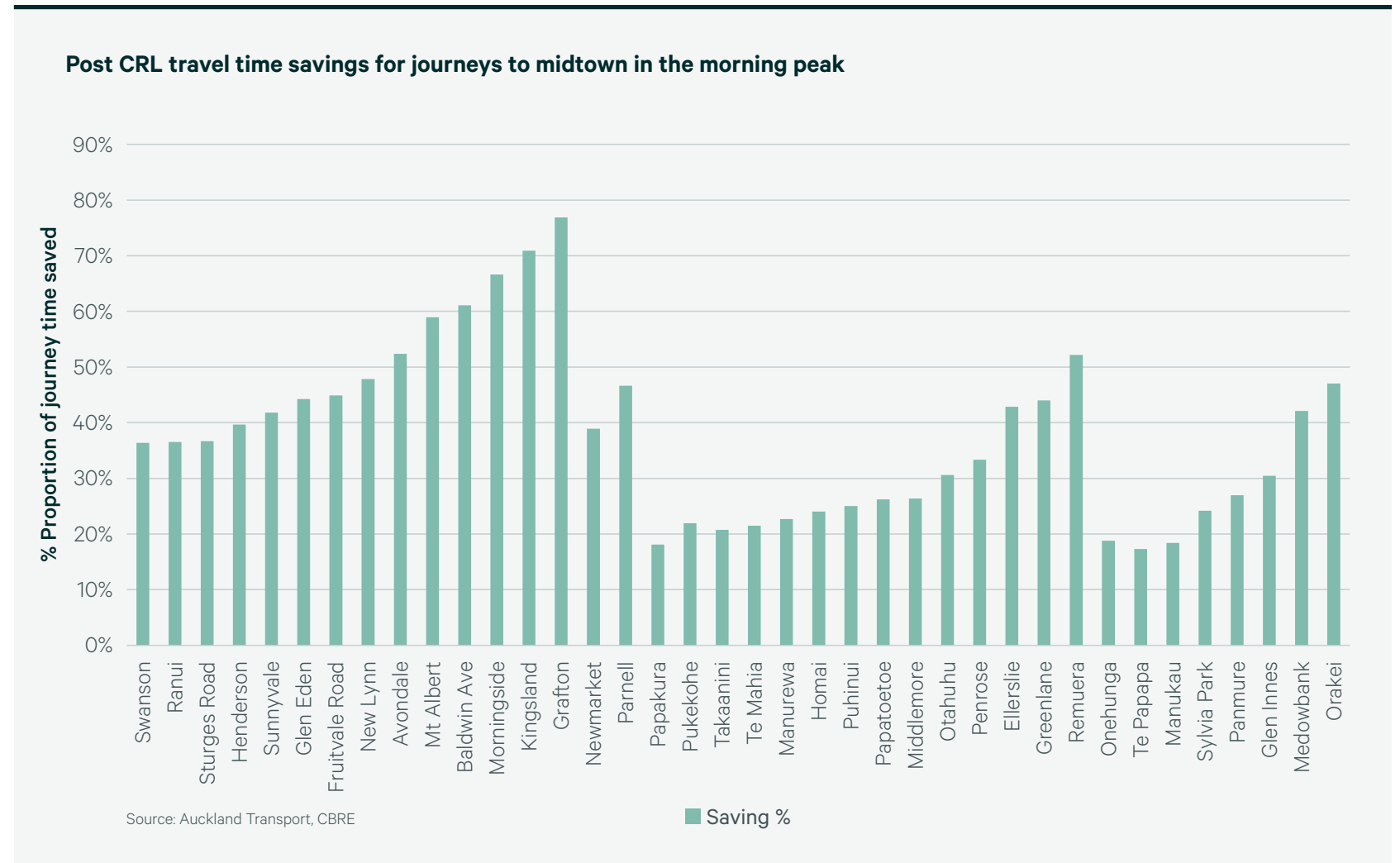
10min

sub-10 minute **improvement**

ONEHUNGA LINE

5min

approximately **5 minutes saved**



4.2 Access to jobs

A walkable catchment for rapid transit stations is usually defined as a 10 minute walk, however a 2013 paper by Auckland Council titled ‘Walkable Catchments Analysis at Auckland Train and Northern Busway Stations’ found evidence that more than 50% of survey respondents walked further than 800m to get to a train station, and more than 15% walked further than 1,500m i.e. a circa 20 minute walk. Time savings from CRL, high fuel prices, mild winter weather, and the role of physical mobility in long term health means that we consider it reasonable for walkable catchments to extend beyond 800m, however for the purposes of this analysis, we have used the standard definition being a 10 minute walk.

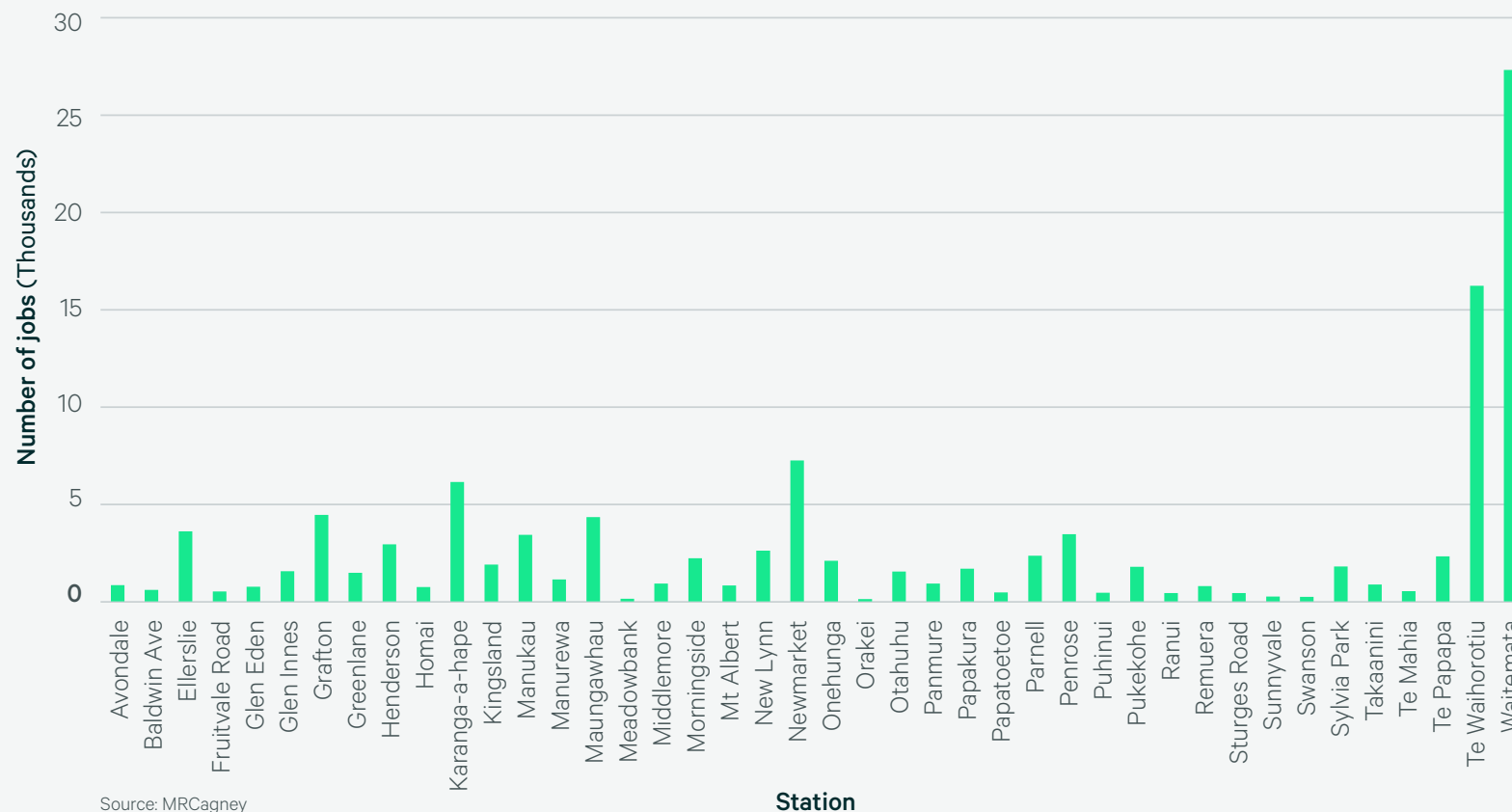
Walkable rail access correlates with the agglomeration potential of each station. Within a 10 minute walk, the three CBD stations can access a sizeable chunk of the central city spine. MRCagney data indicates that 50,000 CBD jobs can be accessed within a 10-minute walk, with non-CBD stations accessing an estimated 65,000 further jobs. This combined figure is 115,000 — roughly 12% of the region’s filled jobs.

By station, the standout non-CBD precinct is Newmarket at 7,250 jobs within a 10-minute walk, reflecting job density in the Newmarket office and retail precinct. Te Waihorotiu, when it opens, will have 16,250 jobs in walkable proximity — the largest single-station job catchment uplift on the network.

Census data shows rail commute mode share at 1.6% in 2023, down from 2.9% in 2018, having lost ground to working from home becoming a norm post Covid-19.

This had followed several years of rail patronage growth with the 2018 figure being the third consecutive census-on-census increase (0.5% in 2001, 1.0% in 2006, 1.5% in 2013, 2.9% in 2018). The fact that 12% of jobs are within a 10 minute walk of a rail station while only 1.6% of workers use rail to commute is a core opportunity in making the most of the CRL investment. Closing even part of that gap supports meaningfully higher demand for station-adjacent commercial property.

Census 2023 number of jobs within a 10min walk of rail stations



Source: MRCagney

Station

The southern fringe becomes a viable commuting catchment for CBD jobs in a way it was not before

05

The Auckland Evidence So Far

5.1 Patronage

5.2 Residential pricing across station catchments

5.3 The supply response and the muted announcement effect

5.4 Office absorption and CBD hollowing-out

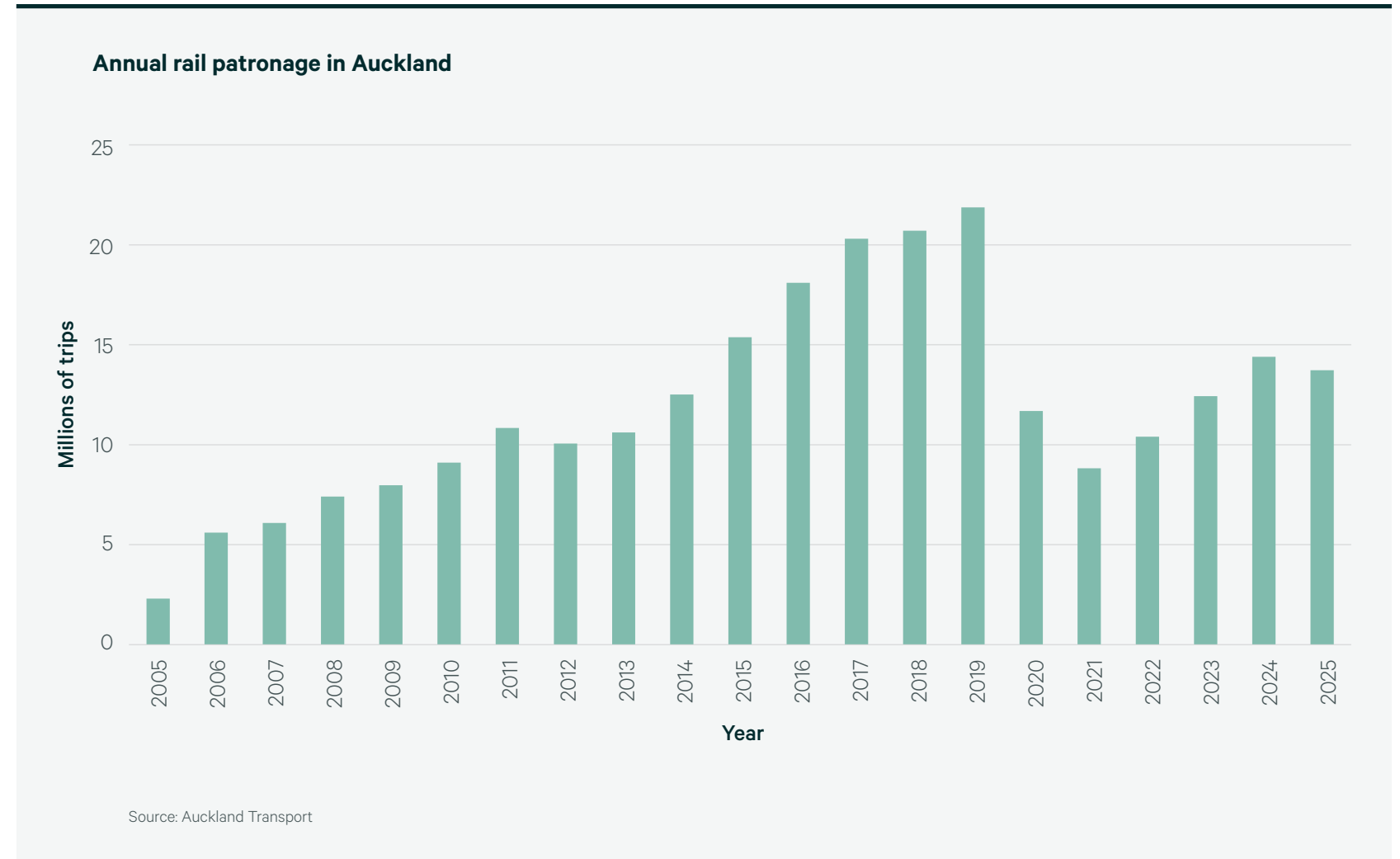
The Auckland Evidence So Far

5.1 Patronage

During the 2010's, rail as a main means of travel to work in Auckland was surging. The 2013 Census recorded 8,997 people using rail to get to work, growing to be 24,438 at Census 2018, noting that there was a question change from 'mode of travel to work on Census day' to 'usual main mode of travel to work'. Patronage growth was a key driver of bringing investment in the CRL forward by several years. A milestone of 20 million annual passenger trips was reached in August 2017.

Disruption during the building process including line shutdowns and the effects of Covid-19 saw a reduction in the number of people commuting by rail. Census 2023 recorded 14,058 people using rail as their main means of travel to work. Annual passenger trips totalled 13.7m during 2025.

Year-on-year growth has been evident in the first four months of 2026. January patronage was up 1%, February was up 4%, and March was up 6%. April rail patronage was 16% higher than it was in April 2025; differences between the two that would impact patronage include rail network rebuild closures, timing of Easter and ANZAC holidays with school holidays, higher fuel prices in 2026, and weather patterns.



5.2 Residential pricing across station catchments

A manifestation of the announcement effect occurs when property prices around station catchments outperform the wider market over the build period to a noticeable degree.

An analysis of REINZ data has found that since 2016, Auckland region residential prices have risen 29%, and prices around station catchments have increased by an average of 36%, indicating that the announcement effect has been present during this time. Beneath the average sits significant station to station differences. Morningside leads with prices more than doubling over ten years, but Remuera is down approximately 4%.

This is surprising as broader Remuera median prices are around 18% above their 2016 levels, and indicates that transactions within the walkable catchment of Remuera rail station have shifted to smaller and therefore cheaper dwelling typologies over time. These two stations are similar in CBD proximity and will have near-identical post CRL travel times to midtown, further pointing toward situational influences overriding the announcement effect on property prices.



5.3 The supply response and the announcement effect

Data comparing property price changes around various stations against their new build supply paints an interesting picture and goes some way in examining why there has been station to station discrepancy in property price growth over the past ten years. The trend is not universal but some catchments with high supply growth have had below-average price growth, and some catchments with constrained supply have had above-average price growth. Morningside, the station that was the strongest performer in terms of price growth at 108%, added only 12% to its housing stock over a decade, well below the station average of 22%. In comparison Swanson doubled its housing stock through multiple housing estate developments, and price growth was relatively modest at 36% and equal to the across all stations average.

Where housing supply can respond to improved accessibility, it appears possible to capture the value uplift as quantity as well as price. Where supply cannot respond, because of land constraints, ownership fragmentation, or planning limits, that same value uplift may be more likely to show up in the price of existing property.

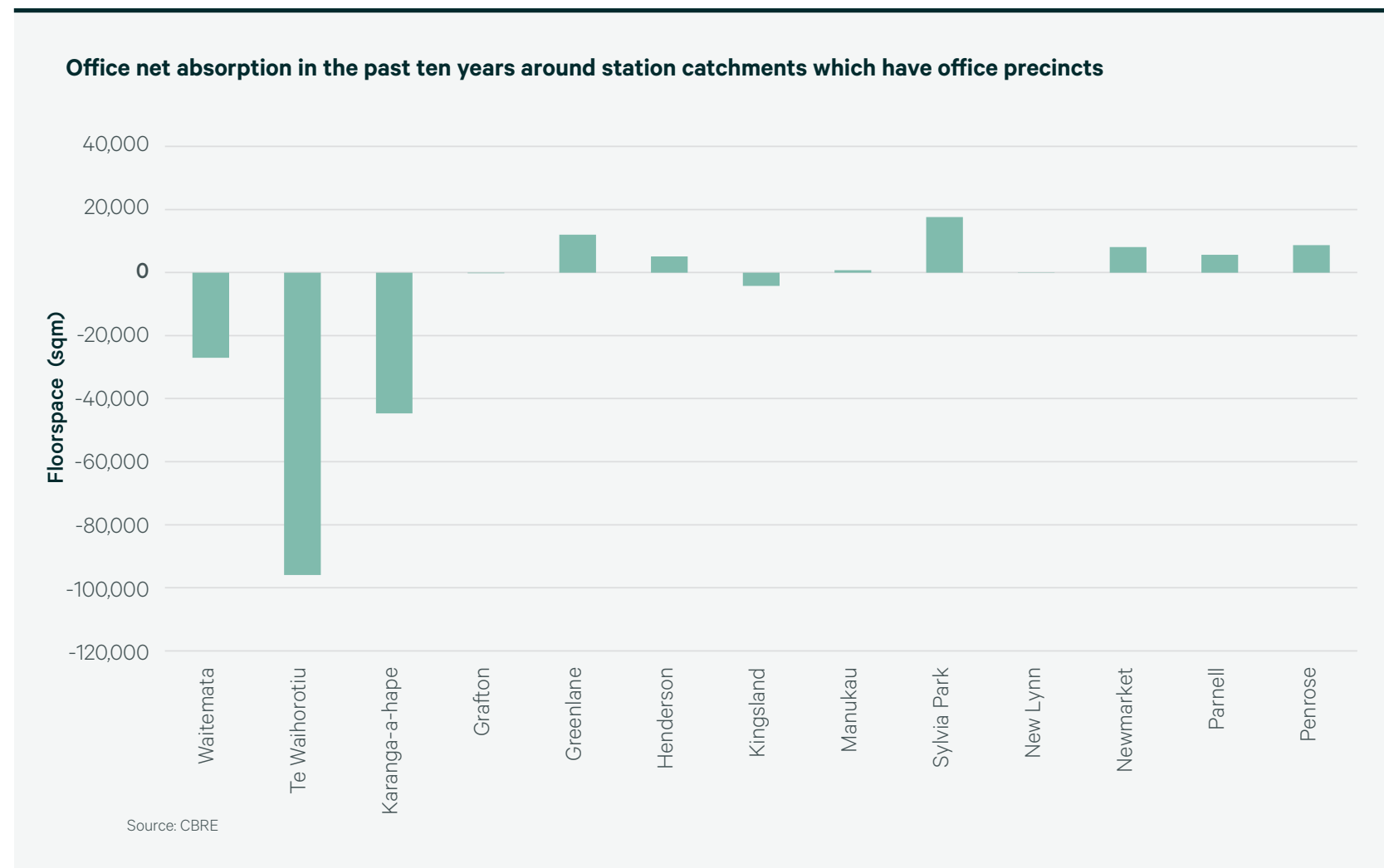


5.4 Office absorption and the CBD hollowing-out

Office demand during the CRL build has been weak and spatially uneven. Net absorption across all monitored station catchments totaled just 11,465sqm over ten years however that figure conceals a sharp spatial divergence. CBD net absorption was negative 74,789sqm, offset by non-CBD net absorption of 86,254sqm.

CBD vacancy rose from 6.8% in December 2015 to 18.4% in December 2025, despite filled jobs rising 34% over the same period. The decoupling is explained by the structural shift to hybrid working, which reduced office space occupied per employee. Recent data shows that ratio normalising, indicating that the structural shift that occurred throughout the 2010's and Covid-19 era appears largely complete, meaning employment growth from here is more likely to translate into office demand than it has done so up until the post Covid-19 era.

CBRE's Office Occupier Surveys show two reinforcing trends: top-down pressure to bring staff back into the office (notwithstanding stated flexibility policies), and 80% of occupiers ranking proximity to public transport as a top location priority. The CRL is the only Auckland infrastructure project that meaningfully improves the latter. The combination of return-to-office pressure plus a step-change in CBD public transport accessibility is the most positive push for CBD occupier demand in a decade.



06

The Planning Response: Plan Change 120

The Planning Response: Plan Change 120

Proposed Plan Change 120 (Housing Intensification and Resilience) is the planning vehicle through which the CRL's accessibility uplift becomes development capacity. It replaces Plan Change 78 (notified August 2022), which predated both the final light rail decision and the January 2023 Auckland floods that triggered an end to bipartisan support for the MDRS upzoning regime.

In June 2025, central government's 'Going for Growth Around the CRL' announcement set the upzoning baseline higher than the standard NPS-UD six storeys: 15 storeys around Maungawhau, Kingsland and Morningside, and 10 storeys around Mt Albert and Baldwin Avenue. These western line stations have been identified as strong contenders for capitalising on the CRL's capacity boost, reinforced by REINZ price data which shows price appreciation over the ten year build timeframe.

Capacity trajectory

- Current Unitary Plan capacity: 1.2 million dwellings enabled.
- February 2026: Announcement of intention to reduce 2.0m capacity requirement to 1.6m.
- March 2026: Legislated reduction of capacity requirement to 1.4m.
- Two scenarios endorsed by Auckland Council. Scenario A provides an estimated capacity of between 1.4m and 1.6m dwellings while Scenario B provides an estimated capacity of between 1.5m and 1.7m dwellings.

The key economic principle is the one identified earlier: when planning allows supply to respond, transport-led value uplift has the potential to accrue as both quantity and property value, rather than solely price. This means that PC120 and where it settles in terms of upzoning allowance is key as to how the CRL's benefits will materialise.

Plan-enabled capacity is not the same as feasible capacity. For example, an Astrolabe Group report from 2024 called 'Making TODs Work' found that while NSW's Transit Oriented Development programme enabled 170,000 mid rise and mixed use dwellings within a 400m radius of 37 stations over the next 15 years, only two out of eleven submarkets were feasible at the current construction costs. Auckland faces the same constraint of plan enabled capacity not being equal to what is actually feasible.



07

Sector Implications

- 7.1 Office
- 7.2 Retail
- 7.3 Hotels and hospitality
- 7.4 Industrial
- 7.5 Residential
- 7.6 Investment market and yields
- 7.7 Car parking

Sector Implications

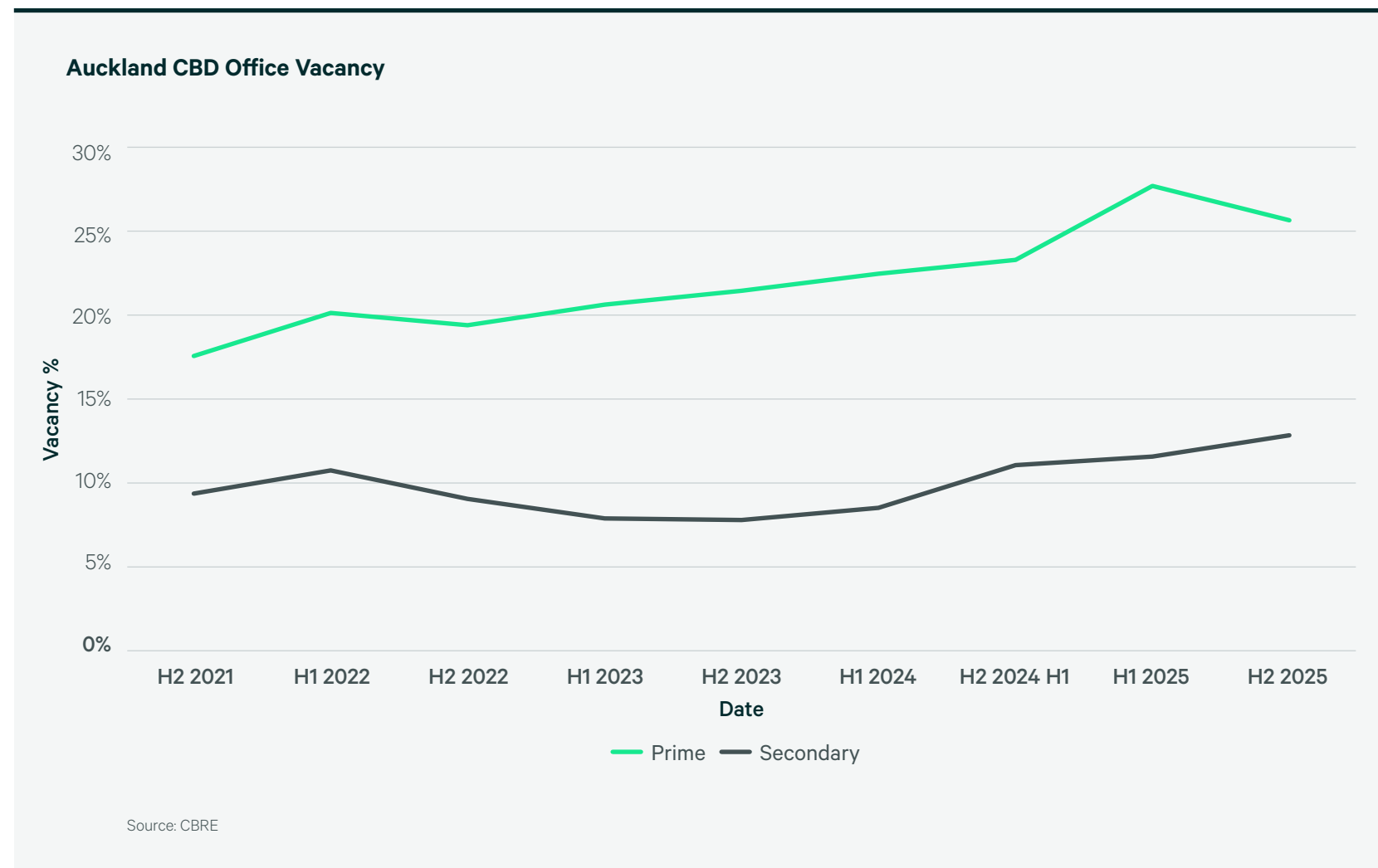
7.1 Office

The CRL improves CBD-based firms' access to labour by expanding the commutable catchment for staff at any given time. For some firms who had previously located in suburban office precincts, a CBD location becomes more competitive on both accessibility and amenity metrics.

One New Zealand is a local example. In 2016 the then-Vodafone announced that they would move 1,800 staff from the CBD to suburban North Shore. In 2025 they returned to the CBD in a new office building in Wynyard, adding 1,200 employees to the area, with those that are North Shore based able to have their commute serviced via the NEX busway. We expect similar suburban-to-CBD moves from other businesses in the years following CRL opening.

A constraint is stock quality as the suburban-to-CBD shift requires fit-for-purpose space. In the first few years after the CRL opens Prime absorption is expected to continue, but Secondary stock is more likely to bifurcate. Assets that can be redeveloped or comprehensively repositioned will compete but those that cannot will face obsolescence pressure.

Despite this comeback to the CBD, Suburban office is in no way displaced in a wholesale manner. Mid-size campus-style requirements suit suburban precincts, where land for purpose-built development is more available and parking ratios exceed those of the CBD. Backfill vacancy in existing offices from CBD-bound firms creates a cost-effective entry point for emerging businesses that need access to top talent but cannot yet afford Prime CBD rents.



7.2 Retail

The retail spend impact of Sydney’s Metro Northwest (2019) and City & Southwest (2024) lines provide compelling evidence as to what Auckland may see in terms of retail spend post CRL opening. In Sydney, monthly ridership grew from approximately 2 million to 6 million during 2024, materially lifting foot traffic at and around stations. Sydney’s food and beverage (F&B) sector underperformed nationally during this period because of cost-of-living pressure, but station-adjacent food and beverage outperformed the sector average.

The Sydney evidence also shows that retail uplift is not uniform. Some catchments such as Sydenham near Sydney Airport became hotspots for entertainment and dining. Others such as Barangaroo saw spending decline despite improved connectivity, as easier travel allowed consumers to redistribute spend to what they perceived to be better-value and/or newly emerging locations.

Applying these learnings to Auckland means that it is probable the CBD stations and established suburban centres with modern F&B (e.g. Newmarket, Sylvia Park) are positioned for uplift. Older centres (Henderson, Manukau) face a choice between modernising their F&B and amenity offer to capture station-driven foot traffic or losing share to better-curated alternatives. Convenience retail and grab-and-go F&B at and around stations should benefit more broadly.

7.3 Hotels and Hospitality

Hotels are exposed to the CRL’s effects because their revenue depends on accessibility from the airport, from convention venues, and from cross-CBD movement during stays. Three effects are relevant:

Catchment expansion for midtown hotels.

Te Waihorotiu and Karanga-a-Hape unlock midtown accommodation supply that has historically traded at a discount to waterfront hotels in part because of weaker pedestrian connectivity. The CRL goes some way in closing that gap.

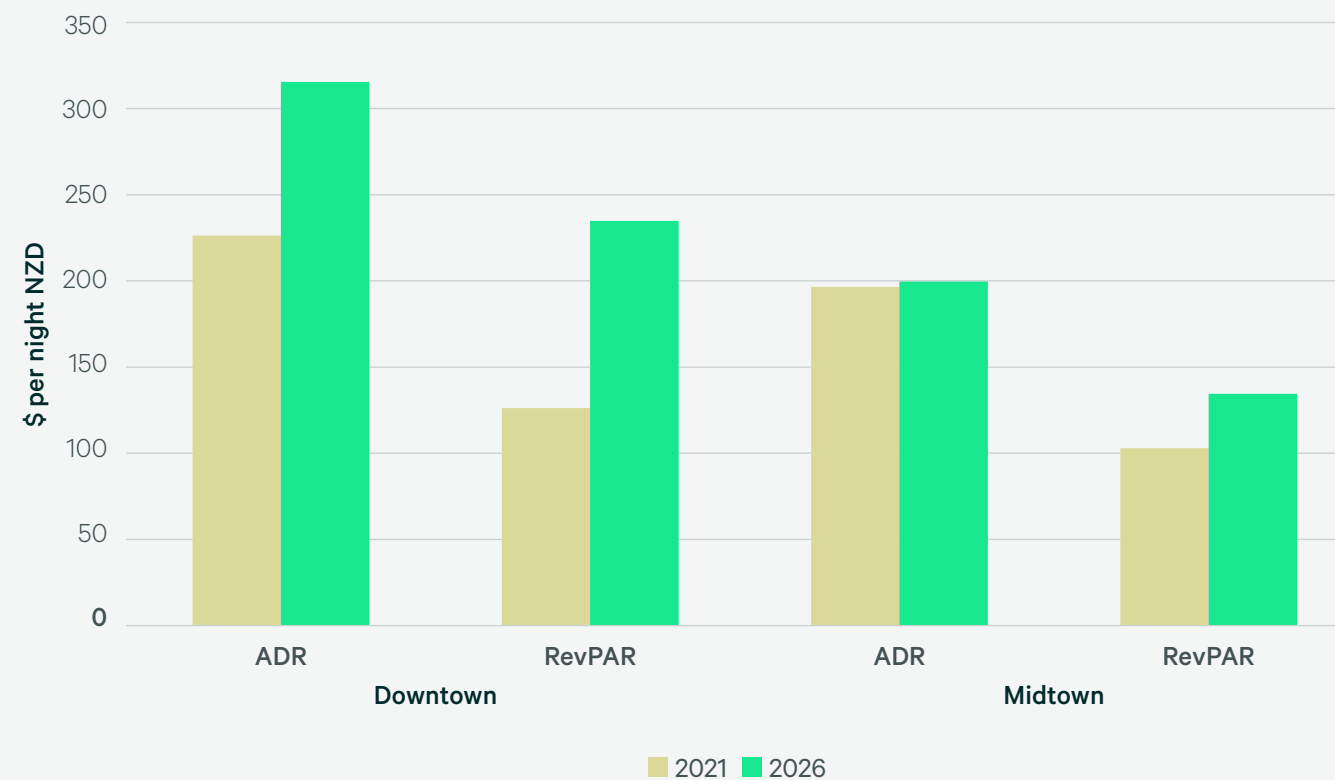
New development at Karanga-a-Hape.

Karanga-a-Hape’s strong residential and entertainment-precinct character supports boutique and lifestyle-hotel development where it was previously constrained by transport access.

MICE (meetings, incentives, conferences and exhibitions) and convention demand.

The New Zealand International Convention Centre sits just a short walk from Te Waihorotiu. Delegate access from across Auckland improves materially, which supports the convention precinct’s value proposition and, indirectly, hotel occupancy at the major branded properties.

Auckland Waterfront and Midtown Hotel Average Daily Rate and Revenue per Available Room (RevPAR) – year to April



Source: Costar

Pipeline: Radisson RED just opened with 322 rooms, DoubleTree by Hilton slightly delayed by a recent fire with 231 rooms, Moxy Auckland with 190 rooms.

7.4 Industrial

Industrial real estate accrues its gains from the CRL through three indirect mechanisms.

Marginally improved access to labour.

Auckland's largest industrial precincts are East Tāmaki (2.5m sqm), Wiri (1.9m sqm), Mt Wellington (1.7m sqm), Penrose (1.7m sqm), and Airport Corridor (1.5m sqm). Low employee densities compared to offices limit commutes via rail for industrial precinct workers. Bus integration as a last-mile mode is the main route by which rail commuting becomes viable, though shift-pattern hours will continue to heavily favour private vehicles.

Reduced road congestion.

As passenger movement shifts modes, roading capacity is freed up for freight. This makes outer-urban industrial precincts more effectively connected, supporting occupier demand on the urban fringe.

Third Main supports rail freight.

The Third Main rail line was officially opened in September 2025. It increases the rail network's freight capacity, partially insulating industrial cost structures from fuel price shocks.

Gentrifying urban suburbs with current semi-industrial warehouse uses will see a decline in stock as it gets redeveloped into higher and better uses such as residential and hospitality. Morningside is the main example so far, with construction underway for 322 build to rent units on Morningside Drive by Simplicity Living, and resource consent due to be issued soon for 122 build to sell units on Argyle Street by Elaman Property, with both projects replacing semi industrial warehouses.

Outer-urban industrial precincts will be subject to competing residential and commercial demand for land. Careful PC120 zoning and sequencing of future urban land supplies will be needed to prevent the two demands from interfering with one another.



As passenger movement shifts modes, roading capacity is freed up for freight

7.5 Residential

The CRL’s headline residential effect is to bring all of Auckland closer to the CBD in time-distance terms. The greatest direct value uplift accrues to sites within walking distance of stations. Through that uplift, many of these sites become underutilised relative to their highest and best use and become viable for redevelopment, and especially to high-density residential.

PC120 enables the necessary heights: 15+ storeys at Maungawhau, Kingsland and Morningside; 10+ storeys at Mt Albert and Baldwin Avenue; 6+ storeys at all other stations. But as was identified in the planning section earlier, plan-enabled capacity is not the same as feasible capacity. NSW’s TOD programme enabled 170,000 homes across 37 stations and only two of the eleven submarkets were calculated as feasible. Auckland faces the same issues: lower existing housing prices than in 2021, extremely weak presales, and high construction costs make for-sale apartments feasibility-constrained in most catchments.

Build-to-rent (BTR) is the exception. BTR does not require presales, it underwrites to rental cashflows that respond directly to accessibility uplift, and renter households are less likely to own a car which lowers construction cost by needing less parking making it structurally aligned with the CRL’s value proposition. Resido by Kiwi Property has 295 units and completed in 2024 near Sylvia Park station; other projects near Greenlane and Morningside stations are under construction and will each have more than 320 units. This tenure will be the dominant apartment delivery vehicle in the first few years post CRL opening.

A secondary residential effect is geographic as the CRL enables outward as well as upward growth. Households judge commute by time, not distance. A family home on the urban outskirts becomes commutable to the CBD in a way it was not before and developers can deliver larger, lower-cost family stock at the fringes with multi modal access for city based workers. The CRL is, in this sense, both an intensification and an urban expansion project. Auckland’s growth pattern over the next decade is more likely to have elements both urbanisation and suburbanisation as opposed to either/or.

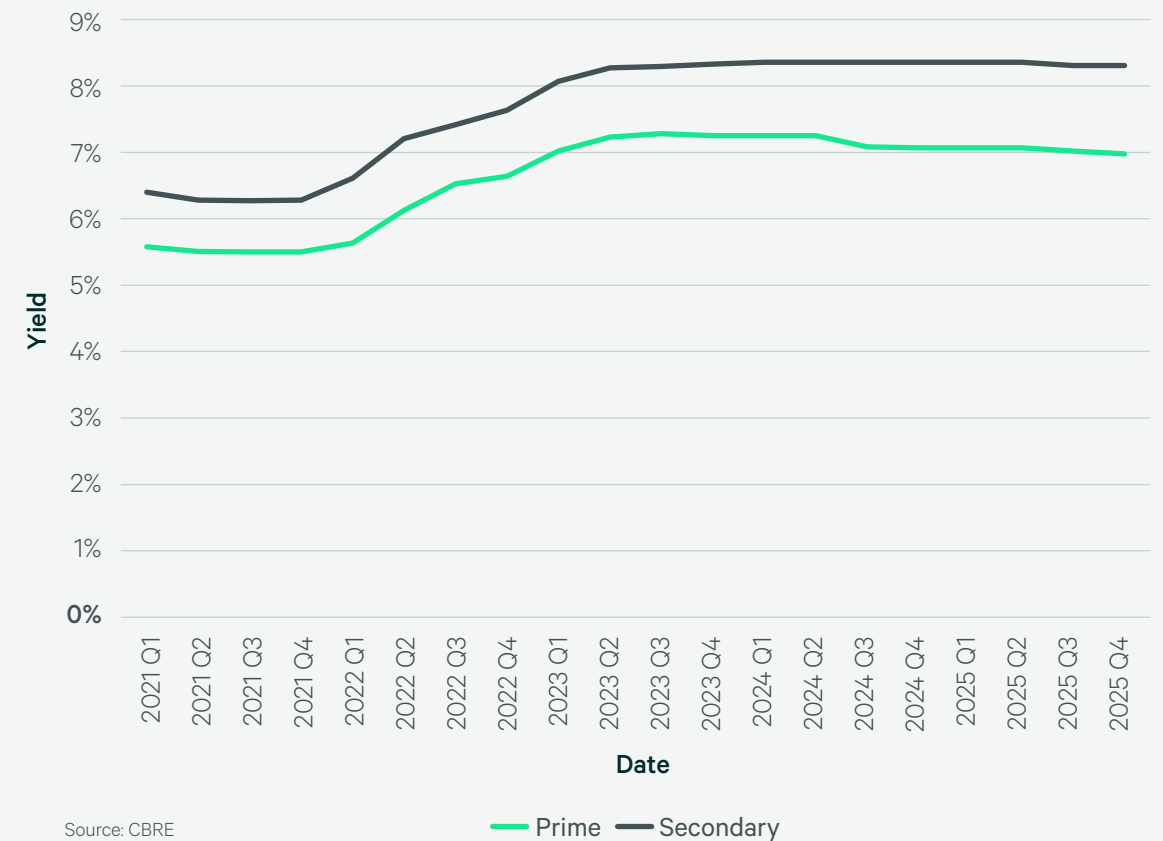
7.6 Investment market and yields

All else equal, transport-led accessibility uplift compresses yields for assets within the catchment. The mechanism is straightforward. Better-located assets attract a wider buyer pool (including offshore institutional capital), command stronger income growth, and carry lower vacancy risk.

Three structural effects are expected in Auckland:

- Yield divergence within submarkets.**
 Two comparable assets, one inside and one outside a station catchment, will trade at meaningfully different cap rates by the 2030s.
- A revised buyer hierarchy.**
 Station-adjacent assets become more attractive to institutional capital relative to non-catchment stock. This expands the buyer pool and supports liquidity in the catchments at the expense of secondary locations.
- BTR capitalisation rate establishment.**
 Auckland lacks a BTR transaction history. The CRL accelerates BTR delivery and therefore accelerates the establishment of an Auckland BTR yield benchmark, which is important for the sector’s investability.

Auckland CBD Prime and Secondary Commercial Office Indicative Yields



7.7 Car parking

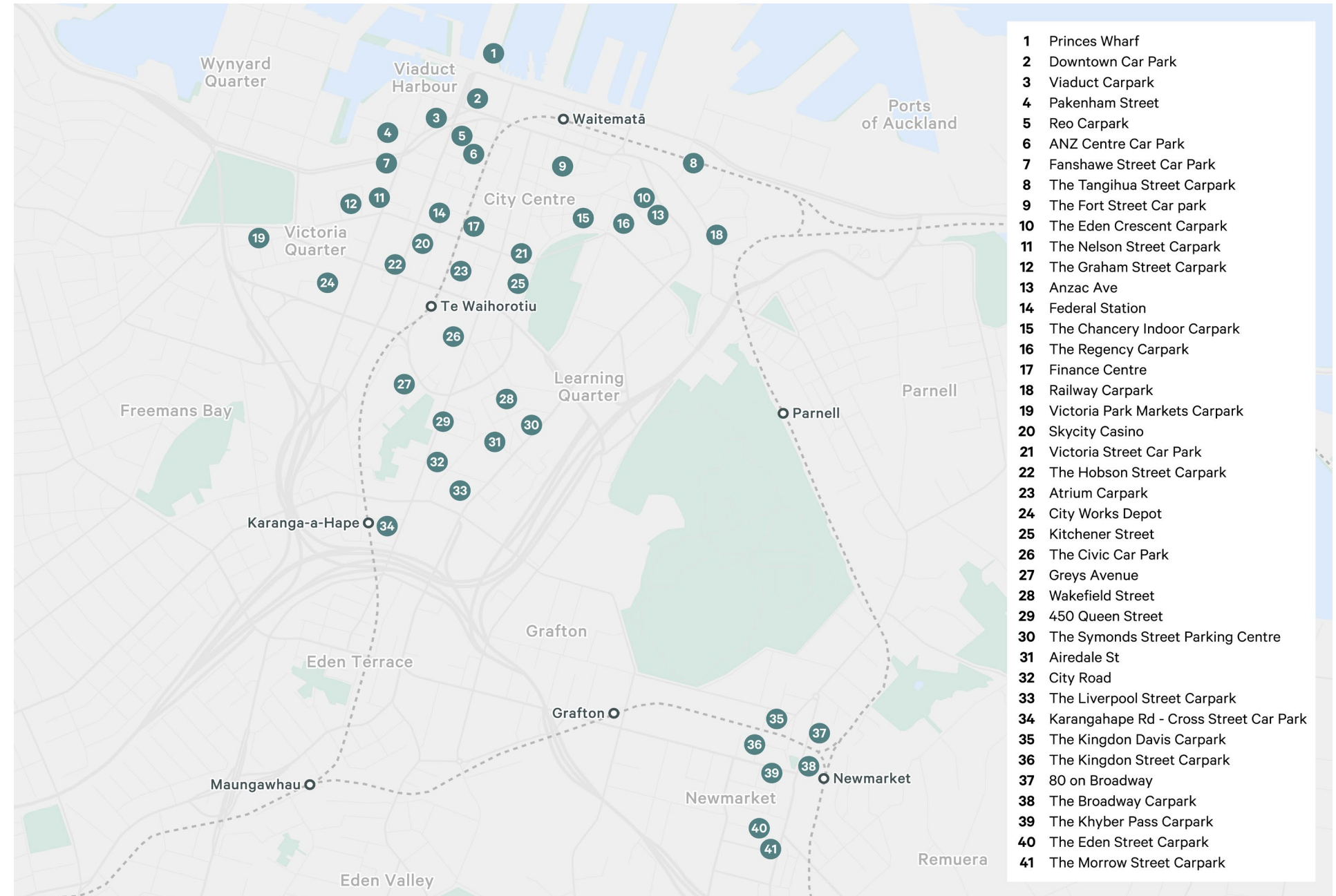
CBD carpark buildings have a clear dual implication from the CRL.

The first is that mode shift away from private vehicles reduces transient parking demand and weakens income for standalone carpark buildings. At the same time, several CBD carpark buildings sit on parcels of size and location that become strongly competitive for redevelopment, particularly in midtown, where developable parcels are otherwise scarce.

The likely outcome over the 2026–2036 period is a repositioning of carpark stock. Some assets will be repurposed to mixed-use, some demolished and redeveloped, and the remaining stock concentrated in fewer, better-located buildings with stronger income per bay.

The absence of minimum parking requirements for new residential developments, which were removed under the NPS-UD requirements, reinforces this trend.

Map: Older large scale Car parking Buildings In The CBD and Newmarket

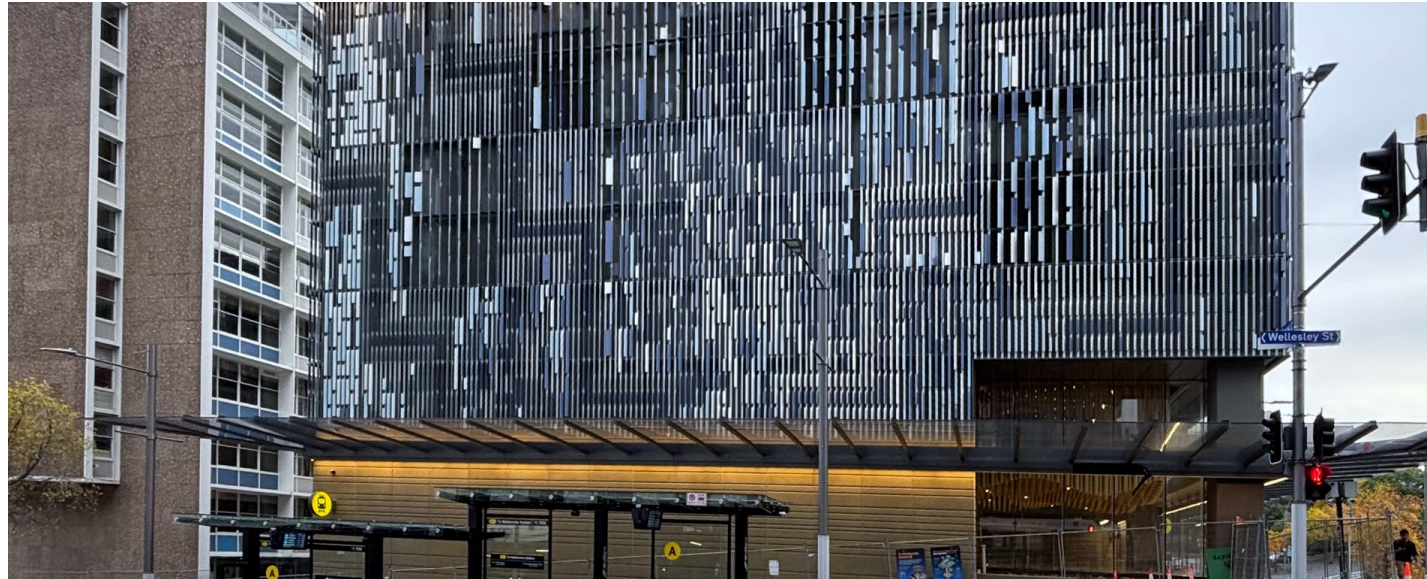


08

Place-Based Opportunities

- 8.1 Midtown (Te Waihorotiu)
- 8.2 Mt Eden (Maungawhau)
- 8.3 Karanga-a-Hape
- 8.4 Western stations
- 8.5 Southern stations
- 8.6 Transit-oriented developments

Place-Based Opportunities



8.1 Midtown (Te Waihorotiu)

Te Waihorotiu has the strongest accessibility profile on the network. If we extend the walkable catchment from 10 minutes to 20 minutes, it has the highest combined count of jobs, residents and dwellings within, with diversity across all three rather than concentration in any one. As a comparison, Waitemata skews toward jobs and Karanga-a-Hape skews toward residents, while Te Waihorotiu is more balanced. That balance is what makes it the highest-upside station on the network in raw potential terms.

Compared to Maungawhau, Midtown is already built up, with variety in parcel sizes and fragmented ownership, however it appears that in the current environment there is more activity at Midtown than in Maungawhau, possibly because multiple opportunities exist in isolation to each other. MRCB's plans for Symphony Centre (office and hotel), office suites at The Formerly, St James theatre restoration, the underway

DoubleTree by Hilton hotel, and new student accommodation blocks are all examples of private sector investment done in advance of the CRL station opening. What is a comparatively uncontrolled precinct level change is producing a diverse mix of land uses that will generate street level vibrancy.

While these have the effect of changing the perception of Midtown, much of the new build development case rests on parcels with ageing structures well below current height limits. This supports development feasibility but sites also face complex construction conditions and high all-in costs. The development bar is therefore elevated, but as is evident in investments undertaken to date, anticipation of strong future demand post CRL is drawing capital over this bar. Public sector involvement in placemaking and public realm have been playing a positive role in bringing forward the timing of Midtown opportunities.



8.2 Mt Eden (Maungawhau)

Mt Eden is the most controlled development opportunity of the network. Much of the land immediately north of the station is vacant and in central or local government ownership.

The highest and best use is a masterplanned high-density primarily residential community combining market-sale and build-to-rent tenures.

Influx of residents triggers second-order commercial demand for convenience retail, hospitality, services at a level that the current population is insufficiently large to support.

Location specific constraints include the station's position slightly down a hill which affects views and aspects, along with irregularly shaped development sites and limitations from viewshafts.

Despite these constraints, the combination of government land ownership, plan-enabled heights of 15+ storeys, and a five-minute commute to midtown makes Maungawhau the most controllable and most certain real estate outcome of the CRL. It is the place where the project's benefits are most likely to be delivered as visible new supply.

Place-Based Opportunities



8.3 Karanga-a-Hape

Karanga-a-Hape has the most distinctive character of the three CBD stations. It is a residential and entertainment-led precinct rather than a pure jobs precinct, with established hospitality, music and creative-industries amenity. The station catchment of approximately 6,000 jobs is roughly comparable to Newmarket and Grafton but with the additional strength of leveraging ridgeline views and other amenity as well as employment.

The development opportunity is broad, covering residential intensification, both BTR and market for-sale, boutique hotel and hospitality development that capitalises on the precinct's existing character, and office space. Commercial investments include the planned development of an 11 storey timber building by Kirkpatrick Group, and the former Beca House at 21 Pitt Street which has been purchased as a strategic hub for the James Pascoe Group.

There is a risk in this station's area of gentrification displacing the charm that creates the development upside in the first place. Stakeholders will need to find a working balance in mitigating this.



8.4 Western line stations

Aside from Newmarket and Parnell, travel time savings from all current western line stations to midtown are at least 20 minutes, making the western line the one that benefits the most in terms of travel time reduction. It is hard to overstate the impact of this on commutability; Swanson to midtown changes from 66 minutes to 42 minutes, a time saving of 36%; in comparison, driving from Swanson to midtown has a variable travel time range of 40 minutes to 1 hour and 30 minutes. Rail commute times from other stations will also see significant improvement, with Henderson to midtown reducing by 23 minutes or 40% and New Lynn to midtown reducing by 22 minutes or almost 50%.

While the distant station locations undoubtedly benefit from the CRL in terms of minutes saved, the central west stations have greater benefits when viewed as proportion of time saved. Kingsland to midtown changes from 31 minutes to 9 minutes (71% of time saved) and Grafton changes from 26 minutes to just 6 minutes (77% of time saved). These effects mean that it is highly likely that homes located in western line station suburbs will attract interest from city centre based professionals.



8.5 Southern stations

The three new stations between Pukekohe and Papakura bring the southern fringe into the CBD commuting catchment. Even with the extra stops, Pukekohe to midtown rail travel time improves by 15 minutes. Resulting development is likely for large family housing at affordable price points offering both rail and road commute access to CBD jobs.

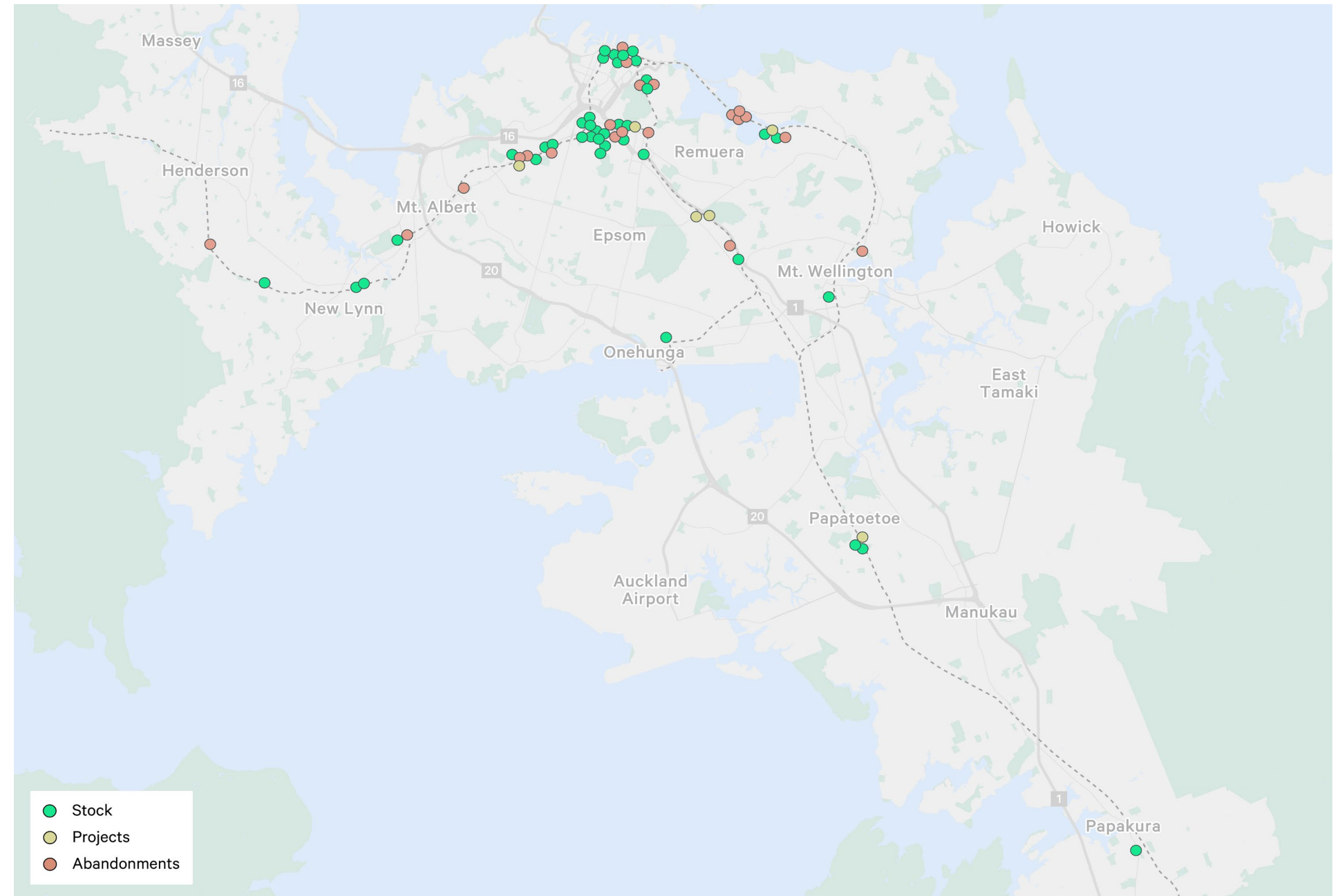
This is the part of the network where the CRL is most plausibly a sprawl-enabling project. Whether the resulting growth is well-served and well-located, or whether it replicates historic case studies of low-amenity outer-suburban growth, depends on integrated land use planning and infrastructure sequencing in Franklin and southern Papakura.

Map: Transit oriented developments with a market for sale or build to rent apartment component over the last 15 years

8.5 Transit-oriented developments

CBRE Research has plotted all post-GFC market for sale and build-to-rent apartment projects within 400m of existing rail stations. The ‘market for sale’ dataset comprises 35 completed projects (2,366 units, 1,995 carparks), 23 abandoned projects (1,598 units, 1,573 carparks), and 3 projects in the pipeline (193 units, 249 carparks). The ‘market build-to-rent’ dataset comprises 4 completed projects (435 units, 256 carparks), and 3 projects in the pipeline (702 units, 246 carparks). Non market apartments such as social housing units have been excluded.

Two patterns stand out. First, completed transit oriented development (TOD) projects cluster in the central isthmus rather than at outer-network stations. Second, the station with the most TOD success outside Britomart is Mt Eden, with seven market for sale completed projects and one abandonment (which was subsequently completed by another developer). This is a strong signal for Maungawhau’s role as the network’s lead TOD location.



09

Risks and Downside Scenarios

Risks and Downside Scenarios

The base case in this report is that the CRL delivers material real estate value over 2026–2036 through price growth and/or development opportunity, concentrated at midtown, Mt Eden, and station-adjacent locations across the network. Four risks could weaken or delay that outcome.

01

RISK 1:

Patronage fails to recover

Rail commute share fell from 2.9% (Census 2018) to 1.6% (Census 2023). A key driver of this was the growth in work from home which moved from 8.7% to 17.9% during those five years. Patronage growth is critical in recovering the costs of building and operating the CRL, as more passengers leads to higher farebox recovery. If working-from-home patterns continue to suppress rail patronage, the agglomeration and accessibility benefits the CRL unlocks will be slower to materialise. Patronage is the single biggest risk to the return on investment of the CRL.

03

RISK 3:

Council and central government policy reversal

PC120 has already moved twice on its capacity numbers between February and March 2026. A further reduction, or a political reversal of the ‘Going for Growth Around the CRL’ upzoning, would weaken the development capacity, especially at the western line stations. The risk is not zero given the political volatility around urban planning in New Zealand, compounded further by 2026 being a general election year.

02

RISK 2:

Construction cost barriers to PC120 delivery

NSW’s TOD programme enabled 170,000 apartments and delivered feasibility in only two of eleven submarkets. Auckland’s state of soft existing stock prices, weak presales, and persistent construction cost inflation is similar. Plan-enabled capacity will not translate to built stock without a meaningful improvement in development feasibility. Build-to-rent partially solves this by skipping over presale requirements in a way that for-sale apartments cannot.

04

RISK 4:

A demand-side shock during the absorption window

The CRL opens in 2026 into a weak economic environment. Office absorption recovery depends on broader economic conditions, retail uplift depends on consumer spending, and BTR yield establishment depends on institutional capital appetite. A recessionary period in 2026–2028 would compress the demonstration of CRL value into a later, slower window. This would not change the long-run thesis but would change the timing of capital deployment decisions.



ASYMMETRY OF OUTCOMES

Notwithstanding the risks, the likely outcome for the real estate sector is favourable:

- One of the reasons that people work from home is because of a lengthy commute; that will soon be made quicker with either a faster rail journey or a freer road when other commuters shift from road to rail.
- The CRL has been built at yesterday’s construction costs and soon to be operational regardless of whether a downside risk crystallises in the coming months and years.
- The accessibility gains are physical and durable, meaning that the downside risks would potentially impact timing and magnitude of the benefits felt by real estate, not direction.

10

Barriers to Capturing the Upside



Barriers to Capturing the Upside

Five barriers stand between the CRL's potential and its realisation.

01

Planning lag.

The Unitary Plan was proposed in 2013, well before the CRL began construction. PC120 is the necessary update but is still working through its capacity settlement and currently has two scenarios out for consultation with local boards and iwi authorities. Until PC120 is operative and stable, developers face planning uncertainty that holds back capital commitment.

02

Fragmented land ownership.

Midtown's small parcels and multiple owners may be a constraint on fully capturing the Te Waihorotiu opportunity. Multiple private developers undertaking piecemeal projects compared to the more cohesive Maungawhau's opportunity creates vibrancy but may also prevent larger developments from being realised by cannibalizing their market share. Too many cooks in the kitchen could ultimately prevent a defining moment in Midtown's transformation.

03

Passive incumbency in held assets.

Five years past the market peak with limited credit impairment means few owners are forced sellers, and few properties on the market are priced for redevelopment. The result is a stalemate where assets are held by owners with neither the appetite to redevelop nor the pressure to sell. Value uplift by proximity will accrue to active investors who reposition stock but passive investors will under-capture what is possible.

04

Placemaking execution.

Public realm and amenity quality determine whether station catchments translate accessibility into desirability. Placemaking efforts have sizeable influence over private investment decisions. Where placemaking lags, private investment will lag.

05

Last-mile connectivity.

Property prices respond to accessibility, not just proximity. Walkable connections, micromobility and bus integration are low-cost levers that extend each station's effective catchment. Personal compact e-scooters have increased in popularity and affordability and unlike buses they give users full control over their last mile experience while extending station catchments, however widespread adoption of these as a last mile mode is yet to be seen.

11

Conclusion & Outlook



Conclusion & Outlook

Transport infrastructure creates real estate value because accessibility creates real estate value. Areas that are better connected attract more customers, more labour, more capital, and more amenity. The CRL is the largest single accessibility intervention in Auckland's recent history, and it lands at a moment when the city's office market is structurally ready to absorb it, its housing market is ready to densify around it, and its planning regime is about to enable it.

The benefits will not be uniform. They will be concentrated at the three CBD stations (most heavily at Te Waihorotiu), at Maungawhau, along the western line where PC120 enables heights of 10 to 15 storeys, and the new southern stations. They will be captured differently depending on whether they are in fragmented-ownership submarkets or in markets where vacant development sites exist. They will accrue to active investors with redevelopment appetite rather than passive holders of existing stock.

The Auckland of 2036 will not look like the Auckland of 2026. The decade ahead is the one in which the city decides whether the \$5.5bn investment becomes the transformational platform then-Mayor Len Brown described in 2016, or simply a piece of infrastructure that runs trains beneath an unchanged city. The real estate response is the principal mechanism by which that decision is made.

What to watch over 2026–2028

- Rail patronage trajectory in the first 24 months post-opening (the single most important leading indicator).
- PC120 final settlement and implementation.
- First post-CRL CBD office leasing decisions (occupier survey 'proximity to public transport' priority converting to action).
- Maungawhau masterplan and first development consents.
- Establishment of an Auckland BTR yield benchmark through institutional transactions.
- Greenlane and Morningside BTR delivery and lease-up.
- CBD carpark building redevelopment announcements.

Contacts

Author

Tamba Carleton

Director
Research, New Zealand
+64 21 201 0902
tamba.carleton@cbre.com

Business Line

Campbell Pritchard

National Director
Office - Leasing, New Zealand
campbell.pritchard@cbre.com

Mark Calvert

Associate Director
Retail
mark.calvert@cbre.com

Claus Brewer

National Director, New Zealand
Industrial & Logistics - Sales & Leasing
claus.brewer@cbre.com

Campbell Stewart

Managing Director, New Zealand
Valuation & Advisory Services
campbell.stewart@cbre.com

Brent McGregor

Executive Chairman
Capital Markets, New Zealand
brent.mcgregor@cbre.com

Zoltan Moricz

Executive Director
Research, New Zealand
zoltan.moricz@cbre.com

Thanks to Sandy Hu, Connor Sharp, Peter Hamilton, Sarah Cowell, and David Aguilar for their kind assistance in producing this report.

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