

Commercial office

Despite low vacancy rates in the Tauranga office market, rental growth has slowed. Notwithstanding work-from-home practices, major office downsizing is not yet apparent in the market. Car parking rents are again showing growth. Suburban office space is supported by a range of organizations. New CBD construction is redefining A-grade space and setting new benchmark rents. Lower office grades exhibit markedly lower rents. Tenancies providing lower-quality space and/or without parking can prove very challenging to lease and sell.

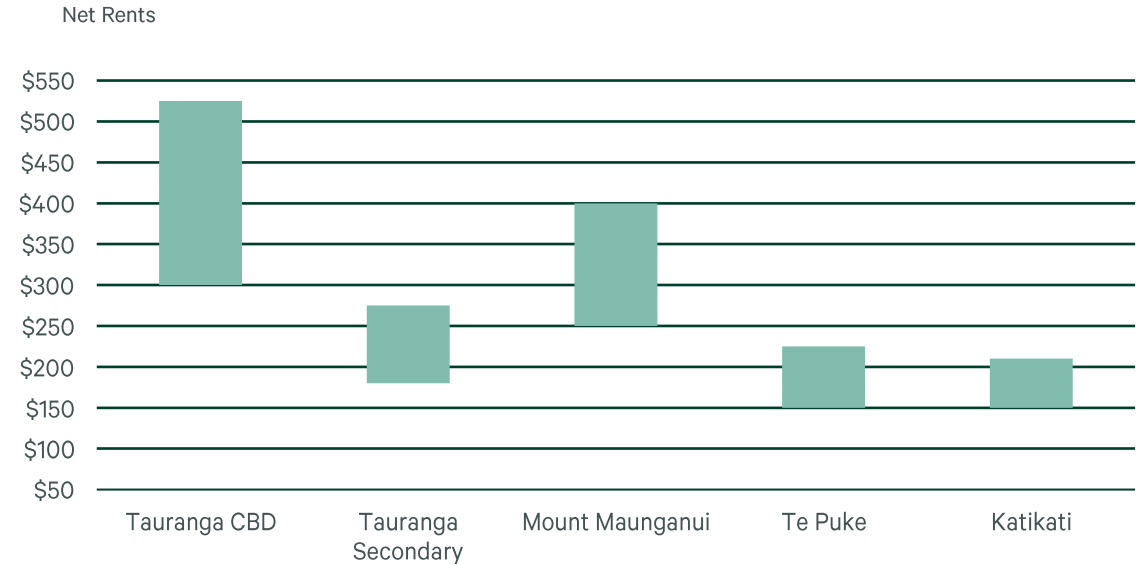
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD	▲ Improving	Moderate
Tauranga Secondary	▶ Static	Moderate
Mount Maunganui	▶ Static	Limited
Te Puke	▶ Static	Limited
Katikati	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
Tauranga CBD	▶ Static	Average
Tauranga Secondary	▶ Static	Weak
Mount Maunganui	▶ Static	Average
Te Puke	▶ Static	Weak
Katikati	▶ Static	Weak

FIGURES | TAURANGA | JUNE 2025

Industrial

Relatively consistent and strong rental growth was noted in the last decade, due largely to constrained supply, low vacancy rates, and good tenant demand. However, rental growth has begun to ease. Industrial property remains popular with investors. However, the high cost of industrial land has made new development economically marginal, making it less viable. However, with falling interest rates, we expect to see increased construction over the next 12 months or so. Properties for sale that exhibit negative issues, such as lease terms and consents, are generally being treated harshly by the market.

NET YIELDS

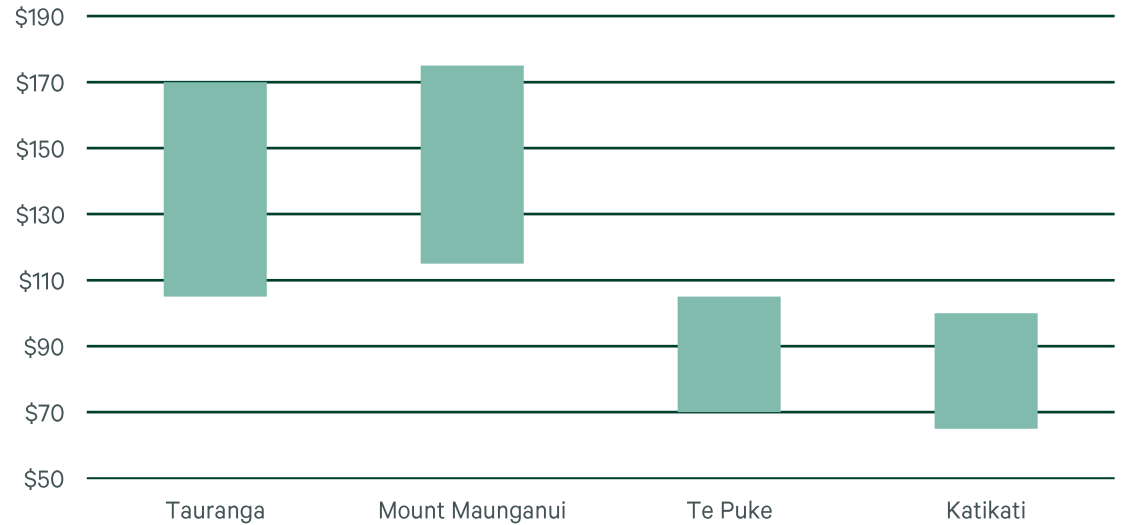


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Tauranga	▶ Static	Moderate
Mount Maunganui	▶ Static	Limited
Te Puke	▶ Static	Limited
Katikati	▶ Static	Limited

Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Tauranga	▶ Static	Average
Mount Maunganui	▶ Static	Strong
Te Puke	▶ Static	Average
Katikati	▶ Static	Average

Retail

The ground floor commercial rental market in Tauranga is currently showing low rental growth outside of the CBD. Areas outside the CBD generally have low vacancy levels. Within the CBD, rental growth is concentrated in selected areas (such as “Eat Street”) and a few new builds, while the majority of the CBD has notably high vacancy. The main downtown of the Mount Maunganui commercial area had exhibited exceptional growth, but over the last year it has seen rental rates fall back slightly. Retail is not a favoured investment class for investors.

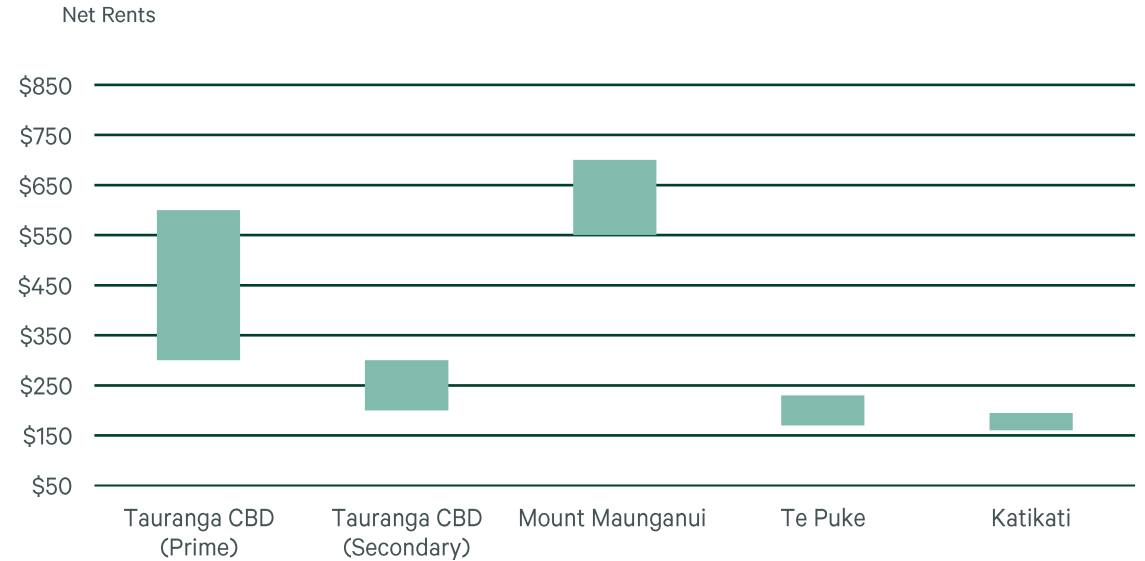
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD (Prime)	▶ Static	Over supplied
Tauranga CBD (Secondary)	▶ Static	Over supplied
Mount Maunganui	▼ Weakening	Limited
Te Puke	▶ Static	Limited
Katikati	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
Tauranga CBD (Prime)	▶ Static	Weak
Tauranga CBD (Secondary)	▶ Static	Weak
Mount Maunganui	▶ Static	Very strong
Te Puke	▶ Static	Average
Katikati	▶ Static	Average