

FIGURES | INVERCARGILL | FEBRUARY 2025

Commercial office

In Invercargill, there is an excess of office space in categories B and C, while A grade office space remains scarce. Recently leased properties are typically smaller and fall under the B grade category, with rental rates remaining relatively stable. In provincial Southland, there has been minimal leasing activity, with only a few recent transactions. Additionally, provincial towns have a higher proportion of owner-occupied spaces compared to major urban centres.

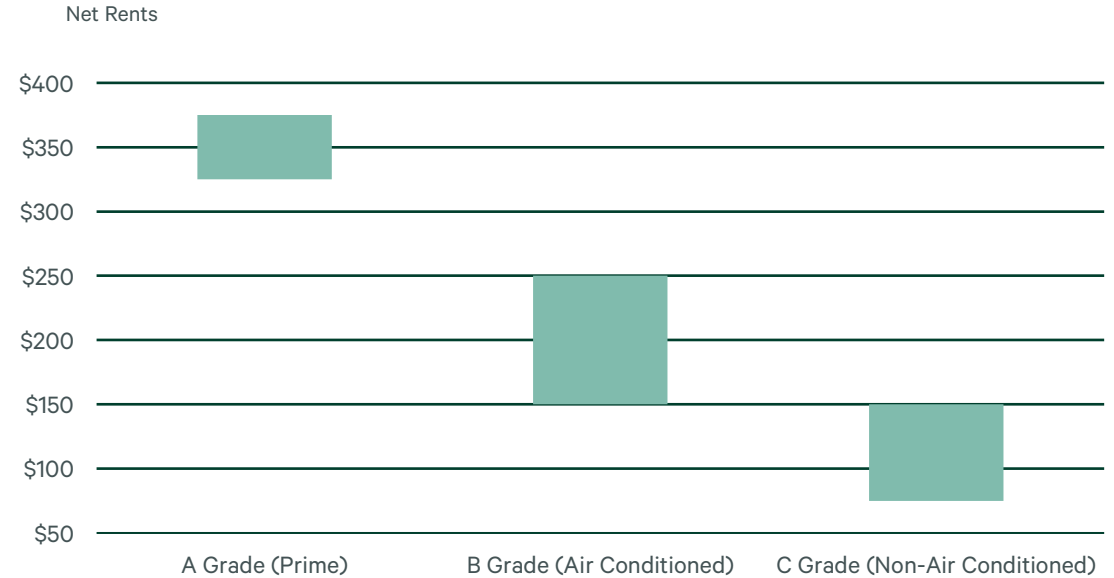
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
A Grade (Prime)	▶ Static	Limited
B Grade (Air Conditioned)	▶ Static	Over supplied
C Grade (Non-Air Conditioned)	▶ Static	Over supplied



INVESTOR MARKET

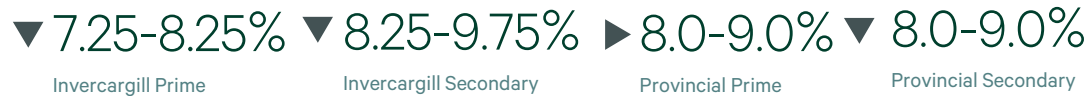
	Market direction	Demand
A-Grade (Prime)	▶ Static	Average
B-Grade (Air conditioned)	▶ Static	Average
C-Grade (Non-Air Conditioned)	▶ Static	Weak

FIGURES | SOUTHLAND | FEBRUARY 2025

Industrial

Despite the persistent demand for industrial space in Southland, especially in Invercargill, there is a noticeable shortage. Over the past two years, rental prices have experienced significant growth. This growth has come about even though transactions have been limited due to supply constraints, rising mortgage interest rates, and tough economic conditions. New purpose-built rentals are commanding higher prices, but these prices are typically based on cost-plus-margin calculations rather than prevailing market rates.

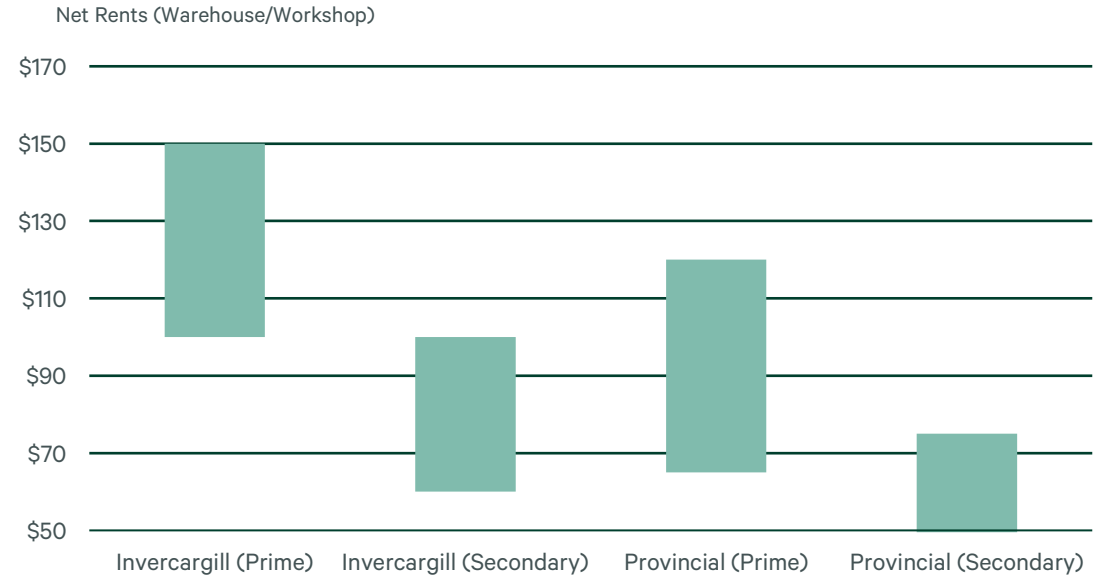
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Invercargill (Prime)	▶ Static	Limited
Invercargill (Secondary)	▶ Static	Limited
Provincial (Prime)	▶ Static	Limited
Provincial (Secondary)	▶ Static	Limited



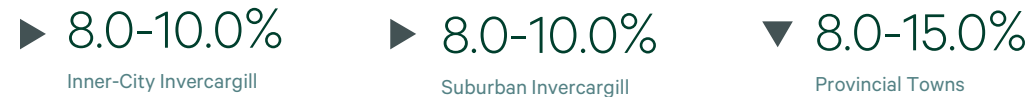
INVESTOR MARKET

	Market direction	Demand
Invercargill Prime	▶ Static	Average
Invercargill Secondary	▶ Static	Average
Provincial Prime	▶ Static	Average
Provincial Secondary	▶ Static	Average

Retail

Invercargill Central, the inner-city mall, has successfully entered its second year of operation. The retail spaces on the ground floor are fully leased, as is the ground floor of the neighbouring HWR tower. Despite the 2023 closure of the H&J Smith department store and the 2024 closure of Torpedo 7 being significant losses for the city, they have paved the way for new retailers such as Gun City, Evo Cycles, and Ballantynes to enter the market. Currently, Invercargill faces an oversupply of secondary retail space, particularly in buildings that are earthquake prone. In the wider Southland region, there is a demand for high-quality retail spaces, though many earthquake prone buildings remain unoccupied.

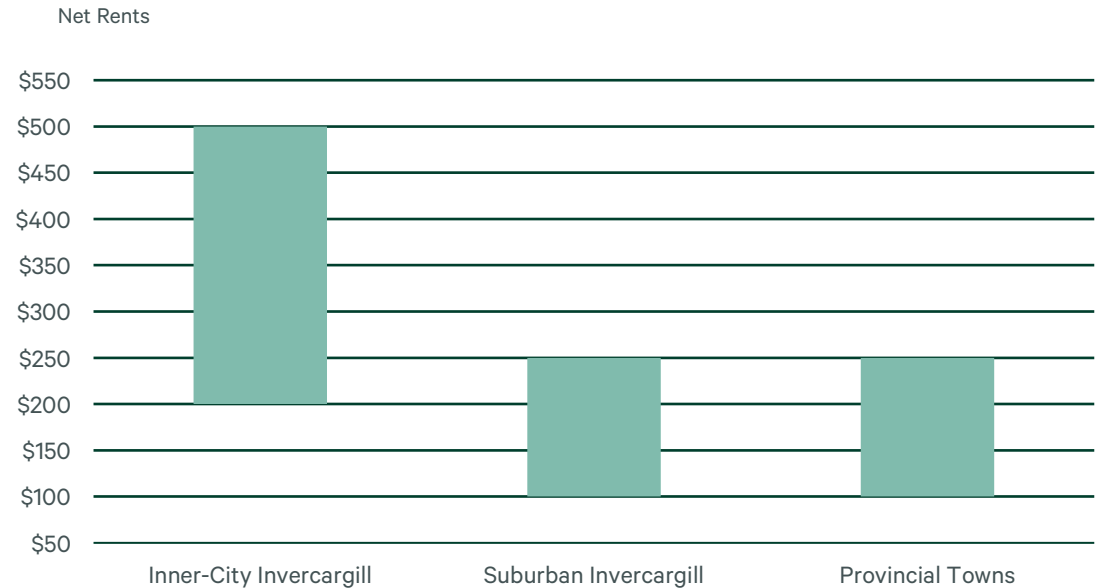
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Inner-City Invercargill	▶ Static	Moderate
Suburban Invercargill	▶ Static	Over supplied
Provincial Towns	▶ Static	Moderate



INVESTOR MARKET

	Market direction	Demand
Inner-City Invercargill	▶ Static	Average
Suburban Invercargill	▶ Static	Average
Provincial Towns	▶ Static	Average