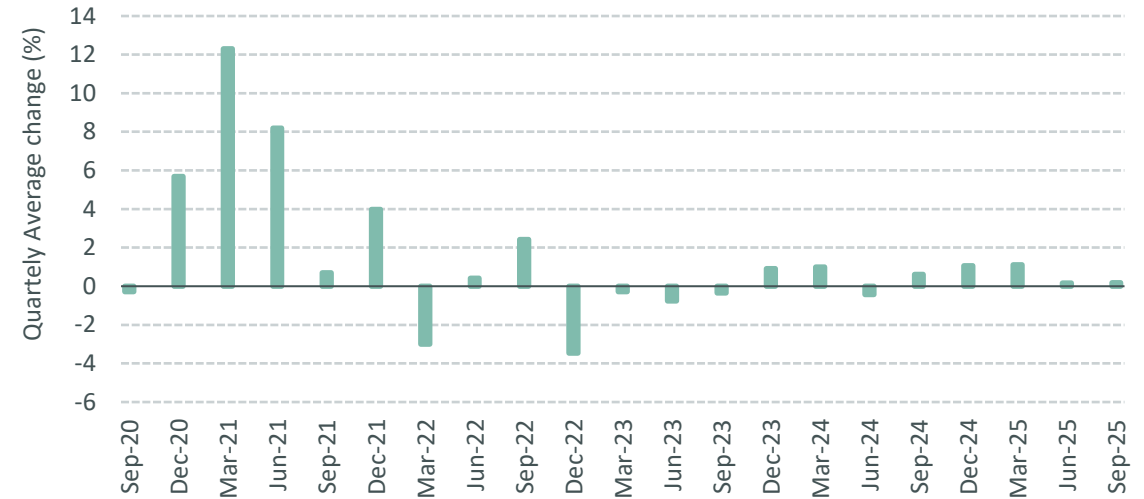


Christchurch Property Market Overview

KEY MARKET CHANGES

- In Q3, positive supply demand dynamics in specific pockets in the Core and West End precincts drove up rents in Christchurch’s Prime and Secondary CBD office submarkets.
- Following several quarters of steady rental growth, the Suburban office market in Q3 2025 experienced no change in market rents.
- Christchurch's retail market was also stable in Q3, with no significant deals signalling a change in market metrics.
- Christchurch's industrial market remained subdued in Q3, with low leasing activity, and some occupancy consolidation.
- The investment market is gaining momentum due to the RBNZ's loose monetary policy, driving up transactional activity and expected to lead to clearer pricing visibility in the final quarter of the year. Meanwhile, Q3 showed stable commercial property yields across all sectors.
- Even though New Zealand’s aggregate demand has been contracting, the economy is expected to rebound in 2026 driven by export growth, business investment, and further interest rate cuts. Christchurch's economy continues to outperform.

Average Office, Retail, Industrial Capital Values – q-o-q % change



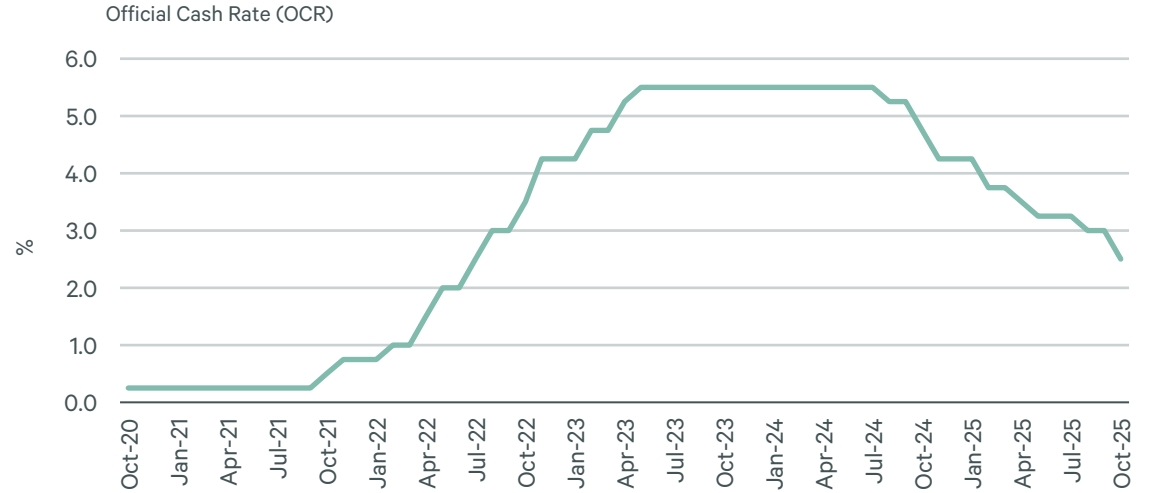
Market indicators

Market Sector	Stock (sqm)	Vacancy (%)	Net Face Rent (\$/sqm/yr)	Incentive (%)	Yield Range (%)
Prime CBD Office	245,498	9.7	360 – 460	4 – 8	5.95 – 7.40
Secondary CBD Office	70,381	5.8	315 – 400	8 – 10	7.15 - 8.00
Prime Suburban Office	67,886	7.4	260 – 365	8 – 10	7.00 - 8.90
Secondary Suburban Office	337,844	9.9	165 – 345	8 – 14	8.30 - 10.30
Prime Industrial	1,712,873	2.5	111 – 168	1 – 2	5.50 - 6.75
Secondary Industrial	2,866,306	2.0	72 – 140	1 – 2	6.05 - 9.10
CBD Retail	-	-	270 - 1,700	4 – 8	-
Suburban Strip Retail	-	-	220 – 700	4 – 8	5.65 – 7.75

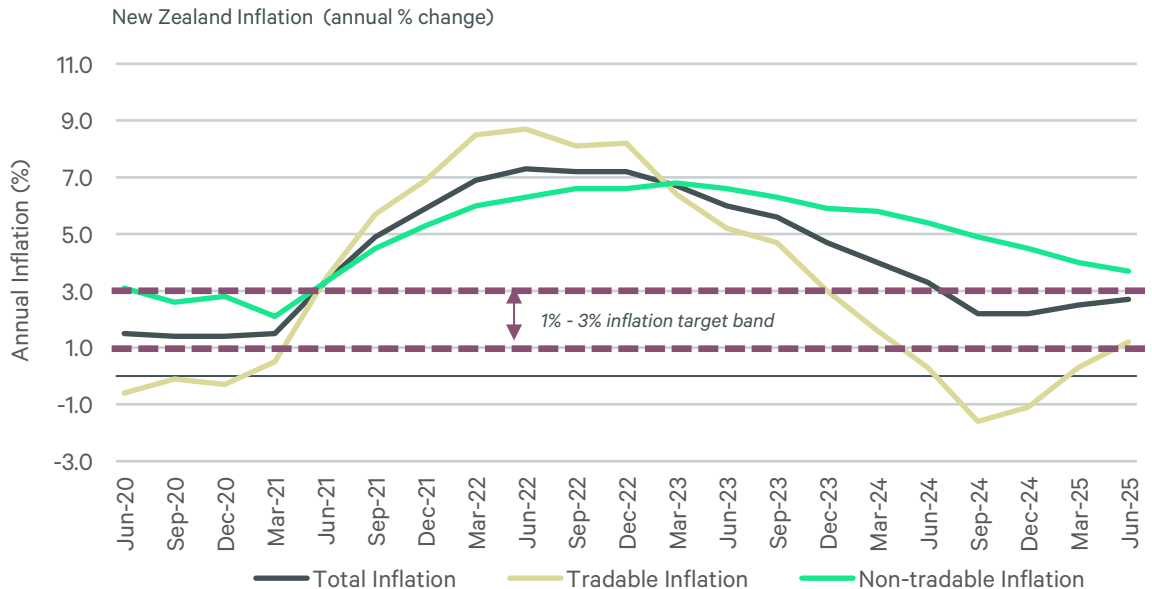
Economy

New Zealand's economy continues to be impacted by sluggish levels of aggregate demand. GDP decreased by 0.9% in Q2 2025 compared to the previous quarter, registering a greater decline than what the economic consensus and RBNZ predicted (-0.3%). During Q2, goods-producing industries, which account for approximately 21% of the total economy, contracted by 2.3%, followed by primary industries (down by -0.7%). Meanwhile, service industries, which make up close to 74% of the economy, remained stable. At a more granular level, manufacturing and construction, the second and fourth largest industries in the country, saw the greatest declines in the June 2025 quarter, with activity decreasing by 3.5% and 1.8%, respectively. When analysed by expenditure, in Q2 private consumption increased by only 0.4% compared to Q1, whilst exports went down by 1.2%, investment decreased by 1.1%, and central government spending reduced by 0.1%.

GDP growth is forecast to improve from Q4 2025 onwards through 2026. Easing monetary policy is characterised by a lagged effect on aggregate demand, which will help uplift GDP supported by favourable terms of trade, rebounding consumption and business investment. In its latest Monetary Policy Review in early October, the RBNZ's Monetary Policy Committee (MPC) reduced the OCR by 50 bps to 2.50%. Over the past 15 months, the OCR has been reduced by 300 basis points. Even though annual inflation reached the top end of its 1% to 3% target band in Q3, it is forecast to decline gradually in forthcoming quarters paving the way for at least one more rate cut.



Source: Reserve Bank of New Zealand



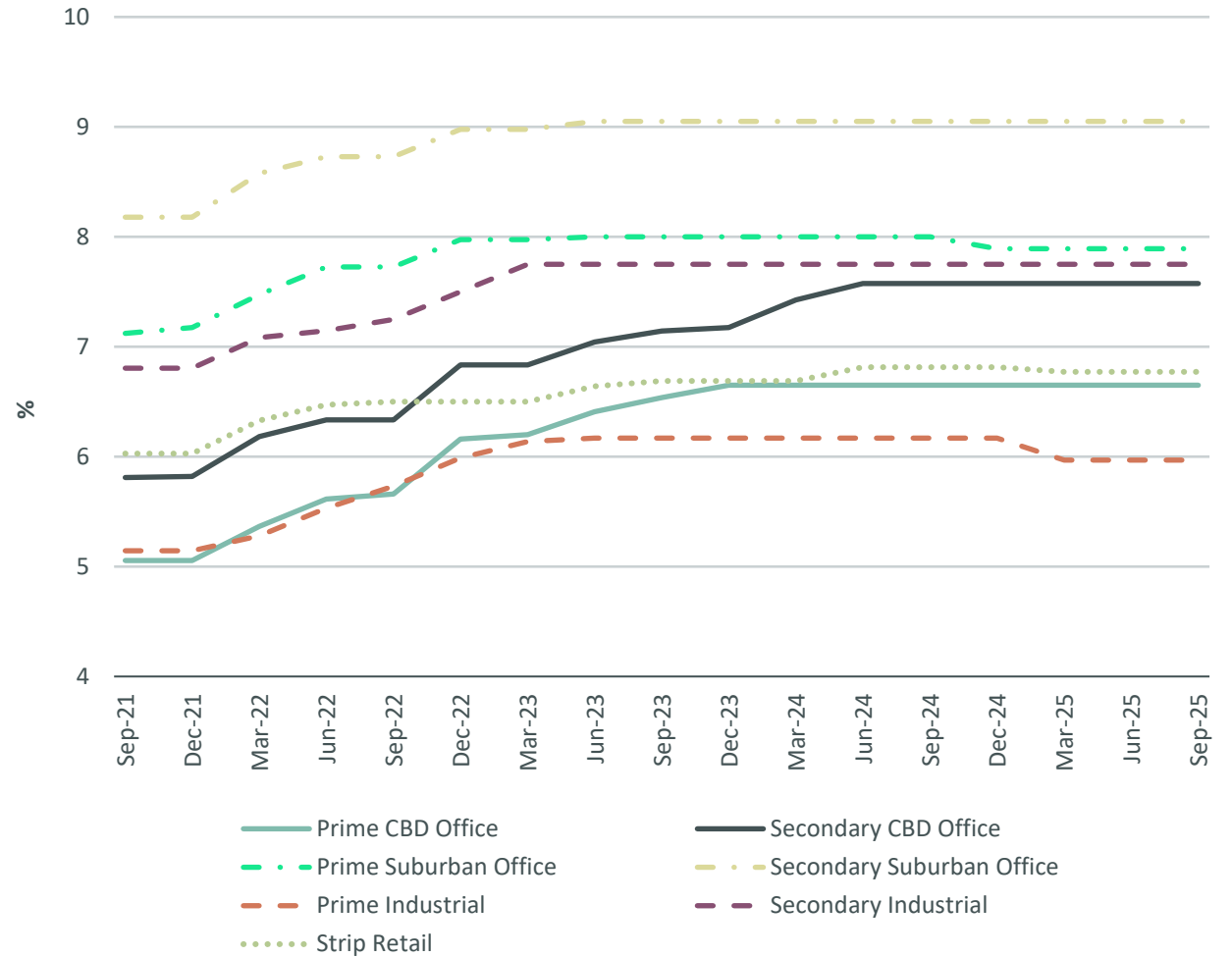
Source: Statistics New Zealand

Investment market

The Christchurch investment market is gaining momentum due to the RBNZ’s decision to hold tight on its loose monetary policy, increasing investor appetite and driving up transactional activity. The shift to an even lower interest rate environment is expected to push up buyer and seller interaction in the final quarter of this year.

Even though buyers are active, according to CBRE’s evaluation, Q3 showed stable commercial property yields across all sectors in Christchurch. However, during the past year, CBRE’s assessment of market yields showed some firming taking place in the Prime industrial and Secondary strip retail submarkets. The expected rebound in transactional activity during Q4 will bring clearer pricing visibility.

Christchurch Indicative Yields by Sector

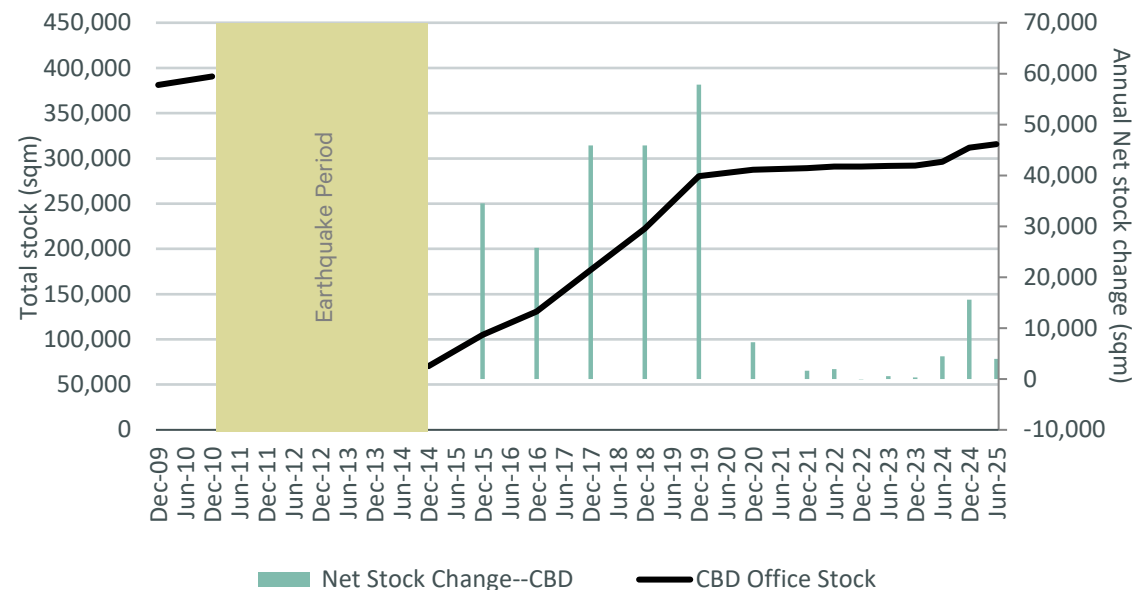


CBD Office Stock

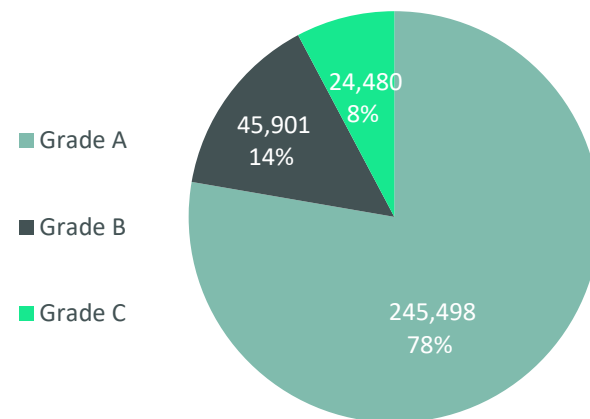
A new phase of supply is well underway in the Christchurch CBD office market. Close to 12,500 sqm of Prime office space will enter the CBD office market during 2025, out of which circa 7,200 sqm will consist of new buildings and 5,300 sqm of refurbished space. These buildings will be located in the Core precinct of Christchurch’s CBD, specifically on Cashel Street, High Street and Hereford Street. In addition, close to 9,700 sqm are expected to enter the market next year due to the completion of one new building on 107 Cambridge Terrace and one refurbished building on 116 Worcester Street. However, most of the new Prime office space is forecast to come to market in 2027 (just over 13,000 sqm) through the completion of a 2,000 sqm new build on Tuam Street and a 11-storey 11,000 sqm new building on 56 Worcester Street, which represents the biggest office building planned for Christchurch in the last years. Construction for these two buildings is expected to start soon, as building consents are already in place.

Christchurch CBD’s office stock totals approximately 316,000 sqm. During H1 2025, there was a net increase of almost 4,000 sqm. Three new buildings entered the market, the largest one 237 High Street, QB Studios’ second stage, providing 1,100 sqm of new office space. The other two were 170 and 172 Cashel Street, both developed by the Carter Group, adding almost 1,350 sqm of space. The only refurbished building entering the market in H1 was 159 Hereford Street, a 7-storey 3,041 sqm building that underwent strengthening works. All these buildings are located in the southeastern part of the Core precinct. However, the increase in stock was offset by close to 950 sqm of office space being converted into retail space and 600 sqm of Grade C space in the Victoria precinct removed from stock due to refurbishment works. In regard to composition, 78% of the CBD office stock is Grade A, 14% is Grade B, and the remaining 8% is Grade C. This distribution has largely remained stable over the past few years.

Christchurch CBD Office Net Supply Changes



Christchurch CBD Office Quality by Composition (H1 2025)



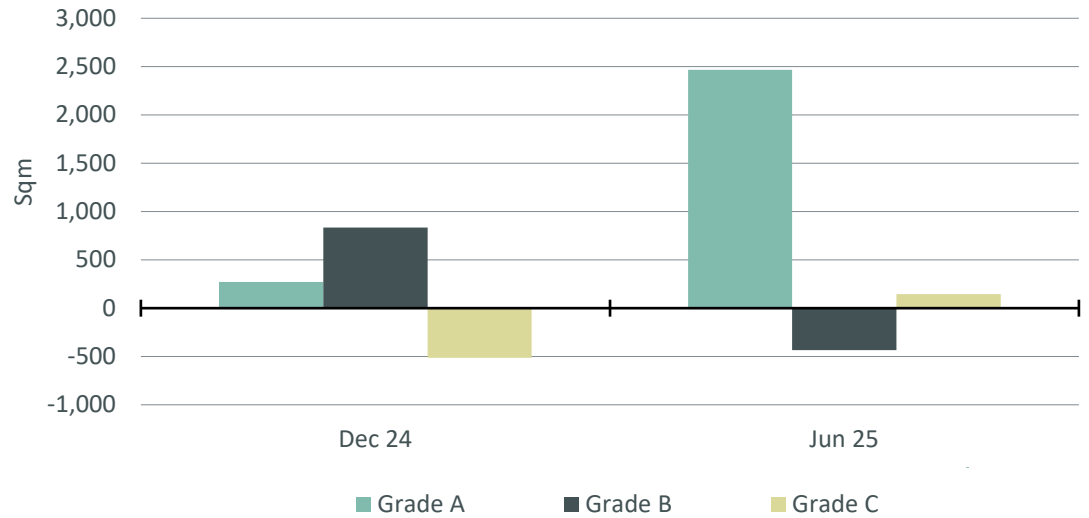
CBD Office Net Absorption

Christchurch’s CBD office market saw a higher net absorption during H1 2025 compared to the previous period. Total net absorption sat at 2,181 sqm, similar to the level registered during the first half of last year. This was primarily driven by a positive net absorption experienced in the Prime (Grade A) office submarket, which reached 2,468 sqm, followed by a modest net absorption in the Grade C submarket (147 sqm). This was slightly offset by negative net absorption in the Grade B submarket (-434 sqm). Although net absorption was in positive territory during H1, it was below the average bi-annual net absorption level registered in the last years (circa 3,400 sqm).

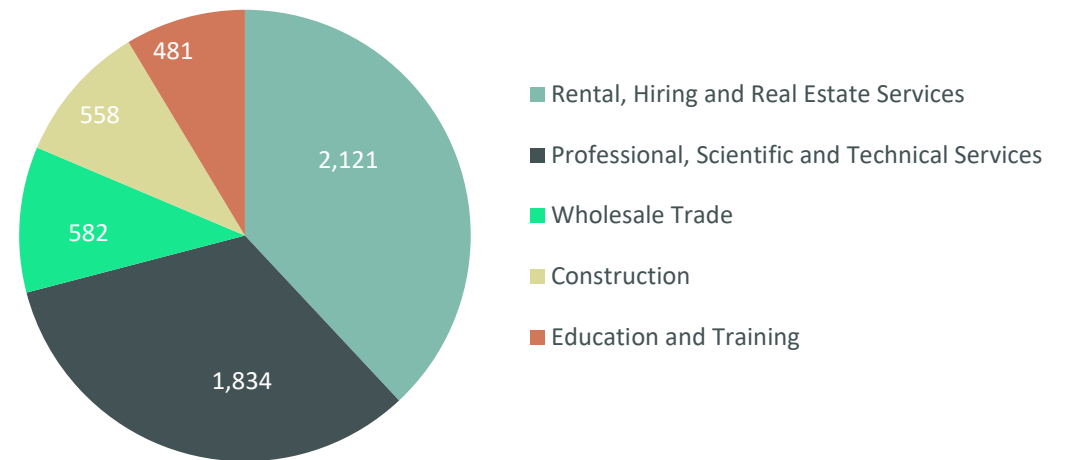
During H1, Prime net absorption was supported by the introduction of fully and partially leased new and refurbished buildings, such as 170 Cashel Street, where CBRE leased the whole upper floor (812 sqm of office space), and 159 Hereford Street, where 493 sqm were occupied by both Context Architecture and VXT. Additionally, other relevant new occupancies in Grade A buildings included Spencer Barr (a marketing agency) leasing 453 sqm at 299 Durham Street, and Lumify Work (a technology company) moving into 137 Victoria Street. In terms of Grade C net absorption, the most important moves included Total Life (a financial advisory services company), leasing 242 sqm at 307 Durham Street, and Chase Commercial occupying 209 sqm at 77 Hereford Street. Overall, gross absorption during the first half of this year reached almost 7,900 sqm across 29 new occupancies, similar to H2 2024.

During the first half of this year, the industry that registered the highest take up of space in the CBD office market was rental, hiring and real estate services, totalling 2,121 sqm. It was followed by professional, scientific, and technical services (1,834 sqm) and wholesale trade (582 sqm).

Christchurch CBD Office Net Absorption by Grade



New Take Up by Industry in H1 2025 (sqm of top five)



CBD Office Vacancy

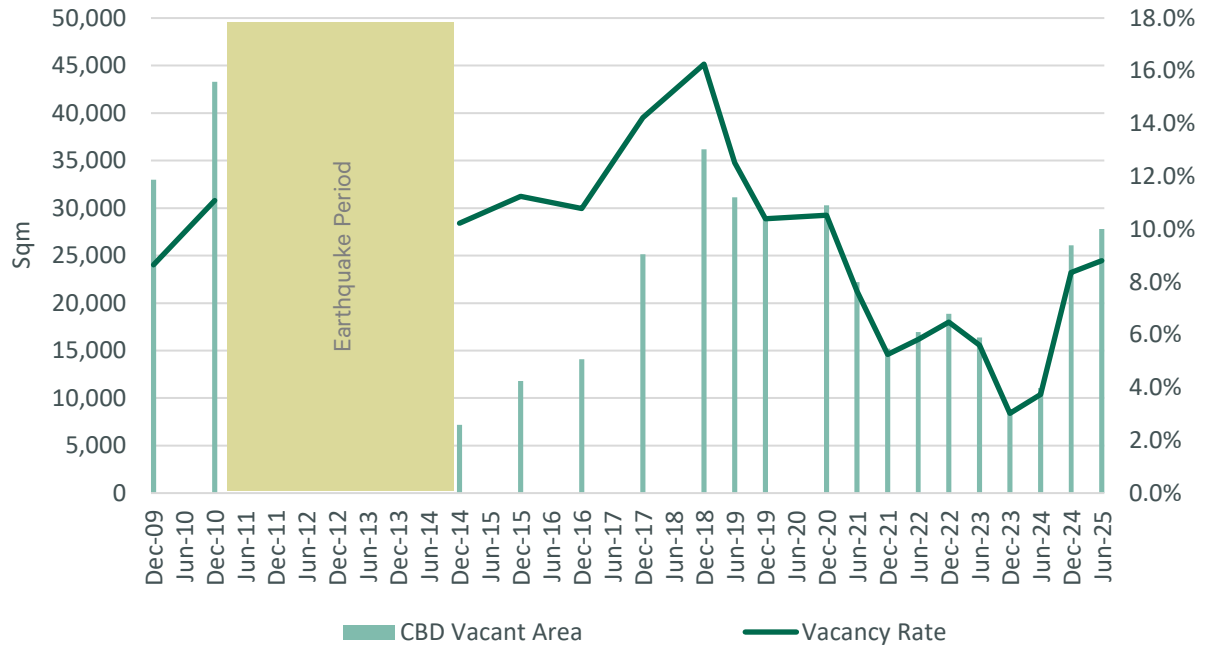
Christchurch CBD office vacancy increased during H1 2025, shifting from 8.4% to 8.8% (circa 1,750 sqm increase). Similarly to H2 2024, the introduction to the CBD office market of new and refurbished un-committed (or partially un-committed) buildings pushed vacancy up. In H2 2024, vacancy increased substantially due to the reintroduction of 224 Cashel Street (a 14,000 sqm un-committed refurbished asset), which also remained vacant in H1 2025. If this large building had not been reintroduced, CBD office vacancy would have sat at only 4.1% in the second half of last year. During H1, only 493 sqm were occupied at 159 Hereford Street (out of 3,041 sqm), adding 2,548 sqm of vacant space to the CBD office market. Also, the whole upper floor of 172 Cashel Street, a new small building, remained vacant (535 sqm). CBRE’s definition of vacancy encompasses space that is both physically vacant and available for lease.

Prime office vacancy in Christchurch’s CBD increased to 9.7% from 8.7%, the highest level since H2 2020. Apart from the new un-committed stock, the Prime CBD office submarket also experienced some relevant moves: Lane Neave downsized its office footprint by 386 sqm at 141 Cambridge Terrace, two tenants (Otago University and CPA Limited) vacated 300 sqm at 82 Oxford Terrace, and Hays left behind 265 sqm at 131 Victoria Street. In contrast, Secondary office vacancy decreased during H1, moving down to 5.8% from 7.1%, triggered by Intec Energy Solutions occupying 448 sqm of previously vacant space at 31 Victoria Street (Grade B building), and Hays moving into 337 sqm at 104 Victoria Street (Grade B asset).

CBD Office Vacancy by Grade

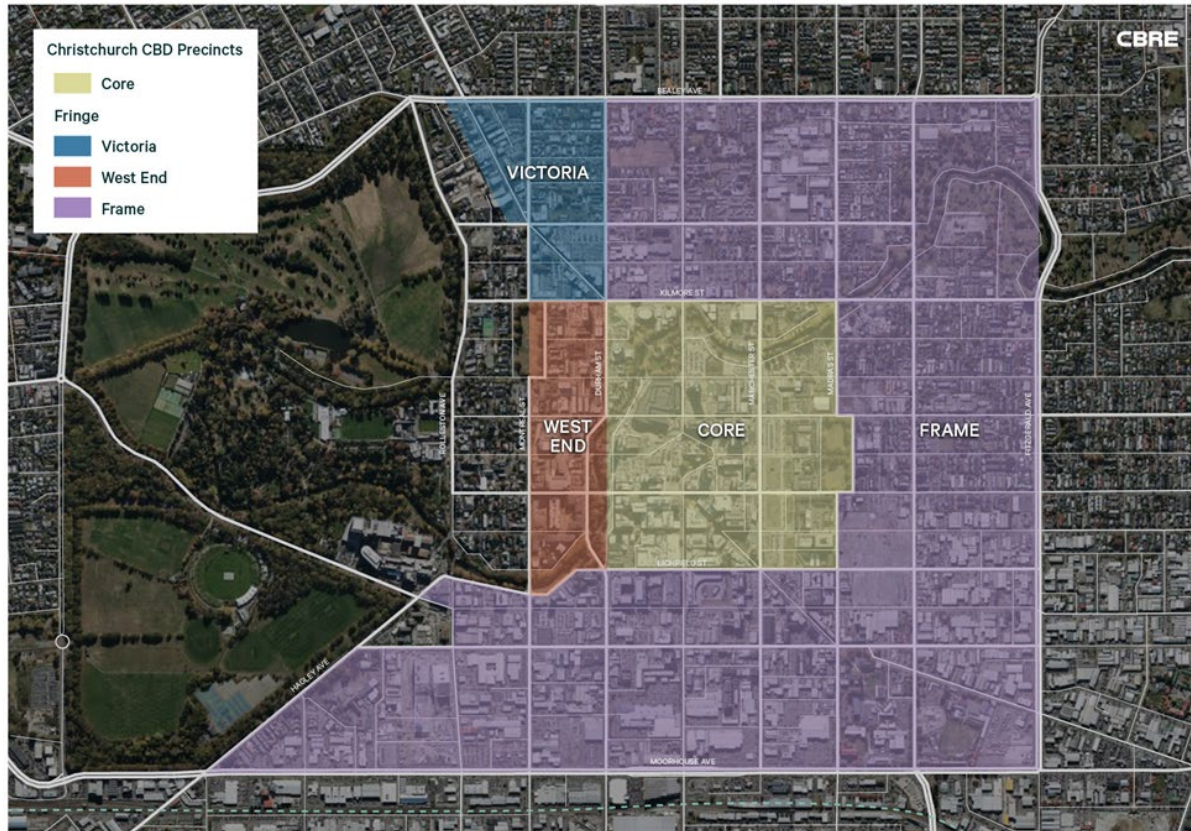
		Grade A	Grade B	Grade C	Total
Vacancy - December 2024	%	8.7%	6.0%	9.0%	8.4%
	sqm	21,009	2,812	2,249	26,070
Vacancy – June 2025	%	9.7%	5.6%	6.1%	8.8%
	sqm	23,730	2,588	1,494	27,812

CBD Office Vacancy



CBD Office Vacancy by Precinct

During H1 2025, office vacancy increased in the Core and Frame precincts, reaching 17% and 5.3%, respectively. Combined, the vacant stock in these two precinct ascended to circa 23,000 sqm (14,000 sqm of which correspond to 224 Cashel Street). In contract, the West End precinct continues to have the lowest vacancy rate in Christchurch’s CBD, with vacancy going down to 2.0% from 2.4% during the first half of this year. This remains a sought-after precinct for professional services companies.



Core Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy - December 2024	%	19.0%	2.3%	6.6%	15.2%
	sqm	14,638	483	209	15,330
Vacancy – June 2025	%	21.2%	2.4%	0.0%	17.0%
	sqm	17,526	483	0	18,009

West End Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy - December 2024	%	1.7%	0.0%	22.3%	2.4%
	sqm	1,306	0	671	1,977
Vacancy – June 2025	%	1.6%	0.0%	14.3%	2.0%
	sqm	1,239	0	429	1,668

Victoria Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy - December 2024	%	5.7%	14.1%	26.7%	11.5%
	sqm	1,094	1,796	1,369	4,259
Vacancy – June 2025	%	3.7%	12.3%	23.6%	9.2%
	sqm	693	1,572	1,065	3,330

Frame Precinct Vacancy by Grade

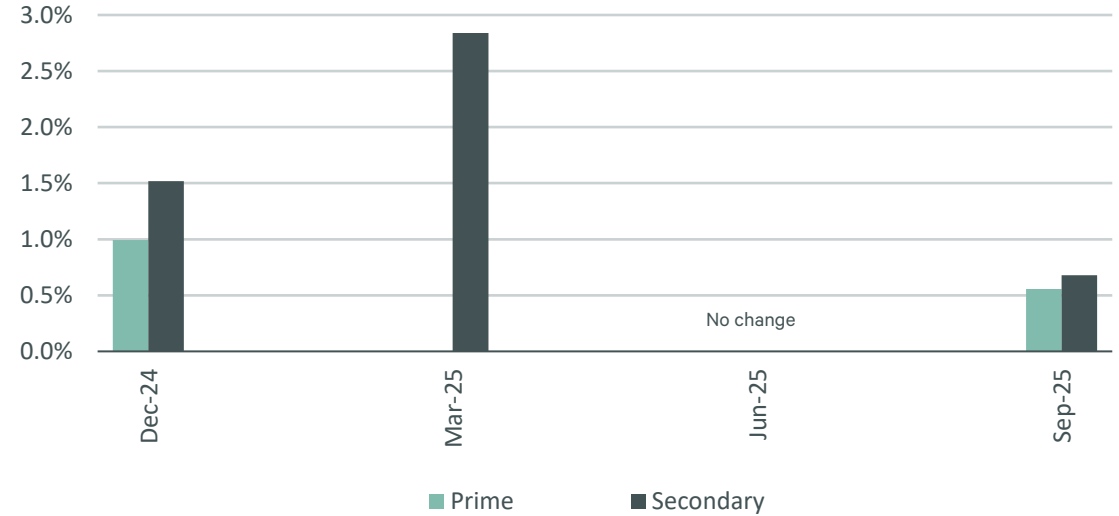
		Grade A	Grade B	Grade C	Total
Vacancy - December 2024	%	5.8%	7.2%	0.0%	5.0%
	sqm	3,972	533	0	4,505
Vacancy – June 2025	%	6.2%	7.2%	0.0%	5.3%
	sqm	4,272	533	0	4,805

CBD Office Rents

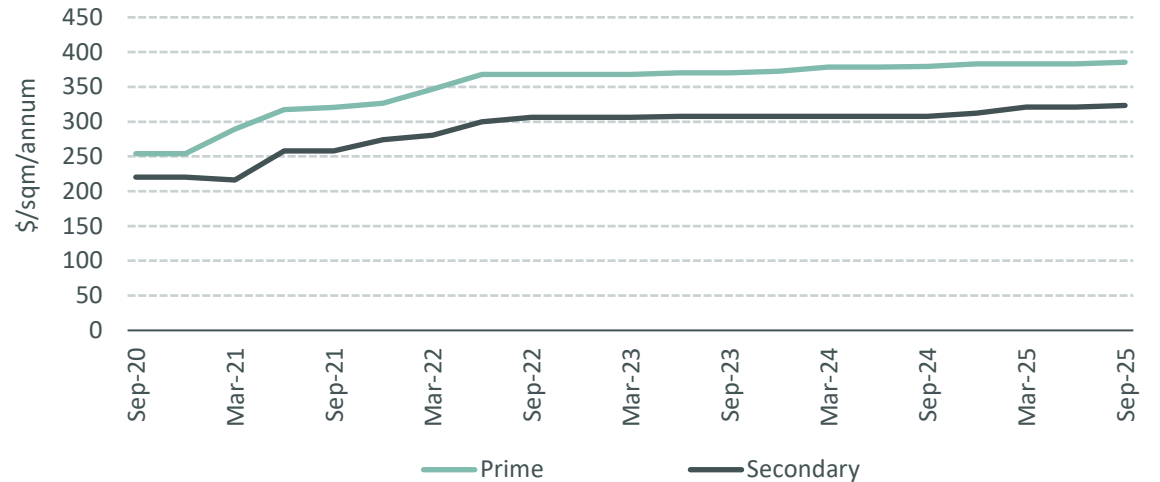
After taking a breather in Q2, both the Prime and Secondary CBD office submarkets registered rental growth in Q3. There was strong demand for well-situated buildings, especially on the western side of the Core and in the West End precincts. Availability continues to be low in these locations. This drove CBD Prime net face office rents to move to \$385 per sqm in Q3, up by 0.6% compared to the previous quarter. Meanwhile, CBD Secondary net face rents moved to \$323 per sqm, 0.7% higher than Q2. Rental growth is expected to continue in the coming quarters, driven by new stock coming to the market, commanding higher rents.

Similar to the previous period, incentives remained unchanged during Q3 2025. Based on CBRE's assessment, Prime indicative market incentives remained unchanged at 5.0% of face rents, whilst Secondary indicative market incentives remained stable at 8.6% of face rents.

CBD Net Effective Office Rents – Quarterly Change



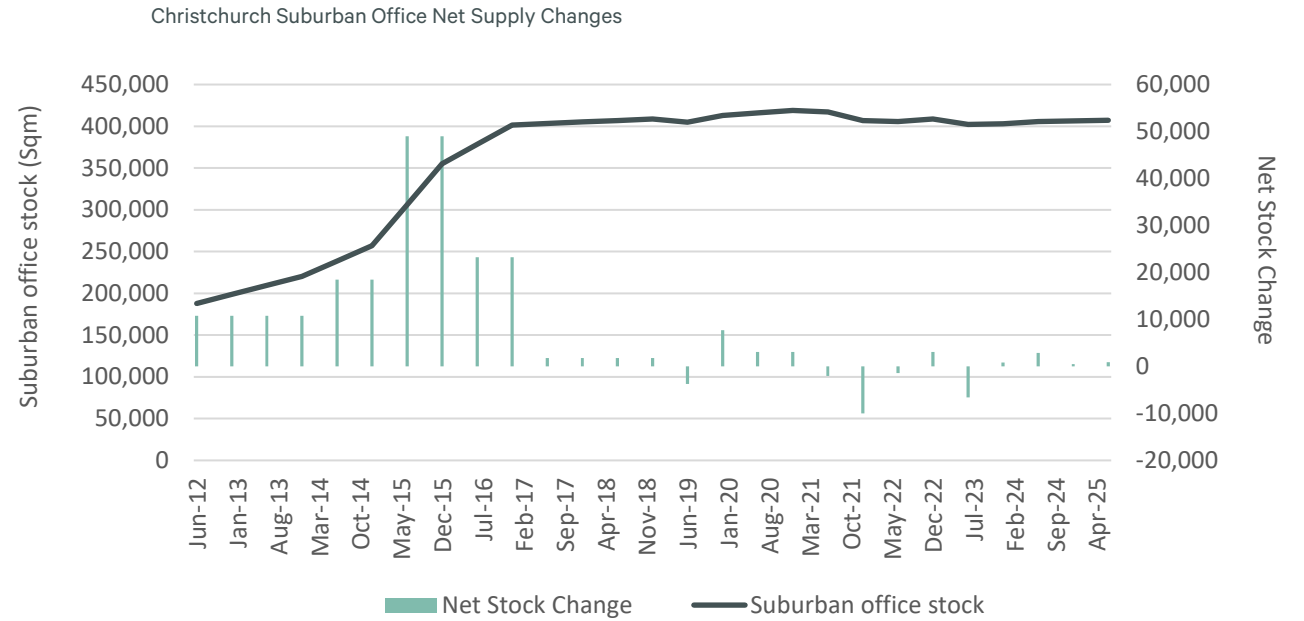
CBD Net Effective Office Rents



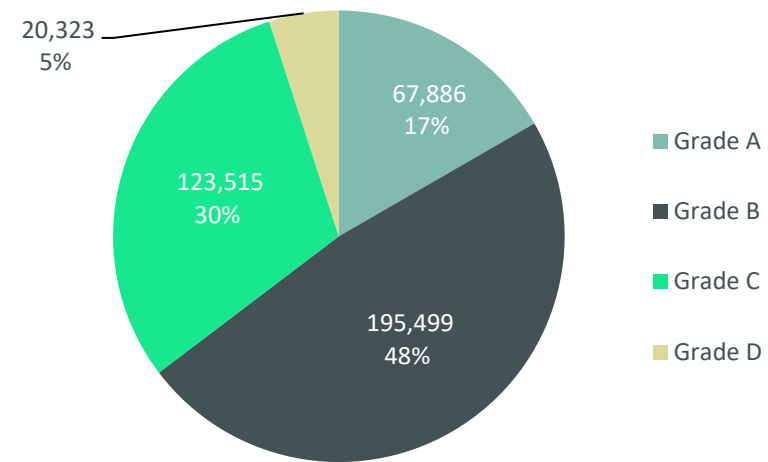
Suburban Office Stock

During H1 2025, there was a net increase of 924 sqm in the Christchurch suburban office stock, totalling 407,223 sqm. This follows the modest net increase in the second half of last year (518 sqm). The main driver of the increase during H1 was the return of 1,400 sqm of Grade C refurbished office space at 116 Riccarton Road. This was partially offset by the removal from stock of 476 sqm of Grade D space at 18 Winston Avenue in Papanui due to refurbishment works.

During H1 2025, 48% of the suburban office stock was Grade B, whilst 30% was Grade C, 17% was Grade A, and the remaining 5% was Grade D. This composition has shown little variation over the last three years.



Christchurch Suburban Office Quality by Composition (H1 2025)



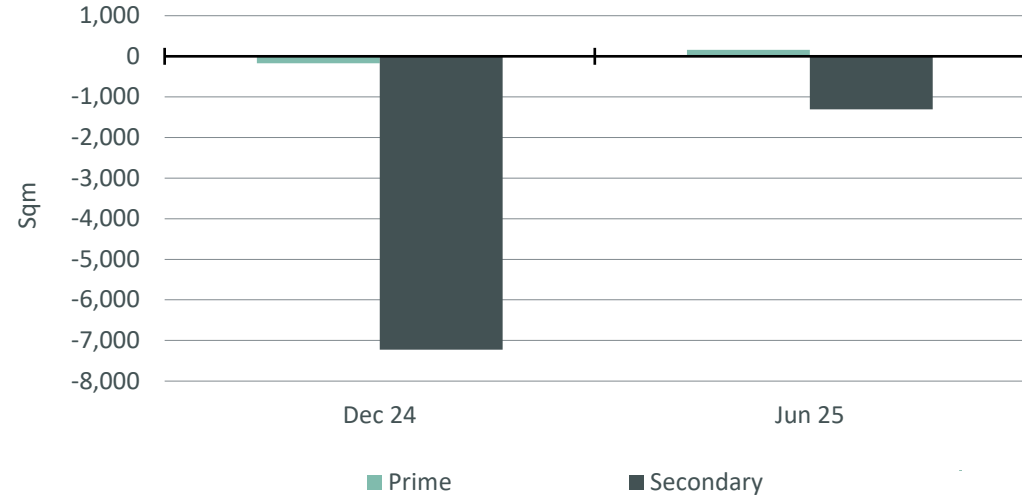
Suburban Office Net Absorption

The suburban office market experienced robust leasing activity in the H1 2025, with circa 15,250 sqm of gross absorption, although this was below the level registered during the H2 of last year (close to 19,400 sqm). Nevertheless, total net absorption was in negative territory during H2 (-1,148 sqm), due to occupier losses in the Secondary suburban office submarket. However, compared to the second half of last year, total net absorption in H2 was less negative. Even though Prime net absorption shifted to positive territory (162 sqm), Secondary net absorption was negative across all suburban office submarkets, particularly in Grade D buildings (-868 sqm).

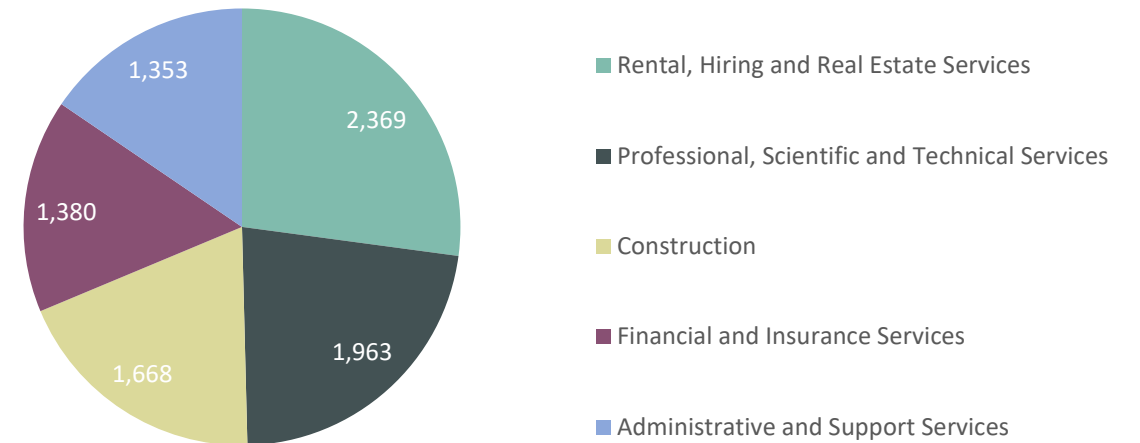
In regards to new take up (gross absorption), the most important move in the Prime suburban office submarket was done by Regus, moving into 640 sqm at 14 Hazeldean Road in Addington. In terms of relevant moves in the Secondary submarket, the most significant new occupancies included R&B Build (a construction company), occupying 800 sqm of Grade C office space at 46 Birmingham Drive in Middleton, and Zeal Consultants (an IT consulting company), moving into 300 sqm at 13 Barry Hogan Place in Addington, a Grade B building.

The industry that recorded the highest take up of space during H1 2025 in the Suburban office market was rental, hiring and real estate services, with a total of 2,369 sqm, followed by professional, scientific and technical services (1,963 sqm), and construction (1,668 sqm).

Christchurch Suburban Office Net Absorption by Grade



New Take Up by Industry in H1 2025 (sqm of top five)



Suburban Office Vacancy

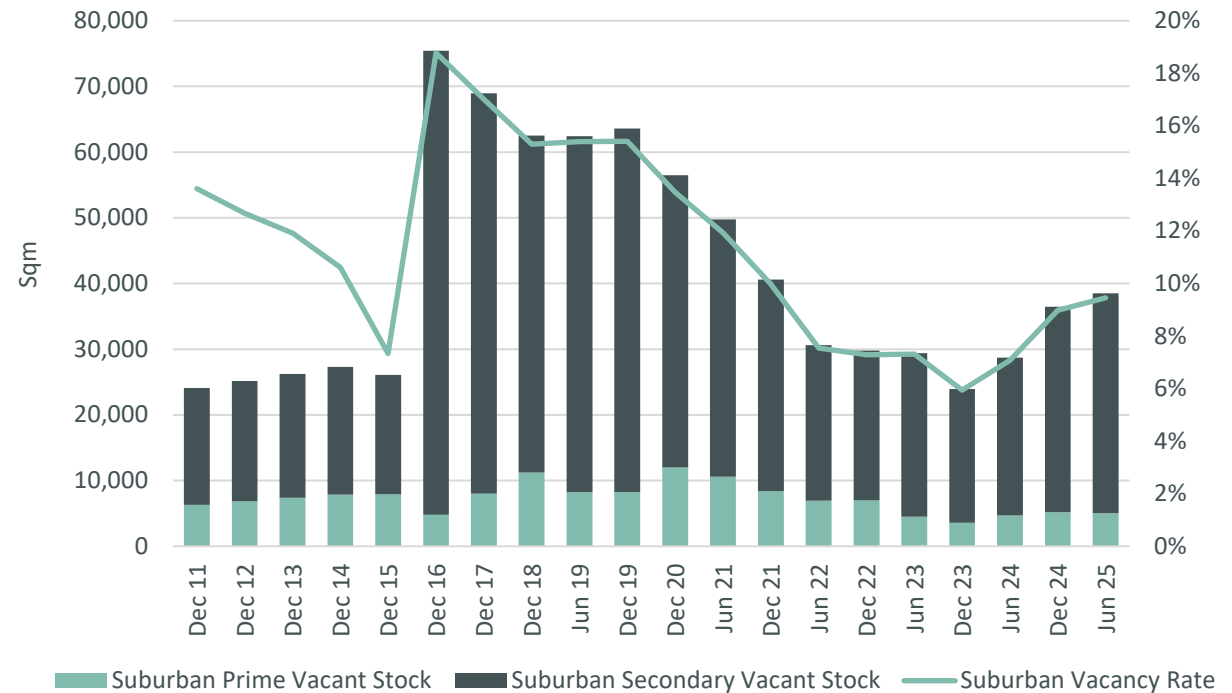
Christchurch suburban office vacancy increased during H1 2025, rising from 9.0% to 9.5% (an increase of 2,072 sqm). Total suburban office vacancy has been rising steadily since the second half of 2023. In H2, total vacant space increased by 2,072 sqm due to occupier losses in Secondary buildings, mostly in Grade C buildings, which registered an increase of 1,420 sqm, shifting vacancy to 12.3% from 11.3%. Combined, vacant stock in Grade B and D buildings increased by 814 sqm during this period.

The most relevant move in the Secondary suburban office market during H2 included a construction and home design company vacating 684 sqm of Grade B office space at 208 Barbadoes Street. In addition, Streamliners (a technical writing company) moved out of 551 sqm of Grade C space at 189 Montreal Street, and Runacres Insurance downsized their footprint at 351 Lincoln Road, shifting from 1,012 sqm to 506 sqm.

Suburban Office Vacancy by Grade

		Grade A	Grade B	Grade C	Grade D	Total
Vacancy - December 2024	%	7.7%	8.0%	11.3%	9.1%	9.0%
	sqm	5,207	15,566	13,810	1,862	36,446
Vacancy - June 2025	%	7.4%	8.2%	12.3%	11.1%	9.5%
	sqm	5,045	15,988	15,230	2,254	38,518

Suburban Office Vacancy

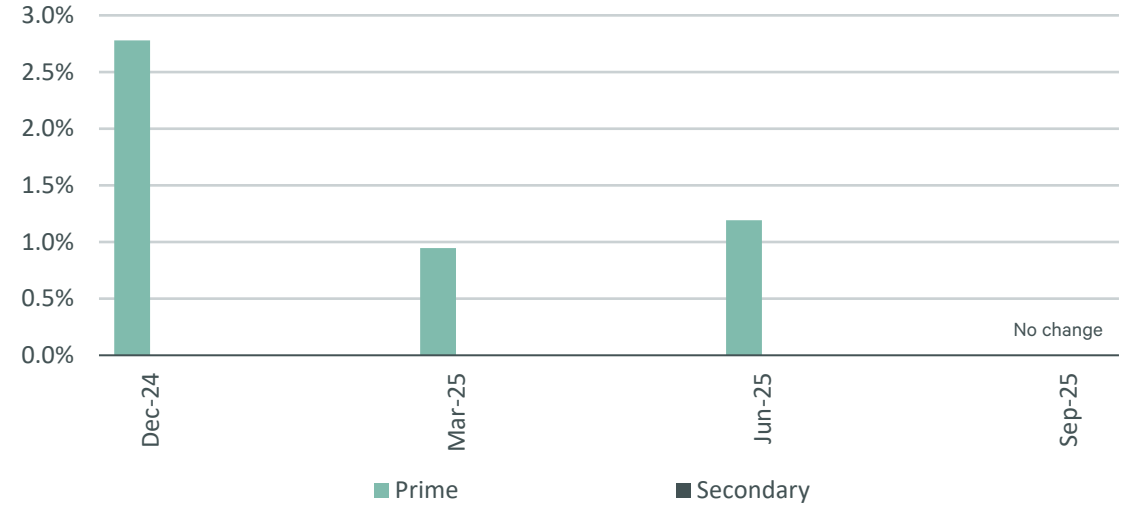


Suburban Office Rents

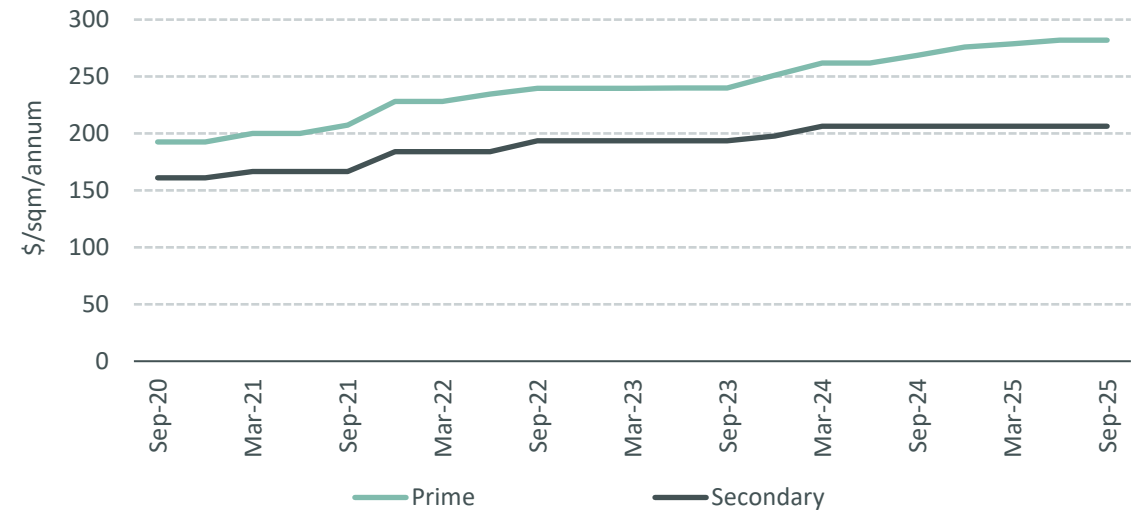
Following consistent rental growth in the last four quarters, the Prime Suburban office market remained unchanged in Q3 2025. In Q3, net effective rents in the Prime Suburban office market were \$282 per sqm. Rents in Secondary Suburban office buildings also remained unchanged at \$206 per sqm. Over the past year, the market experienced robust demand, leading to increased rents for high-quality office space in buildings located in Hazeldean Business Park and Show Place, both with low availability..

Meanwhile, incentives in both Prime and Secondary buildings remained unaltered in Q3. According to CBRE's assessment, Prime indicative market incentives were 8.3% of face rents, while Secondary indicative market incentives remained at 12.3% of face rents.

Suburban Net Effective Office Rents – Quarterly Change



Suburban Net Effective Office Rents

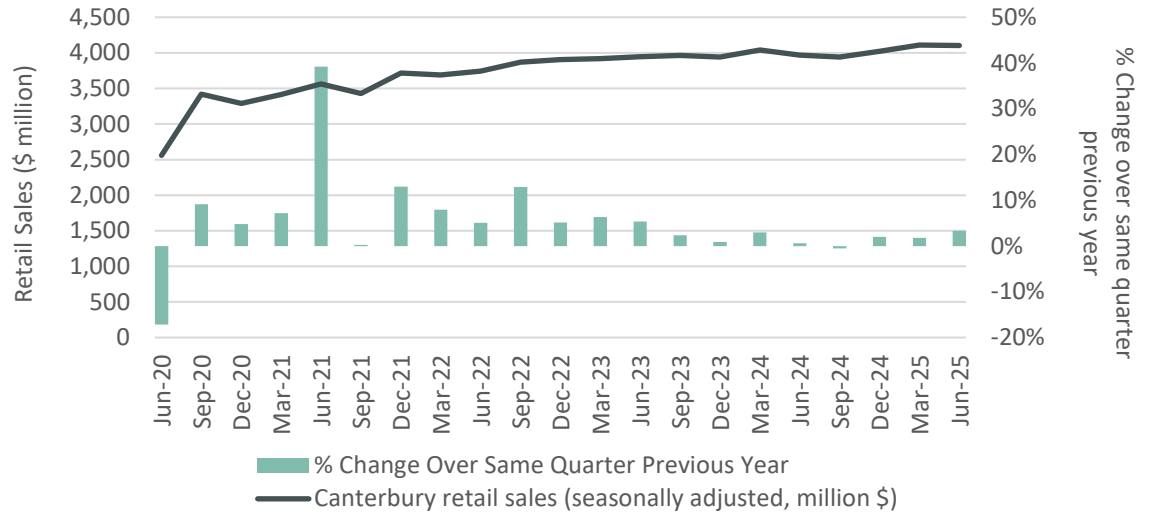


Retail Sales

In the year up to June 2025, retail sales in Canterbury increased by 1.7% compared to the previous 12-month period. This contrasts with the negative figures registered in Auckland (-0.2%) and the Wellington region (-1.1%) during the same period. Canterbury continued to outperform these regions, driven by a good performance of its agricultural sector. However, in Q3, consumer confidence increased in all three regions, albeit below historic averages.

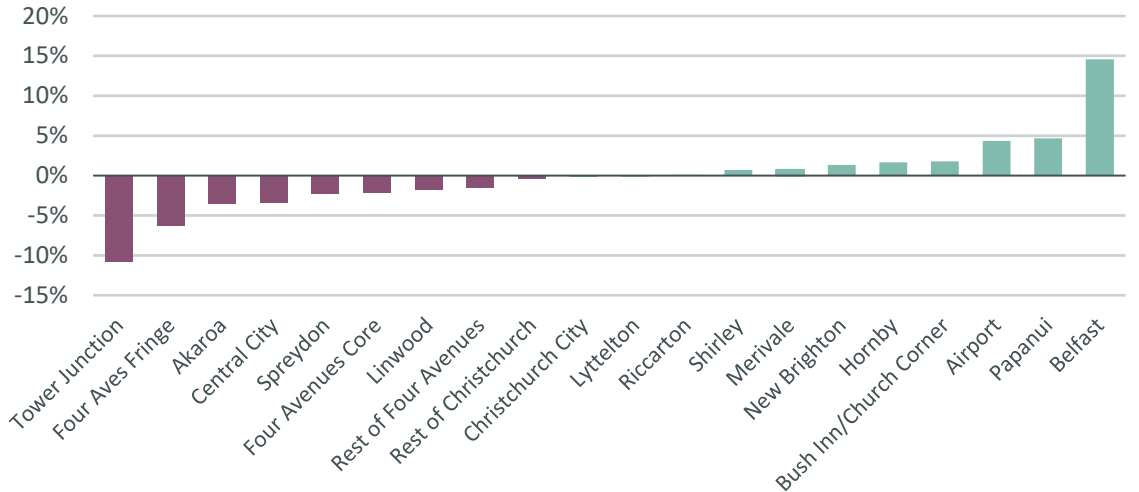
At a territorial authority level, in the year ending August 2025 retail spending in Christchurch decreased by 0.2% compared to the previous period. By area, Belfast saw the highest growth rate at 14.6%, followed by Papanui (4.7%) and the area around the Airport (4.4%). In addition, retail spending in Christchurch’s Central City went down by 3.4% during this period.

Canterbury Retail Sales



Source: Statistics New Zealand

Spending Growth by Area (YE August 2025 vs YE August 2024)

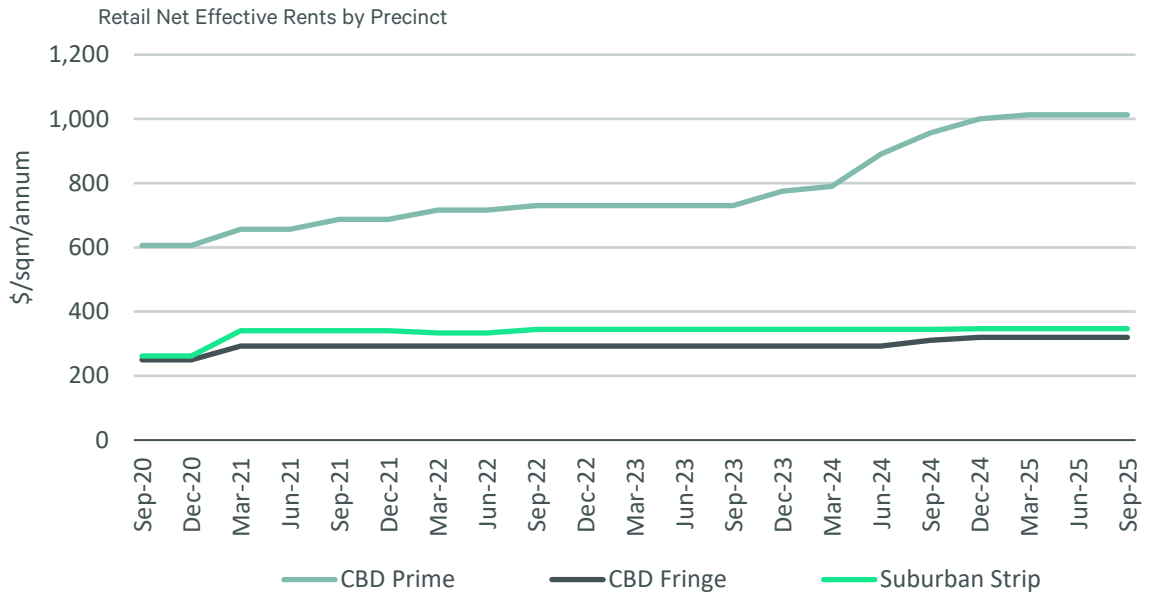
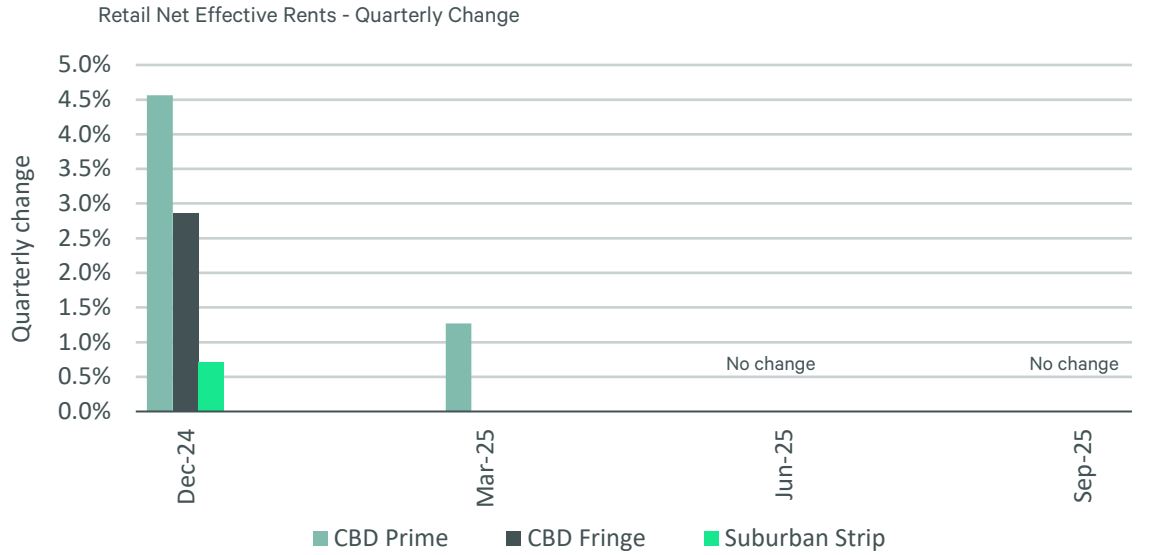


Source: Marketview

Retail Rents

Christchurch’s retail market registered stable rents in Q3 across all submarkets, following the same scenario in the previous quarter. Net effective rents in Prime CBD retail locations are \$1,013 per sqm, with rents in the Secondary Fringe and Secondary Strip submarkets at \$320 and \$347 per sqm.

Based on CBRE’s assessment, incentives remained stable in Q3, remaining at 4.2% of face rents for Prime CBD retail assets, 8.3% of face rents for Fringe locations and 7.4% of face rents for Strip locations.

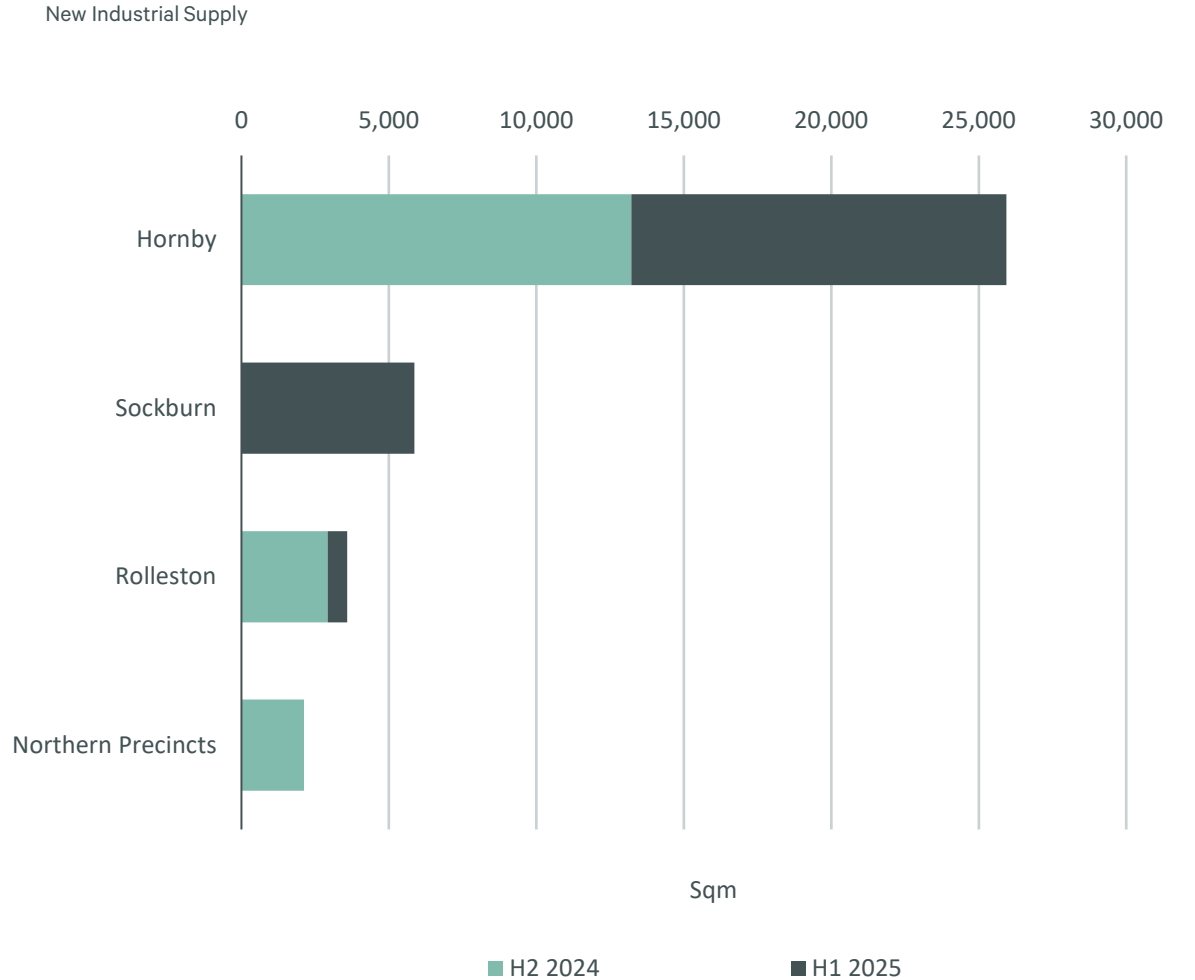


Industrial New Supply

During H2 2024 and H1 2025, Christchurch's industrial market saw the combined addition of 37,508 sqm of new stock. In particular, 18,273 sqm were added in the second half of last year, and 19,235 sqm were introduced during the first half of this year. This was partially offset by the demolition of a 5,443 sqm Grade C industrial building in Middleton in H2 2024 and the demolition of two industrial assets during H1 2025: a 8,910 sqm Grade C light manufacturing industrial building in Waltham and a 788 sqm Grade D asset in Christchurch Central.

In the first half of this year, only Hornby, Sockburn and Rolleston experienced the arrival of new industrial space. Similar to what occurred during H2 2024, and in contrast to what happened in past years, new stock in Christchurch's industrial market in H1 continued to show lack of geographical diversification. Most of the new industrial supply continued to be concentrated in Hornby, which witnessed the arrival of 12,720 sqm of new industrial space through five new assets. Sockburn expanded its industrial stock by 5,859 sqm through two new warehouses, whilst Rolleston saw the arrival of 656 sqm of new supply through one new asset at 14 Factory Drive.

Hornby saw the completion of the largest industrial asset built in Christchurch during H1 2025, being this 374 Shands Road, a 7,600 sqm new building in Hornby South. This was the only new building exceeding 5,000 sqm. The next two largest new industrial buildings completed in H1 were two assets located on William Lewis Drive in Sockburn, occupied by PSP Limited and Steelfort. The average size of new industrial buildings completed in H1 was circa 2,400 sqm.



Industrial Net Absorption

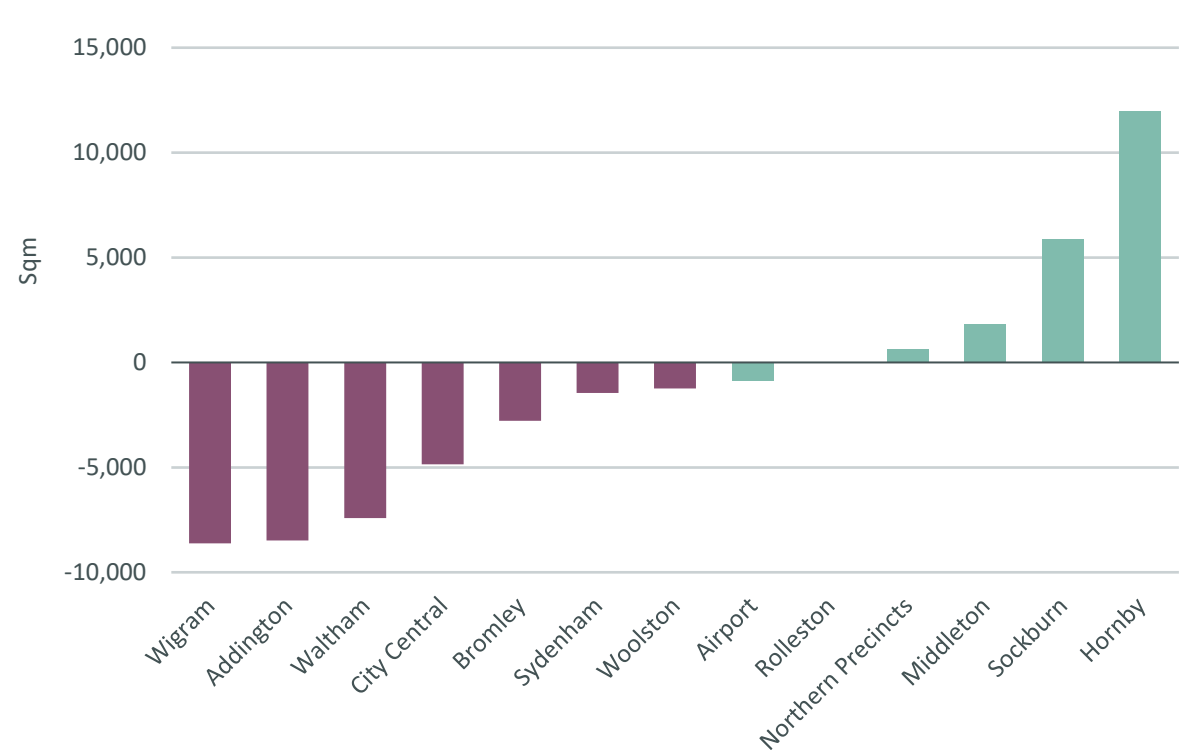
During H1 2025, total net absorption in the Christchurch industrial market moved into deeper negative territory, exposing softer conditions for industrial occupiers. Total net absorption fell to -15,388 sqm in H1, moving from -1,744 sqm in the H2 2024. This contrasts with the average biannual net absorption over the last four years, averaging around 50,000 sqm. Additionally, similar to previous periods, the adverse total net absorption level was driven by absorption losses in the Secondary industrial submarket, especially in the lowest-quality buildings. Net absorption in the Grade C/D submarket fell to almost -19,000 sqm in H1. Sydenham, characterised by low grade buildings, recorded the largest negative net absorption level, at nearly -5,700 sqm. Moreover, net absorption in this submarket was also affected by the demolition of two occupied industrial assets, with a combined area of almost 9,700 sqm.

Net absorption in the Prime industrial submarket was positive during H1, reaching 5,852 sqm. However, it showed the lowest net absorption levels in a six-monthly period since H2 2020. As is usually the case, Grade A net absorption was supported by new industrial stock. In addition, H1 also witnessed the completion of un-committed new industrial assets. Among the eight new industrial buildings completed in H1, two remained vacant: 7 Kairua Road in Hornby (754 sqm) and 14 Factory Drive in Rolleston (656 sqm). During H1, Hornby had the largest net absorption with circa 12,000 sqm, followed by Sockburn (close to 6,000 sqm) and Middleton (around 1,900 sqm).

Industrial Net Absorption by Grade

	Total	Grade A	Grade B	Grade C/D
December 2024	-1,744	11,556	-5,699	-7,601
June 2025	-15,388	5,852	-2,400	-18,840

Industrial Net Absorption by Precinct—H1 2025



Industrial Vacancy

Industrial vacancy increased during the first half of 2025, rising to 2.2% from 1.7%. This was the highest industrial vacancy level since H1 2022. Vacant space rose across all submarkets, especially in Grade A buildings, which saw a 13,383 sqm increase in vacant stock, out of which circa 1,500 sqm were attributed to un-committed new stock. This was followed by vacant space in Grade C/D buildings (up by 9,142 sqm) and Grade B assets (up by 2,400 sqm). The drivers behind this increase in vacancy was the consolidation of industrial space of large companies and the backfill vacancy created by significant relocations. Out of the 13 precincts, vacancies increased in nine of them and decreased in four. The precinct with the highest vacancy rate continued to be City Central (10.6%), followed by Addington (7.0%) and Sydenham (3.5%).

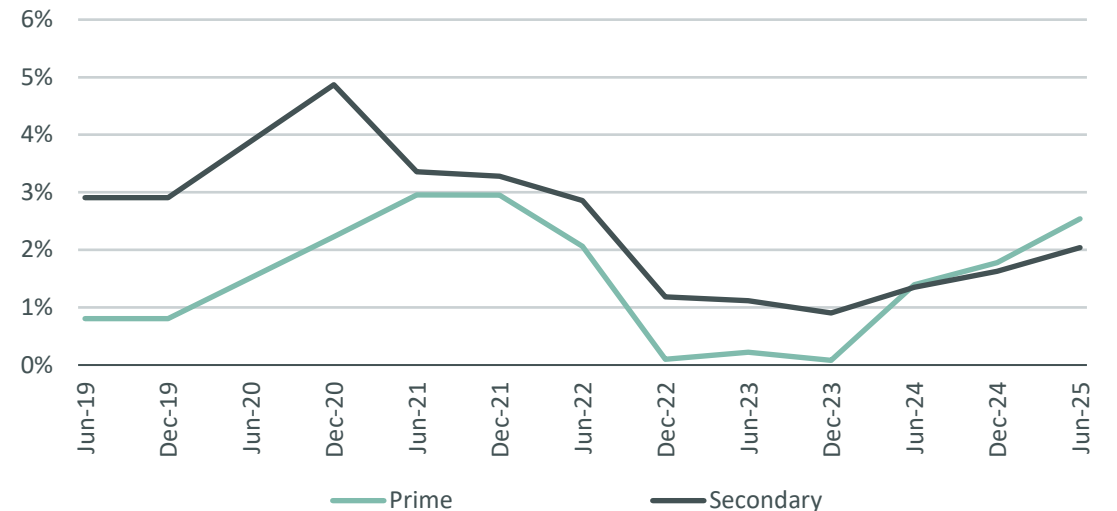
Prime industrial vacancy increased to 2.5% from 1.8% during H1. This was driven by the reduction of industrial footprint by large companies and new un-committed stock. The largest vacated building during this period was 3 Detroit Place in Addington, where Turners Automotive Group vacated almost 8,500 sqm of Grade A industrial space. Nevertheless, this company relocated to 102 Shands Road in Hornby, occupying 4,860 sqm of Grade C industrial space. Also, they still occupy around 5,000 sqm at 13 Racecourse Road in Sockburn. In addition, Move Logistics Group moved out of 75 Seymour Street in Hornby, a 8,140 sqm Prime industrial asset. They still occupy close to 20,000 sqm in several locations around Hornby and Woolston. Moreover, Summit Steel and Wire vacated close to 6,400 sqm from a Grade A industrial building at 67 Vickers Road in Wigram to relocate to a smaller location in Hornby South.

During H1, Secondary industrial vacancy increased to 2.0% from 1.6%. Similar to what happened in the Prime industrial submarket, the main driver behind this increase in Secondary vacancy was the downsizing of industrial space. One clear example involves Supply Chain Solutions, vacating 3,820 sqm of Grade B industrial space at 620 Halswell Junction Road in Hornby. However, they still occupy 2,030 sqm at 596 Main South Road. Also, Weco Manufacturing Limited moved out of a Grade C building (2,780 sqm) in Bromley to relocate to a 780 sqm Grade B asset at 115 Orbell Street in Sydenham.

Industrial Vacancy by Precinct – H1 2025



Industrial Vacancy

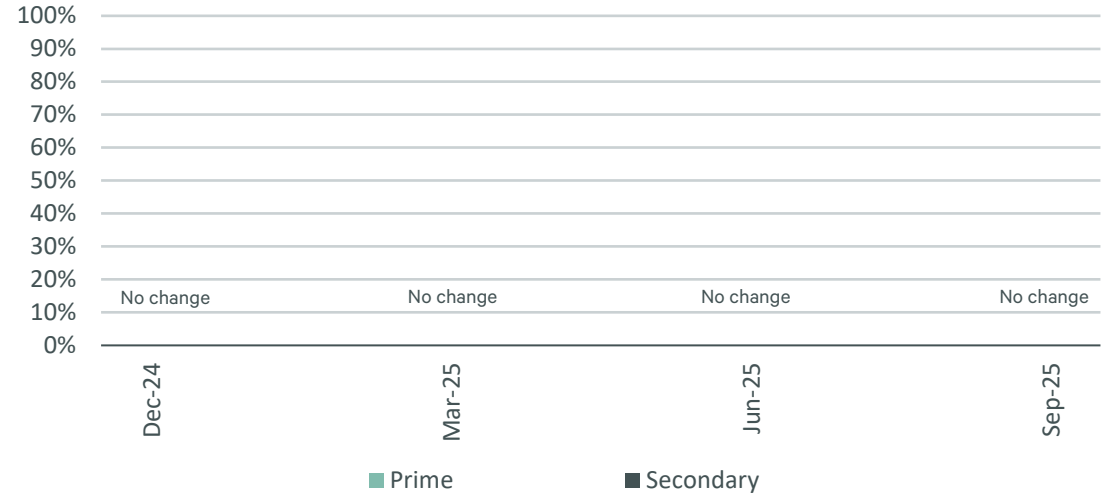


Industrial Rents

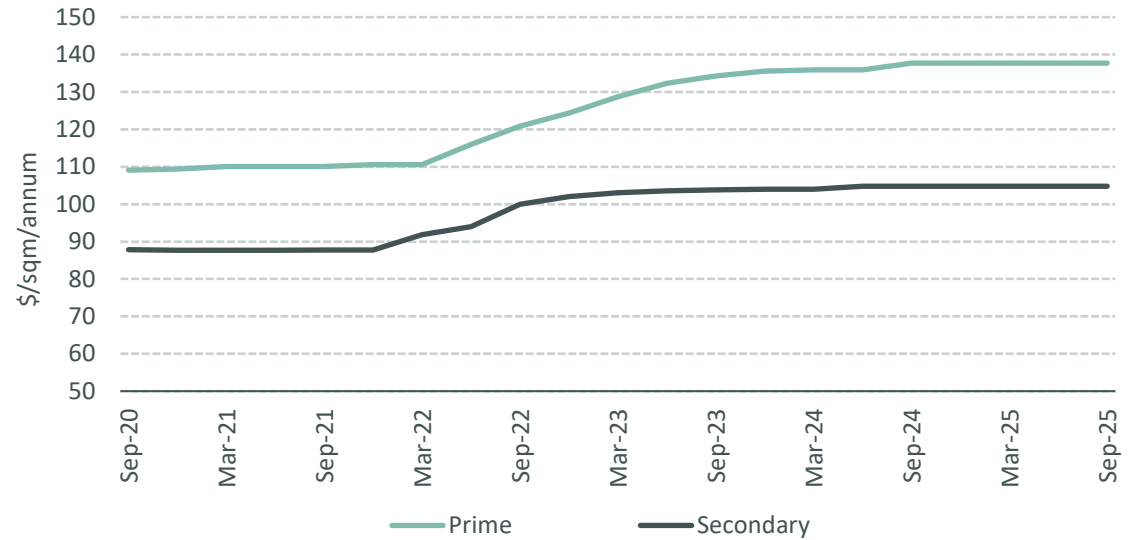
Christchurch’s industrial market remained subdued in Q3, following the trend of previous periods. This was driven by low levels of leasing activity and by businesses continuing to consolidate their footprint and looking for efficiencies. Despite the weak levels of demand, rents remained unchanged in Q3. In addition, CBRE expects rents to remain stable in the coming quarters due to limited new supply coming to market.

In Q3, Prime industrial net effective rents remained unchanged at \$138 per sqm, whilst Secondary net effective rents stayed stable at \$105 per sqm. The last period of rental growth was in Q3 2024. According to CBRE's assessment, incentives also remained stable in Q3 2025, with both Prime and Secondary market incentives holding steady at 1.4% of face rents, a level consistent since the second half of 2022.

Industrial Net Effective Rents - Quarterly Change



Industrial Net Effective Rents



Definitions

Office building grades

Premium: Top quality landmark space which is generally the pacesetter in establishing rents and includes the following general attributes: prestige lobby; high architectural merit; prominent location; prestigious occupiers; the latest or recent generation of building services; ample natural lighting; good views and outlook; quality access to and from an attractive street environment; large size - +20,000 sqm. **Grade A:** High-quality modern space including many but not all Premium features. **Grade B:** Good quality modern space with some but not all Grade A features and to a lower standard. **Grade C:** Average quality air-conditioned space. **Grade D:** Older style poor quality space. **Prime:** Combination of Premium and Grade A. **Secondary:** Combination of Grade B and C.

Industrial building grades

Prime: Industrial space used for general warehousing or logistics with stud heights of 9 metres or more, largely column free. Lettable area will exceed 1,500 sqm. The property will be of a high specification and well maintained. The grade encompasses properties from the current generation of design build premises to buildings built over the previous cycle. **Secondary:** Industrial space generally built prior to the mid 1990s, inferior to Prime space in terms of building quality and specifications being lower stud (generally between 6 and 9 metres) and in some cases lacking Capex and having deferred maintenance issues although still providing functional industrial accommodation. Lettable area will exceed 500 sqm.

Rents and yields

CBRE uses the “basket of buildings” methodology to determine market yields and rents. For each property sector covered, a group of representative buildings are nominated and a panel containing senior members of appropriate departments within CBRE convenes to assess the market level of yields and rents for these buildings. Based on this, CBRE’s indicative average rental and yield figures reflect our view of the market after considering available appropriate evidence. Yields represent initial yields based on market rents. Rents are net effective. The industrial rents presented are a combined warehouse and office figure.

Contacts

Zoltan Moricz

Executive Director, Head of Research
New Zealand
zoltan.moricz@cbre.co.nz

Tim Rookes

Managing Director, Christchurch
t: +64 27 562 3700
e: tim.rookes@cbre.co.nz

Hayden Doody

Director, Valuation & Advisory Services
t: +64 27 556 3223
e: hayden.doody@cbre.com

Hamish Clarke

Director, Industrial & Logistics
t: 64 21 960 655
e: hamish.clarke@cbre.co.nz

Mitchell Wallace

Associate Director, Office Leasing
t: +64 27 664 4773
e: mitchell.wallace@cbre.com

Jorge Chang Urrea

Research Manager
Research New Zealand
jorge.changurrea@cbre.com

Chris Stanley

Senior Director, Valuation &
Advisory Services
t: +64 27 293 3279
e: chris.stanley@cbre.com

Carl Graham

Director, Valuation & Advisory Services
t: +64 3 353 5738
e: carl.graham@cbre.co.nz

Paul Brown

Associate Director, Metro Investments
t: 64 21 386 069
e: paul.brown@cbre.co.nz

Phil Overend

Director, Consulting Services
t: +64 22 642 7930
e: phil.overend@cbre.co.nz

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