

Commercial office

Provincial Canterbury

The office rental market in Timaru is typically slow moving, which is largely a result of oversupply of office space and a small tenant pool. The market is relatively active in terms of investment demand, with several transactions occurring over the last 12 months. The leasing market has remained relatively strong in North Canterbury and some rental growth has been observed of late, particularly for superior office space. In Rangiora, several developments have enhanced quality office options in recent years. The investment market remains strong because of few properties being offered for sale and limited redevelopment opportunities.

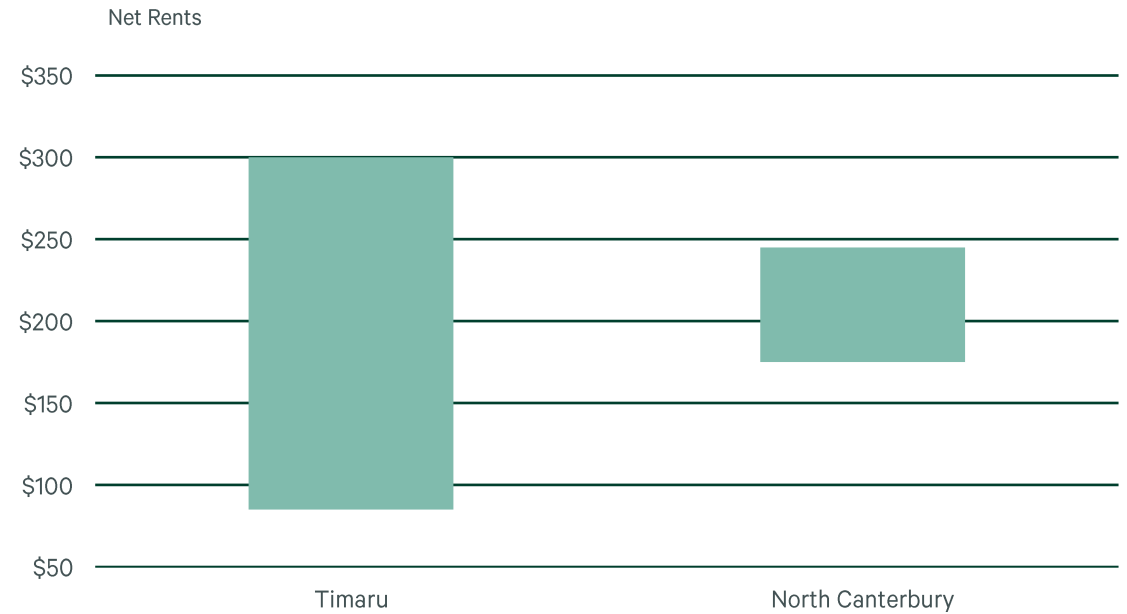
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Timaru	▶ Static	Over supplied
North Canterbury	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
Timaru	▶ Static	Average
North Canterbury	▶ Static	Strong

Industrial

Provincial Canterbury

Much of the development land in Rangiora has now been taken up, with strong prices being achieved, which has flowed onto rental levels. Development continues in the 'Rangiora Business Hub', a 35-lot development, with many sites to be developed in the short term. The Timaru market remains relatively active, noting that several large market participants have purchased large areas of development land, with strong interest in vacant land remaining. Good purchaser demand remains, with several over \$3 million transactions occurring in the last 12 months. However, little shift in returns has been noted over the past 12 months.

NET YIELDS

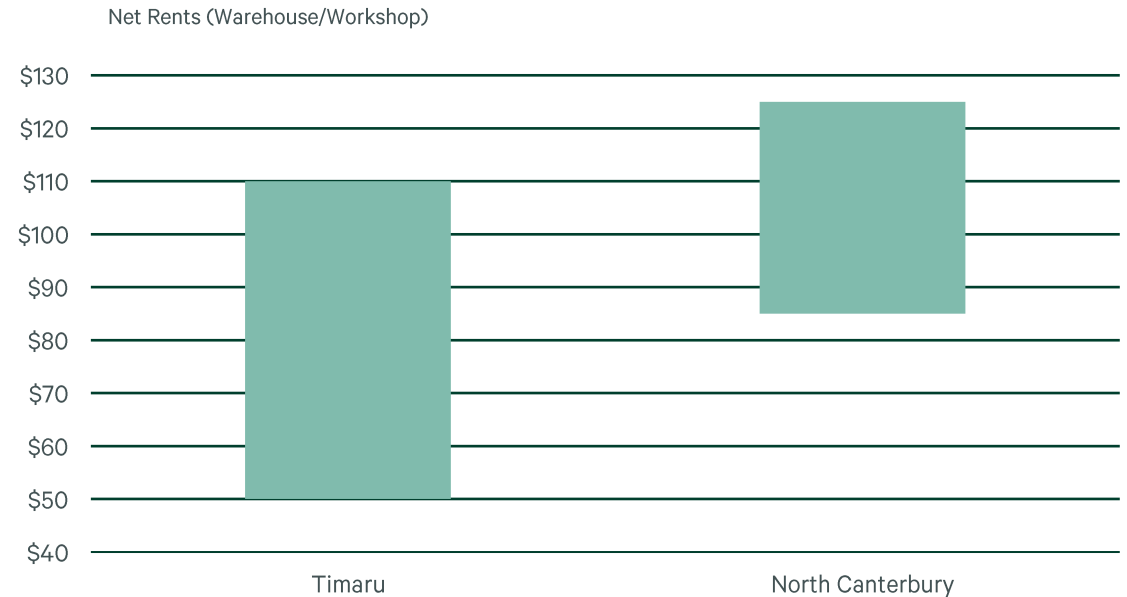
▲ 6.0-8.0%
Timaru

▶ 5.5-6.75%
North Canterbury

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Timaru	▶ Static	Adequate
North Canterbury	▶ Static	Adequate



INVESTOR MARKET

	Market direction	Demand
Timaru	▶ Static	Average
North Canterbury	▶ Static	Average

Retail

Provincial Canterbury

The leasing market remains strong, albeit few options remain in key locations. This demand has resulted in strong rental growth over the last 12 months. Supply of large format retail accommodation is very limited at the present time. The investment market remains tight, with few properties made available for purchase of late. Tenant activity in central Timaru has been muted over the last 12 months, with few leases and stable rental levels. The development of the Showgrounds site has been met with good tenant demand, with several national tenants relocating to the development. Further development is to occur; however, tenant demand has slowed.

NET YIELDS

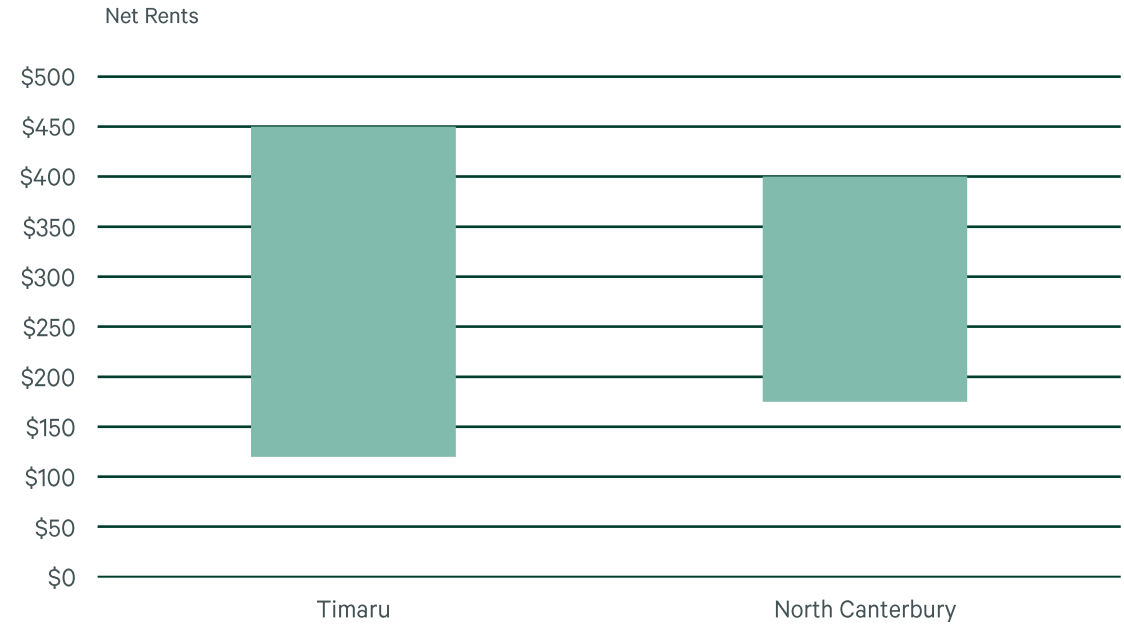
▶ 6.5-9.0%
Timaru

▶ 5.75-6.5%
North Canterbury

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Timaru	▶ Static	Over Supplied
North Canterbury	▲ Improving	Limited



INVESTOR MARKET

	Market direction	Demand
Timaru	▶ Static	Average
North Canterbury	▶ Static	Average