

FIGURES | NELSON | DECEMBER 2023

Commercial office

The office leasing market is active with several new leases confirmed in central Nelson confirming an uplift in rental levels generally across all office grades. Conversion of peripherally located ground floor retail space to office use becoming more common as office rents reach retail levels. Significantly reduced volume of sales recorded in 2023, with a limited number of offerings coming to the market in both the retail and office markets.

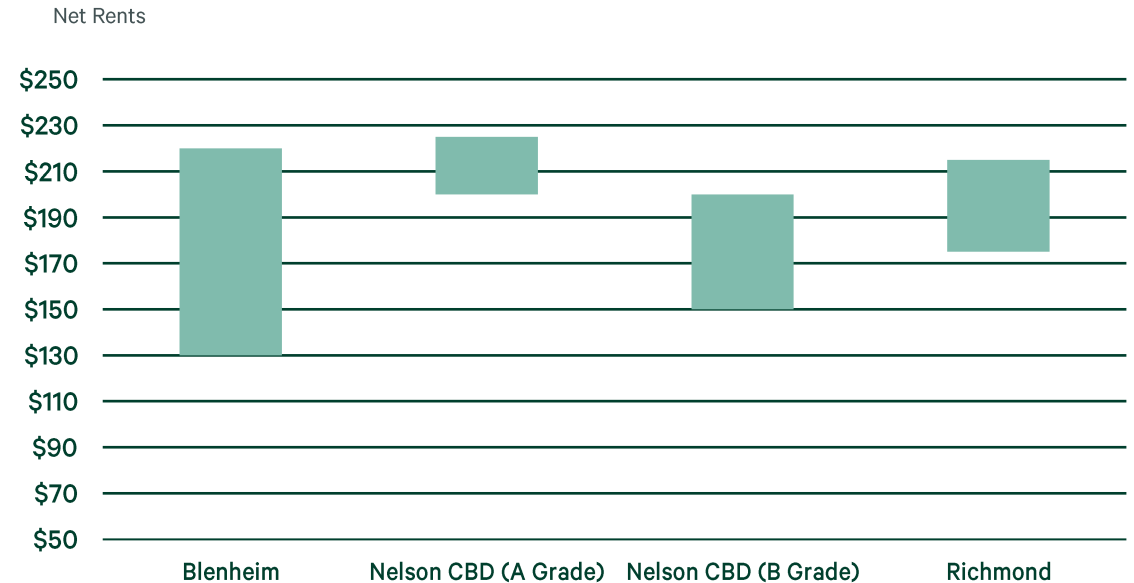
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Blenheim	▶ Static	Moderate
Nelson CBD (A Grade)	▲ Improving	Very limited
Nelson CBD (B Grade)	▶ Static	Limited
Richmond	▲ Improving	Very limited



INVESTOR MARKET

	Market direction	Demand
Blenheim	▶ Static	Average
Nelson CBD (A Grade)	▶ Static	Strong
Nelson CBD (B Grade)	▶ Static	Average
Richmond	▶ Static	Strong

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Industrial

The industrial market is generally holding at established levels across the region, still with limited available property for sale or lease. Industrial land availability has increased, with several sites now available for resale, these yet to convert to transactions. Those higher value assets have seen reduced investor appetite and corresponding increased yields. Vacancy rates remain low with continued rental growth across the asset class. Property for owner occupation continues to perform well, as businesses look to expand within the region. Design Build leasing continues to outperform existing properties, reflecting increased construction and borrowing costs.

NET YIELDS

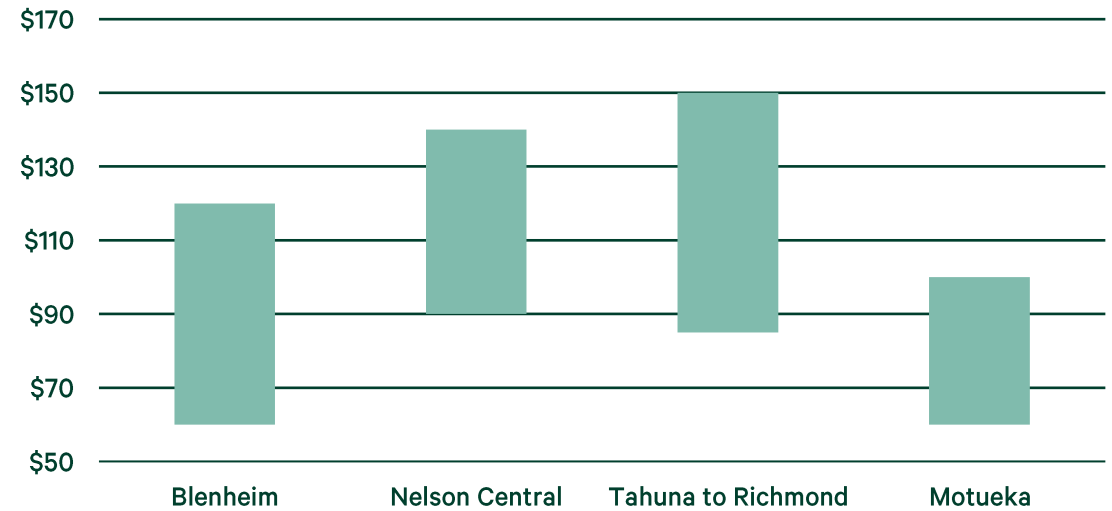


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OCCUPIER MARKET

	Market direction	Supply
Blenheim	▲ Improving	Limited
Nelson Central	▲ Improving	Limited
Tahuna to Richmond	▶ Static	Limited
Motueka	▲ Improving	Limited

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Blenheim	No trend apparent	Strong
Nelson Central	▼ Weakening	Average
Tahuna to Richmond	▼ Weakening	Average
Motueka	No trend apparent	Strong

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Retail

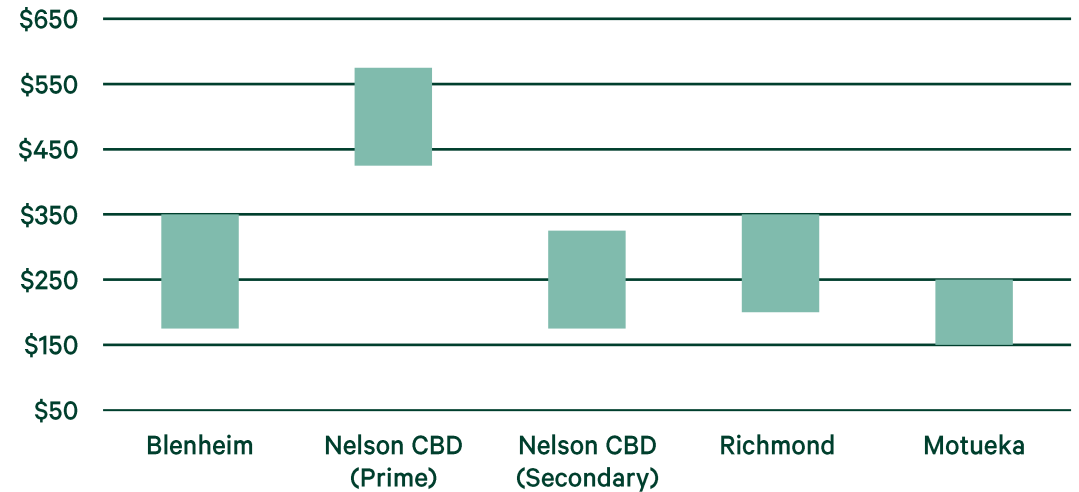
The latter part of 2023, has seen an increase in retail vacancies in both the prime and secondary retail locations in central Nelson. There have been limited new leases, with the available evidence indicating an initial correction in rental levels in the prime retail area. There are limited retail vacancies in central Richmond with recent new leases confirming established rental levels. A range of retail options remain available for lease in Blenheim. Sales recorded have included a single tenant property in central Richmond showing a 90-basis point yield increase on comparable sales recorded in height of the market in 2021.

NET YIELDS



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Net Rents



OCCUPIER MARKET

	Market direction	Supply
Blenheim	▶ Static / ▼ Weakening	Moderate
Nelson CBD (Prime)	▶ Static / ▼ Weakening	Limited
Nelson CBD (Secondary)	▶ Static	Moderate
Richmond	▶ Static	Limited
Motueka	▼ Weakening	Limited

INVESTOR MARKET

	Market direction	Demand
Blenheim	▶ Static	Average
Nelson CBD (Prime)	▶ Static	Average
Nelson CBD (Secondary)	▶ Static	Average
Richmond	▶ Static	Average
Motueka	No trend apparent	Weak