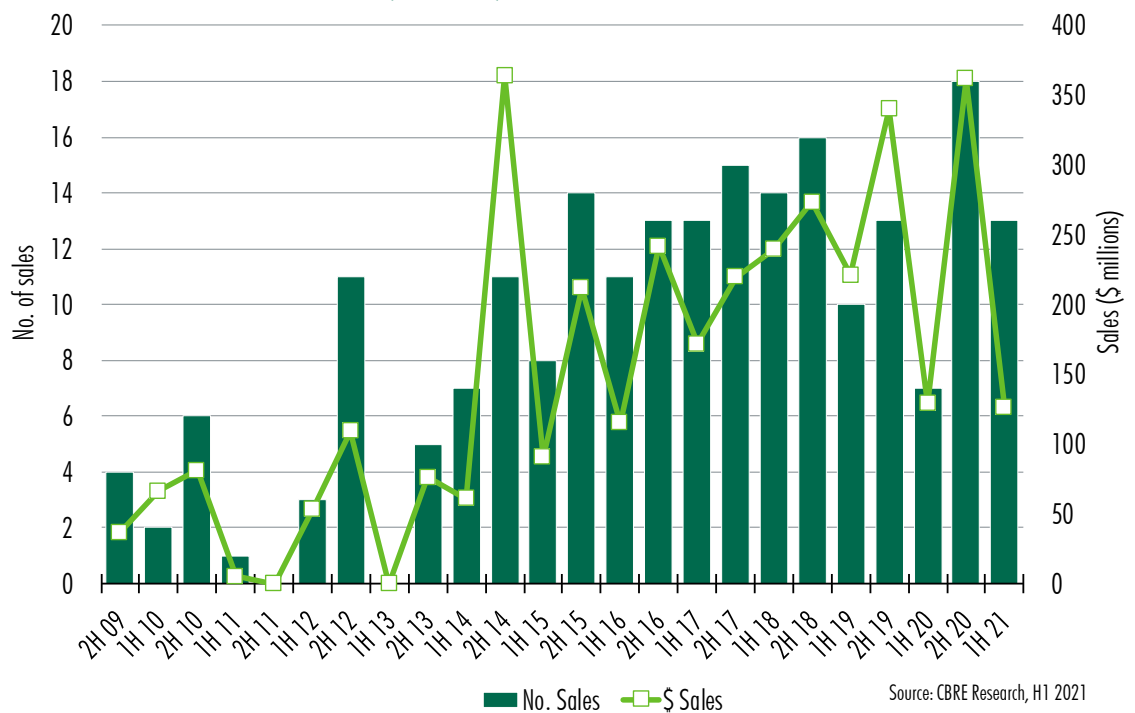


Christchurch Investment

Activity concentrated at smaller end of the market, driven by diverse mix of vendors and property types

Chart 1: Six Monthly Total Investment Sales Value (\$5 Million +)



Source: CBRE Research, H1 2021

- The total value of sales was relatively low, but the number of \$5+ million transactions remained close to the longer term average in H1.
- Office sales dominated transaction volumes, followed by industrial and vacant land/development site sales.
- Vendors were diverse, including private and institutional parties, as well as the public sector and owner occupiers. Private investors and syndicates formed the buyer group.

Christchurch transaction volumes totalled \$126 million as a result of 13 properties changing ownership in the first half of 2021. The number of sales was close to the longer term average but with fewer larger transactions, especially in comparison to the second half of last year.

Investment activity was dominated by New Zealand based private (74%) and syndicate investors (26%). Offices had the largest market share at 36%, with industrial sales at 24%, and land sales at 23%. The largest sales were 229 Tuam Street, an office sale, and 51 Onslow Street, a vacant land sale, totalling \$45.1 million. Both were sold by CBRE.

Compared to H2 2020, sale types were more varied. In addition to the usual office, retail, and industrial properties, in H1 we also observed a retirement village sale and a commercial accommodation sale, transacting for \$15 million in total.

In H1, office sales led the market at 36% of the total sale volume. The largest sale was 229 Tuam Street, sold by CBRE for \$33 million. This was followed by 176 Oxford Terrace, which sold for \$6.9 million. 10 Logistics Drive in Harewood sold for \$5 million.

Industrial sales involved four properties. Three of the four assets were in the Wigram-Sockburn industrial area, and one in Christchurch fringe CBD, a motor vehicle dealer centre/showroom. All purchasers were local Private investors.

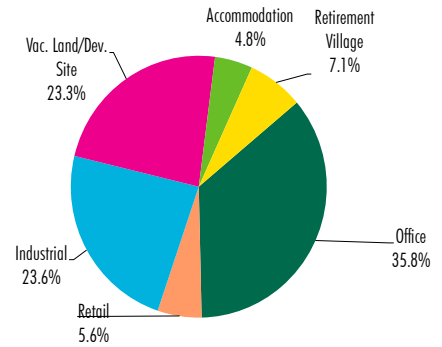
There were three development site sales in H1. Two larger transactions, at 60-72 Papanui Road & 51 Onslow Street and 32 Armagh Street, sold for \$12 and \$11 million respectively. In addition, 24 & 28 Hynds Drive & 85 Hoskyns Road in Rolleston, totalling 3.5Ha, were sold to Calder Stewart for \$6.6 million.

On the vendor side, private investors sold \$80 million of property, or 64% of the total transaction volume. The ten-year average market share of private vendors stands at 54%, so the current result stands above the historical average. Corporations, mainly representing owner occupiers, were active sellers. Their 16% market share of sales volumes in H1 was 5% higher than the ten-year average.

As purchasers, privates were the largest group, accounting for 74% of total volume, or \$93 million, through 12 transactions. This is above the 10-year average market share of 62%. Syndicates have been active in recent years and H1 was no different with Oyster buying 229 Tuam Street for \$33 million, representing 26% of the total sales volume in H1.

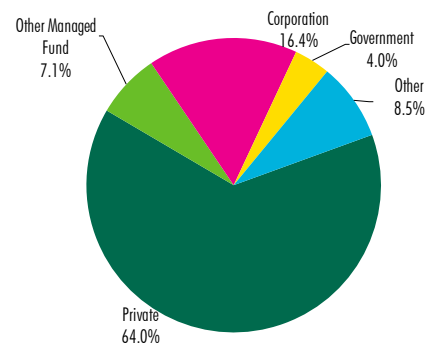
In the past six months, there were ten transactions in the \$5-\$10 million price range (4 industrial, 2 office, 1 land, 1 retirement village, 1 accommodation and 1 retail sales), two land sales in the \$10-20 million range, and one office sale in the \$20-\$50 million range. There were no sales above \$50 million following the flurry of activity in this price bracket in the second half of last year.

Chart 2: Sales By Property Sector



Source: CBRE Research, H1 2021

Chart 3: Vendor Ownership Type



Source: CBRE Research, H1 2021

Chart 4: Purchaser Ownership Type

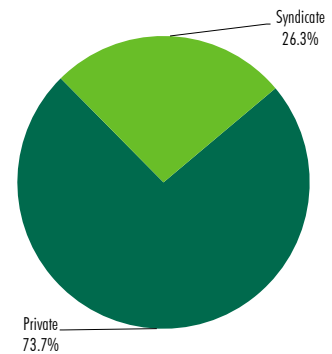
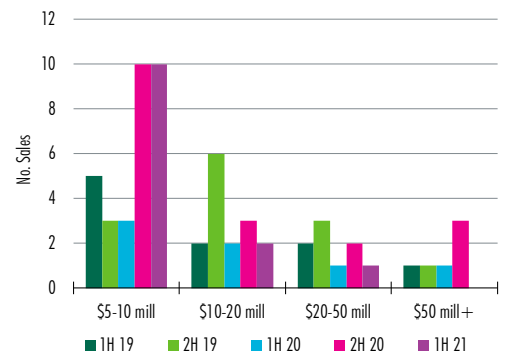


Chart 5: Sales By Price Stratum

Source: CBRE Research, H1 2021



Source: CBRE Research, H1 2021

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