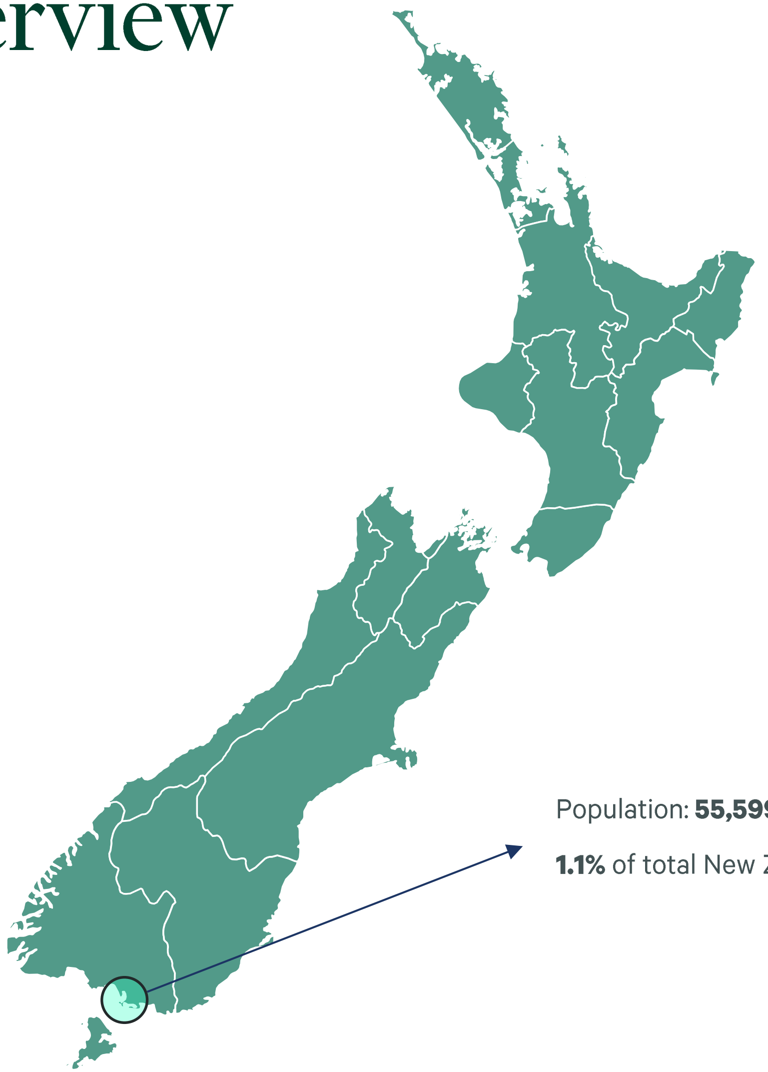
CBRE

Invercargill Property Market Overview

SUMMARY

- Office vacancy in June 2026 dropped sharply to 4.5% from 6.3% in June 2025, driven largely by the take-up of space at different locations on Deveron Street, Leet Street and Don Street. Secondary vacancy fell to 5.5% from 7.7% entirely due to reduced Grade C vacancy, while Prime vacancy edged down slightly to 1.1%, with all remaining vacant office space concentrated in Invercargill Central.
- Invercargill Central captured almost all of the office leasing activity in the city, with a gross absorption level over 16,000 sqm.
- Industrial vacancy dropped to 1.4% from 2.8% in June 2026, driven by a decline in Grade C vacancy due to the take-up of a large asset located in Gore Street in Bluff.
- Prime industrial vacancy increased in June 2026 due to a large uncommitted new building at 263 Bond Street. West Invercargill is the suburb with the highest industrial vacancy, followed by Bluff and Appleby.

Market Sector	Stock (sqm)	Vacant Stock (sqm)	Vacancy (%)
Prime Office	21,007	240	1.1%
Secondary Office	72,926	4,032	5.5%
Prime Industrial	152,337	1,623	1.1%
Secondary Industrial	504,425	7,394	1.5%



Population: **55,599** (2023 Census)

1.1% of total New Zealand population

Invercargill Office Stock

Invercargill Office Stock

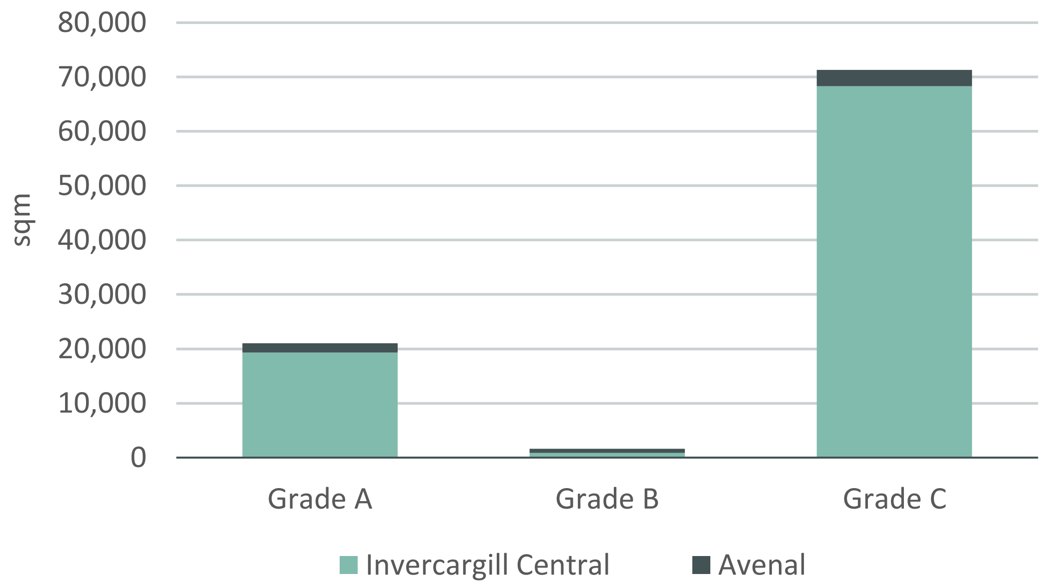
The Invercargill office market totals 93,933 sqm across 79 office assets, located almost entirely in Invercargill Central, with a smaller share in Avenal. Stock in June 2026 is 3,620 sqm higher than in June 2025, due to one new building at 128 Spey Street that added around 1,200 sqm of new office supply, and 2,420 sqm of refurbished stock coming back online in Don Street and Kelvin Street (Invercargill) and Earnslaw Street (Avenal).

Grade C (Secondary) office space is the most prevalent in Invercargill, with 71,312 sqm (76% of total NLA), followed by Grade A (Prime), with circa 21,000 sqm of high-quality office space (22%). The Grade B office submarket has approximately 1,600 sqm (2%). Secondary office stock (Grade B and Grade C combined) sits close to 73,000 sqm.

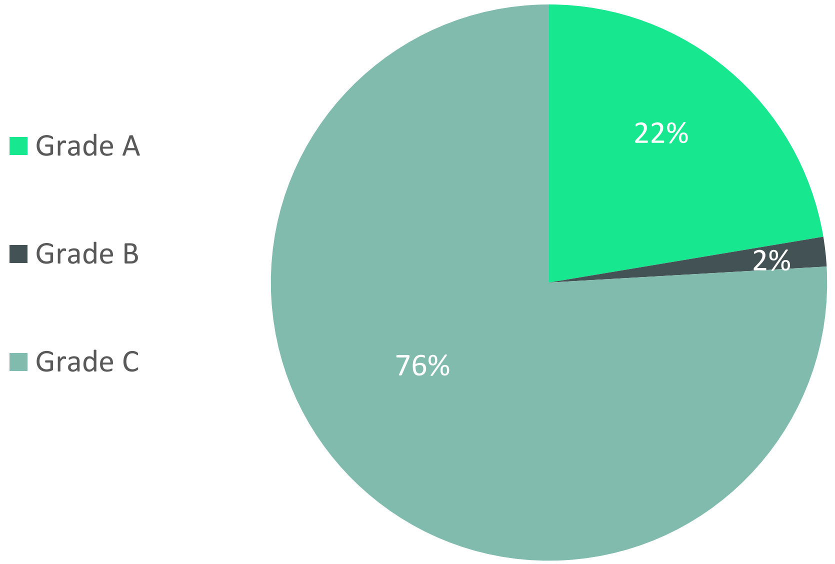
Office stock by grade (sqm)

Grade	June 2025	June 2026
Grade A	19,807	21,007
Grade B	1,614	1,614
Grade C	68,892	71,312
Total	**90,313**	**93,933**

Office stock by grade and suburb (June 2026)



Office stock by grade (June 2026)



Invercargill Office Vacancy

During June 2026, office vacancy decreased, moving to 4.5% from 6.3%, a 1,382 sqm decline compared to June 2025. Whilst Grade A vacant stock remained unchanged at 240 sqm, Prime vacancy decreased slightly to 1.1% from 1.2% due to an increase in Prime stock. Secondary vacancy went down to 5.5% from 7.7%, due entirely to a decrease in Grade C vacancy, since Grade B vacancy continued at zero. This decrease was driven by the take-up of 656 sqm at 51 Deveron Street, 485 sqm at 61 Leet Street and at 51 Don Street, where a finance firm occupied 389 sqm of Secondary space. All office vacancy is located in Invercargill Central, with Don Street and The Crescent being the areas with most of the current unoccupied office space.

Office vacancy by street (June 2026)

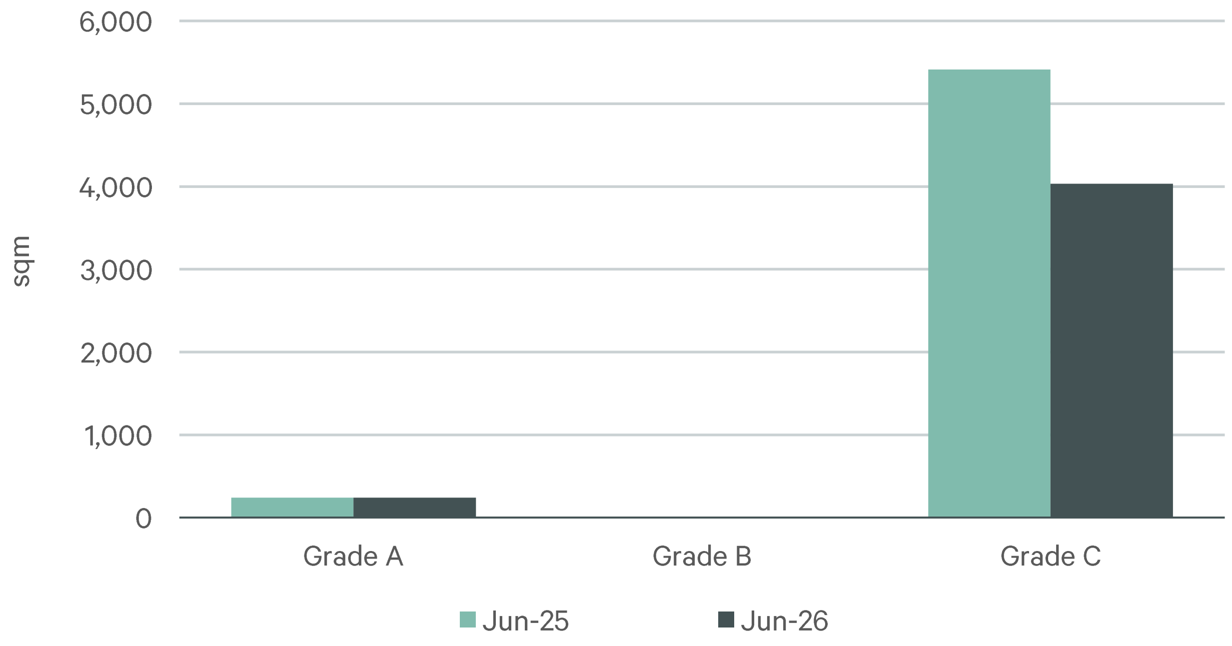
Street Name	NLA (sqm)
Don Street	1,781
The Crescent	1,100
Spey Street	440
Yarrow Street	340
Kelvin Street	267
Tay Street	194
Dee Street	150
Total	**4,272**

Suburb	June 2026
Invercargill Central	4,272
Avenal	0
Total	**4,272**

Office vacancy by grade

		Grade A	Grade B	Grade C	Total
Vacancy June 2025	%	1.2%	0.0%	7.9%	**6.3%**
	sqm	240	0	5,414	**5,654**
Vacancy June 2026	%	1.1%	0.0%	5.7%	**4.5%**
	sqm	240	0	4,032	**4,272**

Office vacancy by grade



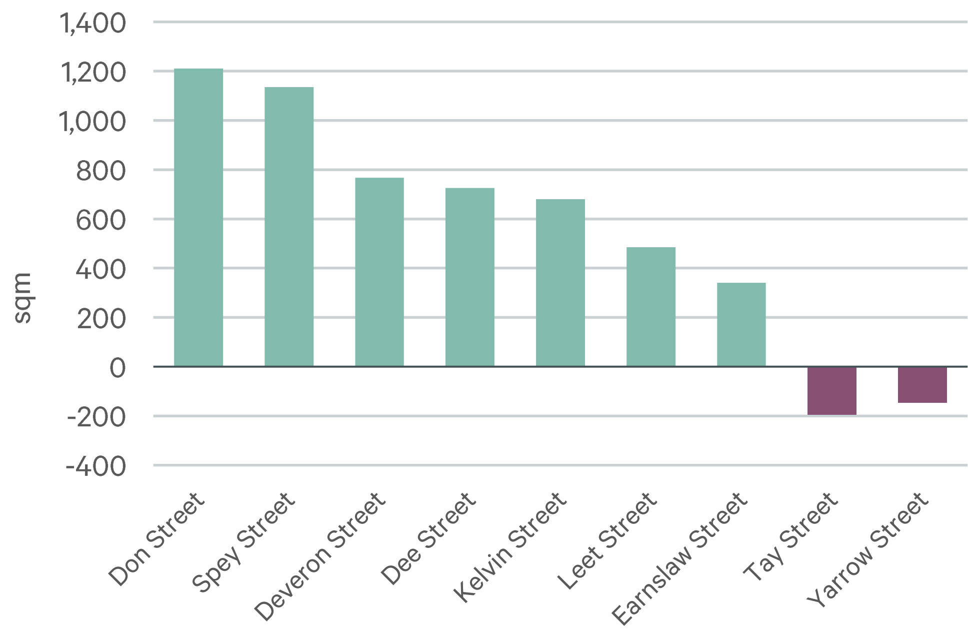
Invercargill Office Net Absorption

In June 2026, net absorption in Invercargill reached 5,002 sqm, driven by positive net absorption in the Grade C and A submarkets (3,802 sqm and 1,200 sqm, respectively). Prime net absorption was supported by the full take-up of the new building at 128 Spey Street, where the Department of Conservation occupied all 1,200 sqm. In terms of Secondary net absorption, the most significant move happened at 65 Don Street, where four tenants took up 1,540 sqm of refurbished space. The two streets that registered the highest levels of positive net absorption were Don Street and Spey Street, with Tay Street and Yarrow Street registering the highest levels of negative net absorption.

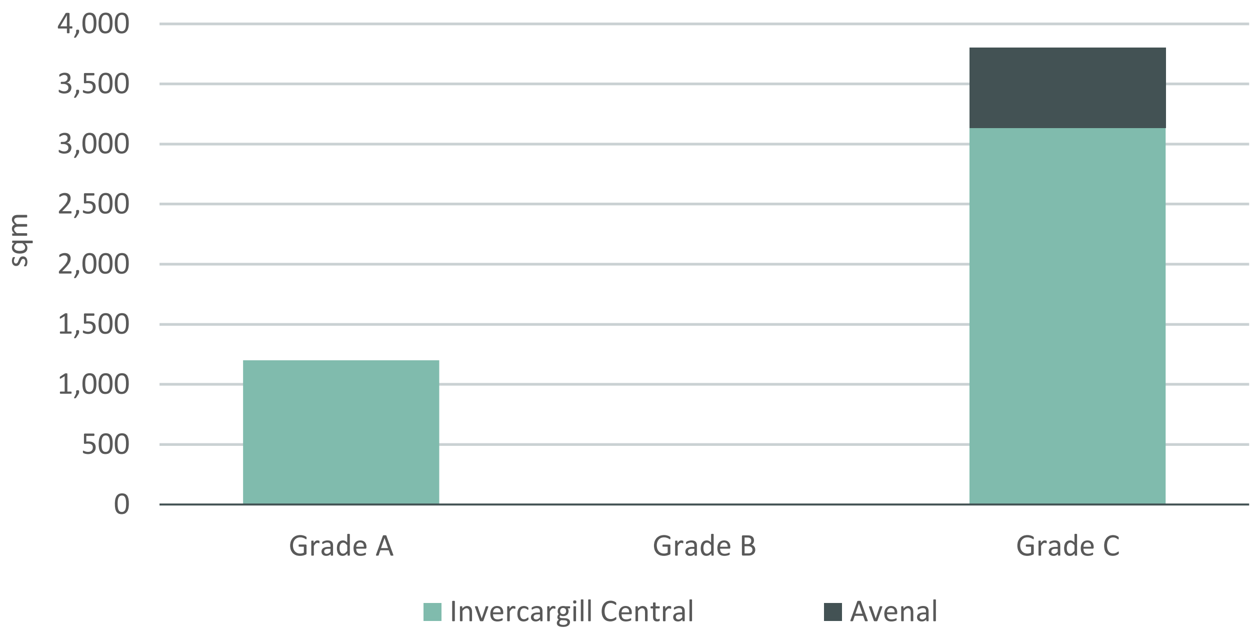
Office net absorption by grade and suburb (June 2026) (sqm)

Grade	Invercargill Central	Avenal	**Total**
Grade A	1,200	0	**1,200**
Grade B	0	0	**0**
Grade C	3,132	670	**3,802**
Total	**4,332**	**670**	**5,002**

Office net absorption by street (June 2026)



Office net absorption by grade and suburb (June 2026)



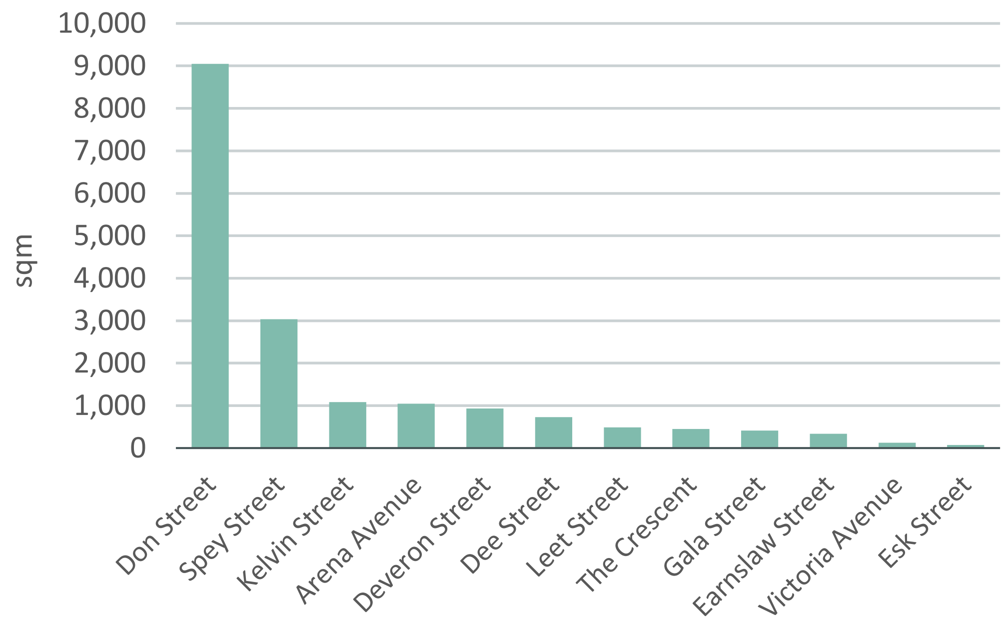
Invercargill Office Gross Absorption

Gross absorption measures leasing activity, capturing both previously vacant space that becomes occupied and changes between tenancies. During June 2026, gross absorption reached 18,095 sqm across 53 new occupancies. Most of it occurred in Grade C buildings (12,975 sqm), followed by Grade A and B assets (4,996 sqm and 124 sqm, respectively). The street that registered the highest take-up of space in the Invercargill office market was Don Street, totalling 9,389 sqm. It was followed by Spey Street (3,038 sqm) and Kelvin Street (1,080 sqm). When analysed by suburb, Invercargill Central captured almost all of the leasing activity in the city, with a gross absorption level of 16,174 sqm.

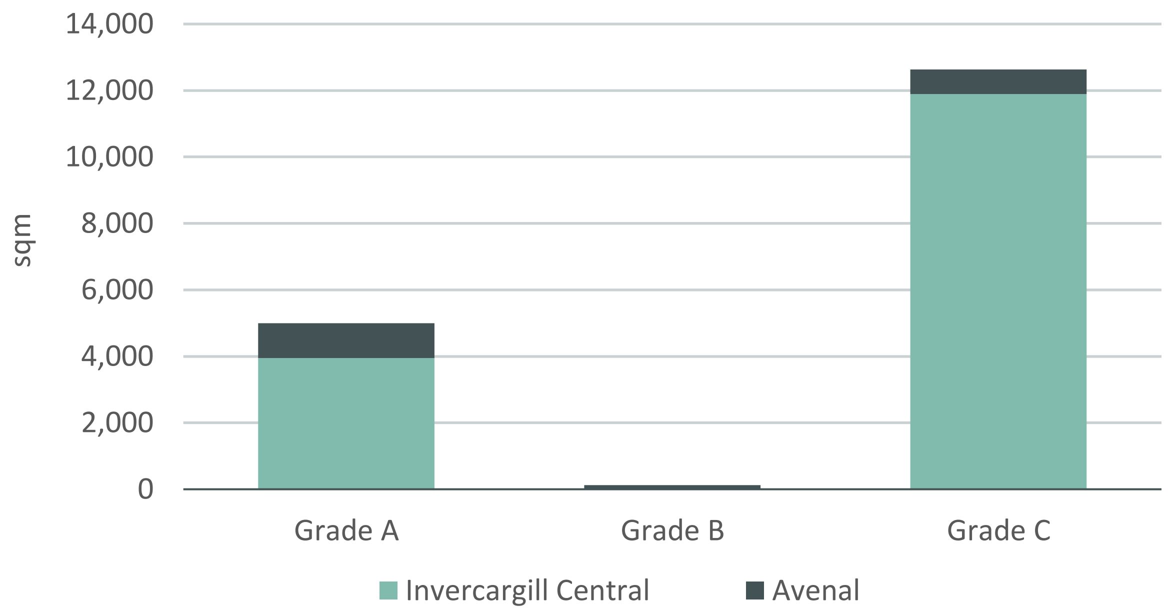
Office gross absorption by grade and suburb (June 2026) (sqm)

Grade	Invercargill Central	Avenal	**Total**
Grade A	3,950	1,046	**4,996**
Grade B	0	124	**124**
Grade C	11,887	751	**12,638**
Total	**15,837**	**1,921**	**17,758**

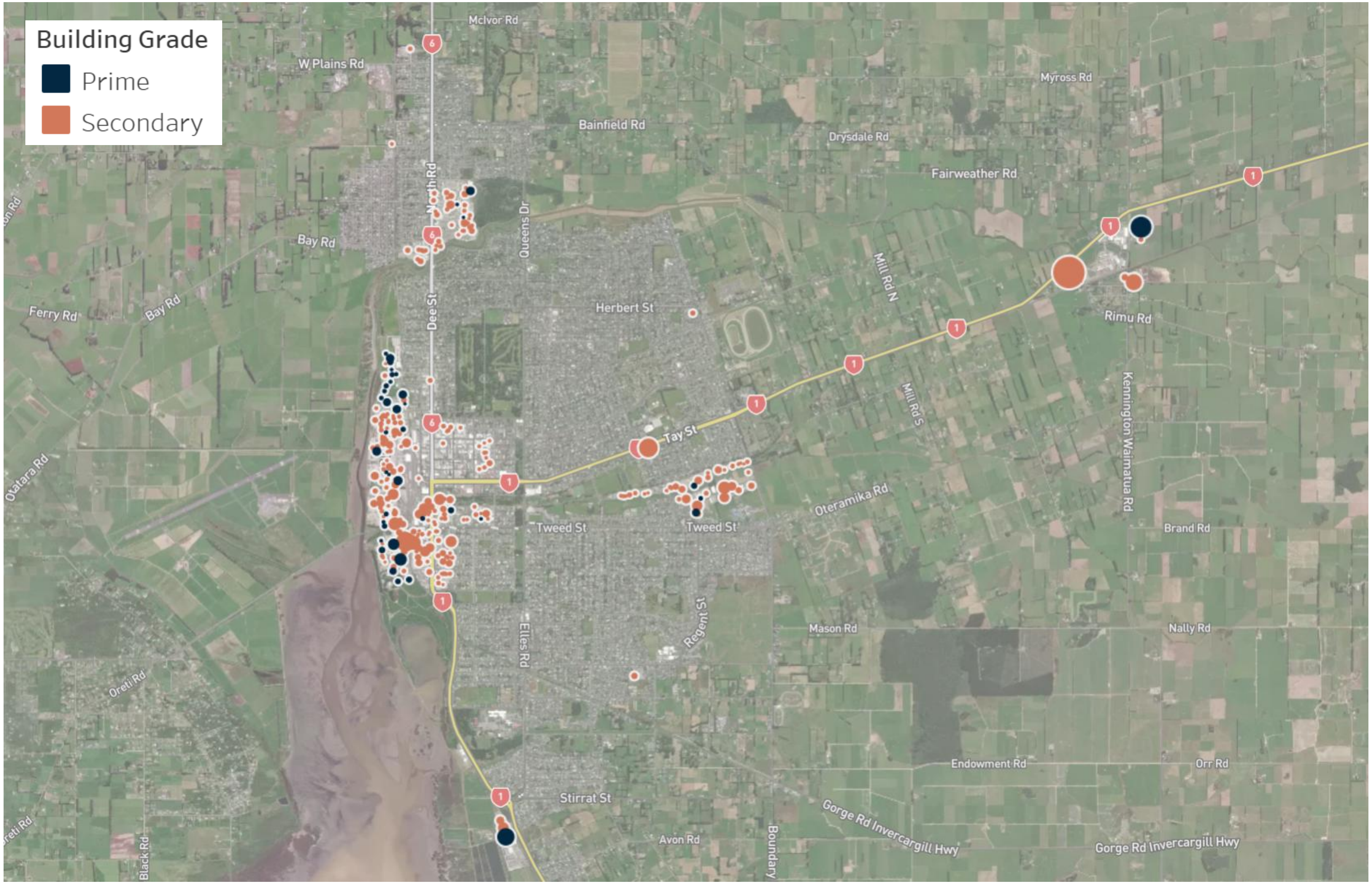
Office gross absorption by street (June 2026)



Office gross absorption by grade and suburb (June 2026)



Invercargill Industrial Stock



Bluff Industrial Stock

Invercargill Industrial Stock

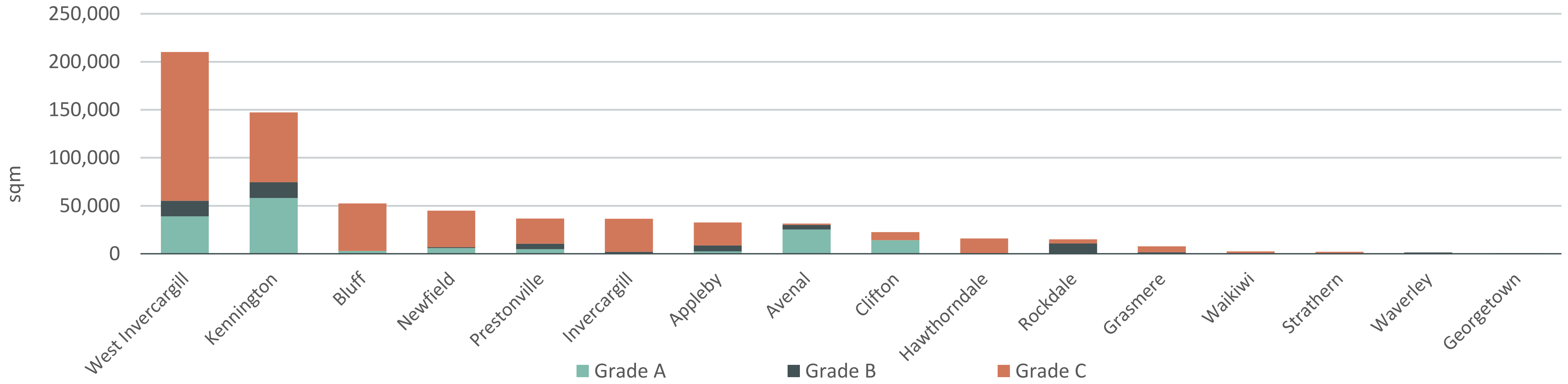
The total size of the Invercargill industrial market is close to 657,000 sqm across 305 buildings, most of them located in West Invercargill (32% of the total industrial NLA), Kennington (22%) and Bluff (8%). In terms of industrial stock quality, Kennington leads in Prime space, whereas West Invercargill dominates the Secondary segment. In June 2026, Prime industrial stock increased by almost 13,500 sqm due to the completion of three assets: 37 Kennington Road (9,500 sqm), 133 Bill Richardson Drive (2,230 sqm) and 263 Bond Street (1,623 sqm).

Grade C industrial space is the most common type in the Invercargill market, with around 438,000 sqm (67% of total NLA), followed by Grade A (Prime), with circa 152,000 sqm of industrial space (23%). Also, the Grade B industrial submarket has approximately 67,000 sqm (10%). Secondary industrial stock (Grade B and Grade C combined) amounts to approximately 504,000 sqm.

Industrial stock by grade (June 2026)

Grade	NLA (sqm)	%
Grade A	152,337	23%
Grade B	66,588	10%
Grade C	437,837	67%
Total	**656,762**	**100%**

Industrial stock by grade and suburb (June 2026)



Invercargill Industrial Vacancy

During June 2026, industrial vacancy decreased, moving to 1.4% from 2.8%, a 9,316 sqm decrease compared to 2025. This was mainly driven by the decline in vacancy in Grade C assets, which went down by 10,400 sqm, due mainly to a port operating company taking up 9,500 sqm at 53-55 Gore Street in Bluff and two previously vacant industrial buildings being occupied at 131 Liddel Street (760 sqm) and 117 Crinan Street (620 sqm). In addition, one 700-sqm fully vacant building was demolished at 153-157 Clyde Street in West Invercargill. The decrease in Secondary vacancy was offset by a 1,084 sqm rise in Prime vacancy, due to a 1,623-sqm uncommitted new building at 263 Bond Street. West Invercargill is the suburb with the highest vacancy, followed by Bluff and Appleby.

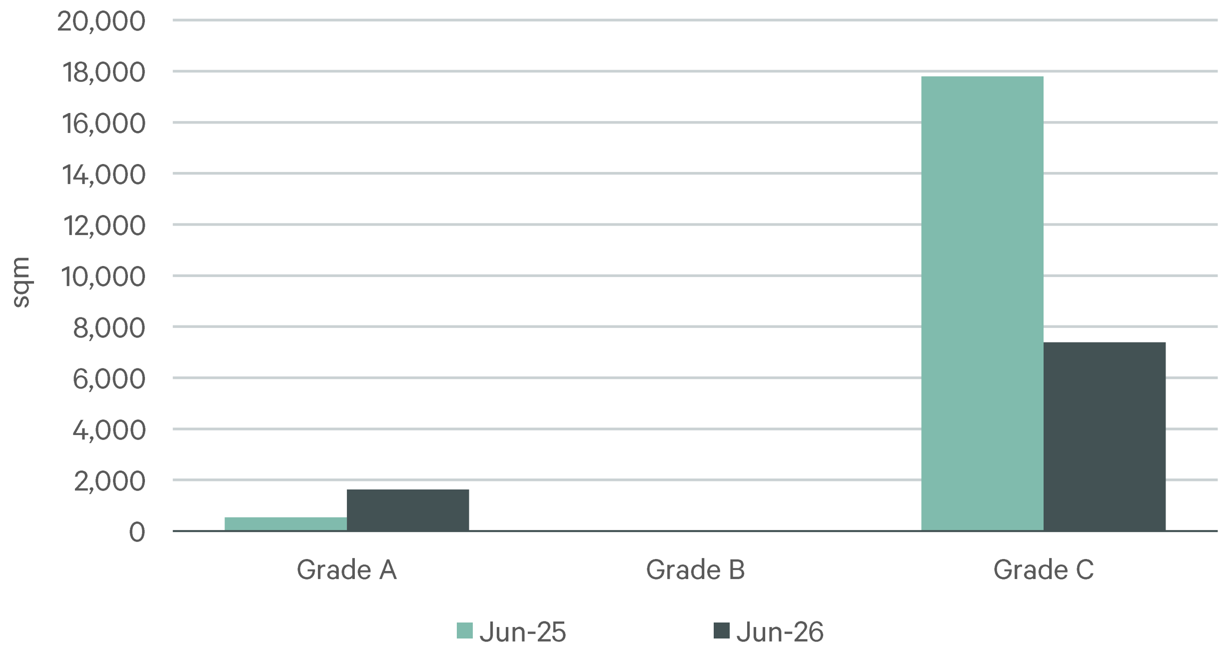
Industrial vacancy by suburb (June 2026)

Suburb	NLA (sqm)
West Invercargill	7,237
Bluff	1,180
Appleby	600
Total	**9,017**

Industrial vacancy by grade

		Grade A	Grade B	Grade C	Total
Vacancy June 2025	%	0.4%	0.0%	4.0%	**2.8%**
	sqm	539	0	17,794	**18,333**
Vacancy June 2026	%	1.1%	0.0%	1.7%	**1.4%**
	sqm	1,623	0	7,394	**9,017**

Industrial vacancy by grade



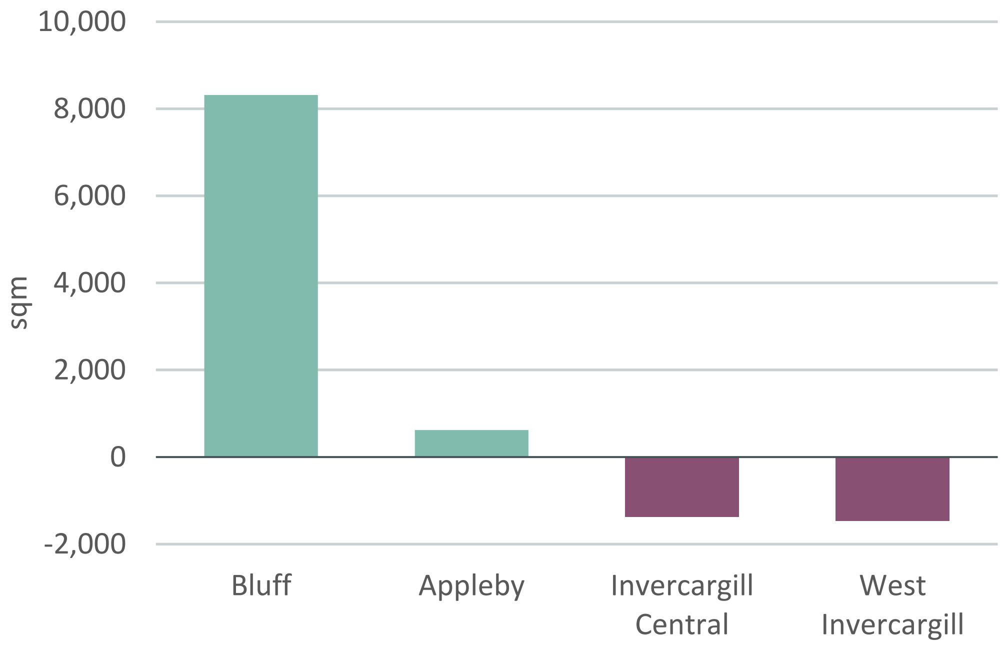
Invercargill Industrial Net Absorption

Most of the industrial net absorption in June 2026 happened in Bluff, which reached 8,320 sqm, driven by a positive net absorption of 9,500 sqm due to the take-up of a large building in Gore Street, offset by a negative net absorption of 1,180 sqm driven by one tenant vacating 1,180 sqm in Lee Street. The suburb of Appleby also recorded positive net absorption levels albeit minimal, due to the take-up of 620 sqm at 117 Crinan Street. By grade, most of the net absorption was supported by the take-up of Grade C industrial space. In contrast, Grade A and B buildings registered negative net absorption levels, all of it recorded in West Invercargill.

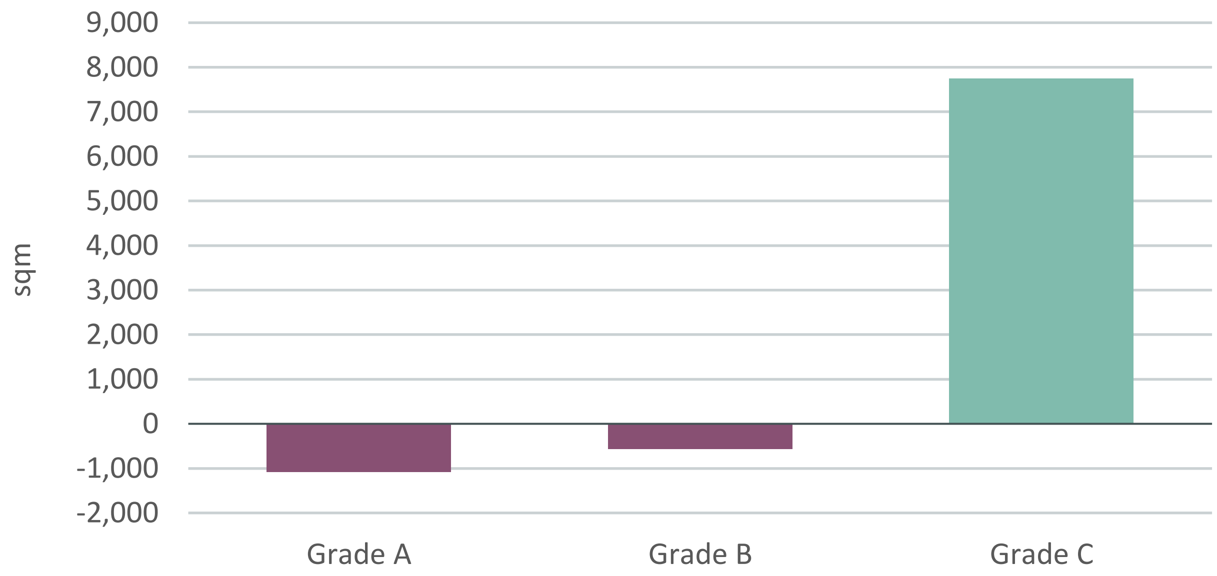
Industrial net absorption by grade and suburb (June 2026) (sqm)

Suburb	Grade A	Grade B	Grade C	Total
Bluff	0	0	8,320	**8,320**
Appleby	0	0	620	**620**
Invercargill Central	0	0	-1,377	**-1,377**
West Invercargill	-1,084	-570	190	**-1,464**
	-1,084	**-570**	**7,753**	**6,099**

Industrial net absorption by suburb (June 2026)



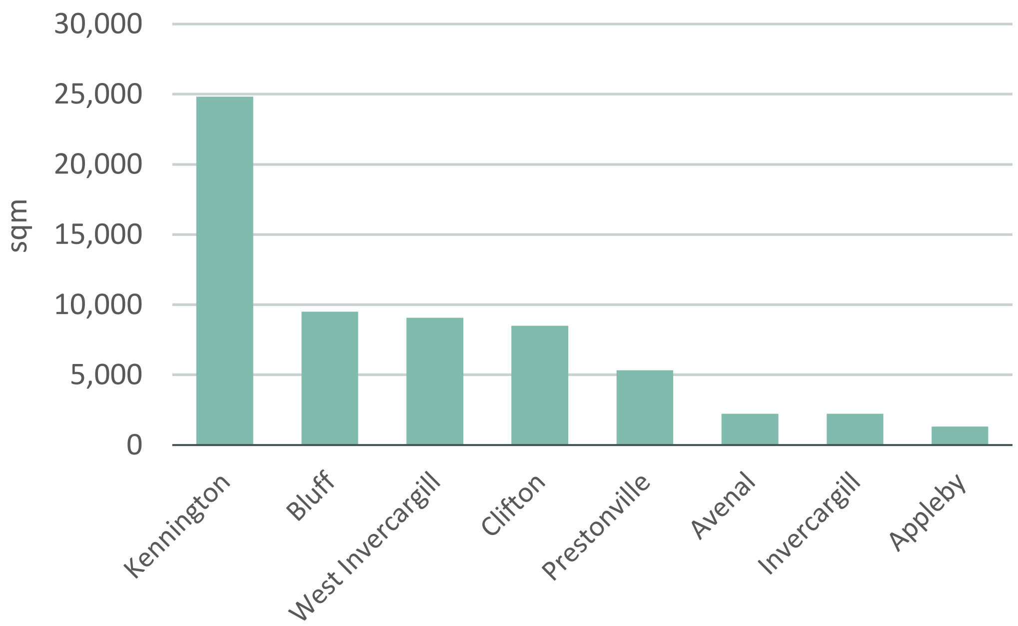
Industrial net absorption by grade (June 2026)



Invercargill Industrial Gross Absorption

In June 2026, gross absorption reached 63,024 sqm across 22 new occupancies. Most of it was recorded in Grade C industrial assets (49,758 sqm), followed by Grade A and B buildings (12,269 sqm and 997 sqm, respectively). The largest take up of new occupancies occurred at 1 Clapham Road (Grade C) and 37 Kennington Road (Grade A), both located in Kennington, where a transport company and a fertiliser firm moved into 15,333 sqm and 9,500 sqm, respectively. The suburb with the highest leasing activity in June 2026 was Kennington, in which gross absorption reached almost 25,000 sqm, followed by Bluff and West Invercargill, with circa 9,500 sqm and 9,000 sqm, respectively. In contrast, the suburbs with the least level of gross absorption were Invercargill Central and Appleby.

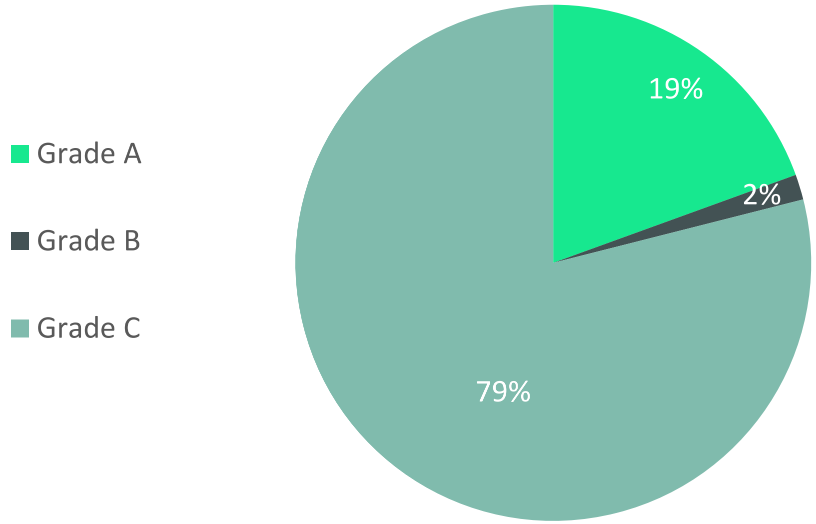
Industrial gross absorption by suburb (June 2026)



Industrial gross absorption by grade and suburb (June 2026)

Suburb	Grade A	Grade B	Grade C	Total
Kennington	9,500	0	15,333	**24,833**
Bluff	0	0	9,500	**9,500**
West Invercargill	539	997	7,540	**9,076**
Clifton	0	0	8,510	**8,510**
Prestonville	0	0	5,340	**5,340**
Avenal	2,230	0	0	**2,230**
Invercargill	0	0	2,220	**2,220**
Appleby	0	0	1,315	**1,315**
Total	**12,269**	**997**	**49,758**	**63,024**

Industrial gross absorption by grade and suburb (June 2026)



Definitions

Office building grades

Grade A: High-quality modern space. **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.

Prime: 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. 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 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.

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