

Commercial office

Provincial Canterbury

The office rental market in Timaru is typically slow moving which is largely a result of oversupply of office space. The market is relatively active in terms of investment demand and the continued performance of the primary sector plays an important role in the investment market within Timaru. 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 are under construction or planned, enhancing quality office options. The investment market is typically strong because of few properties being offered for sale and limited redevelopment opportunities.

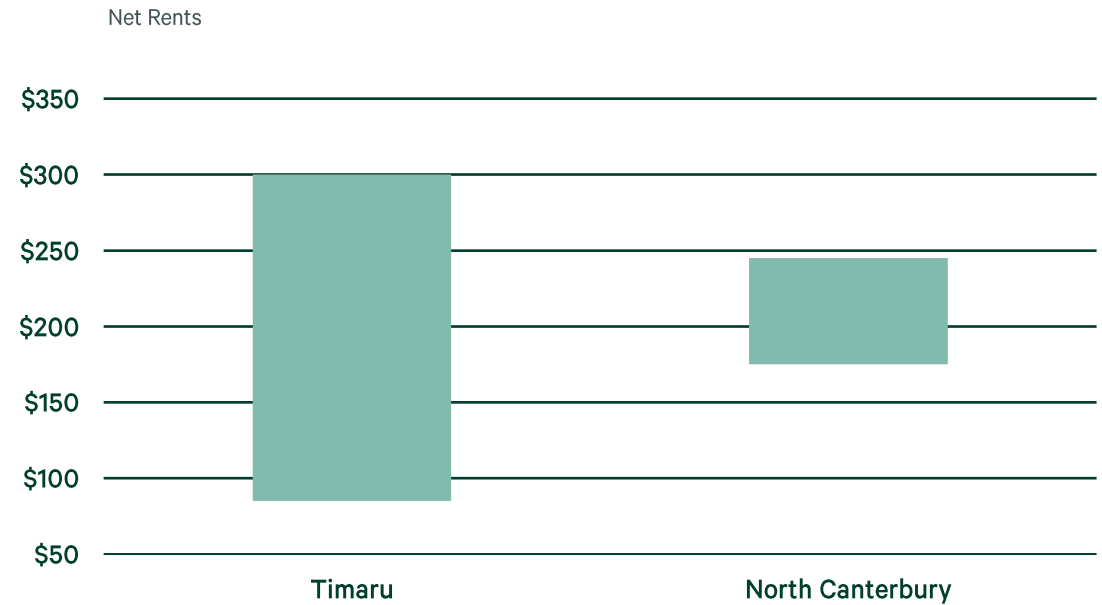
NET YIELDS



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

New development land is available in Rangiora, increasing the previous limited supply; take up of this land has been strong and strong prices have been achieved, which has flowed onto rental levels achieved. Development is occurring 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, and we note that several large market participants have purchased large areas of development land. Little shift in returns has been noted over the past 12 months.

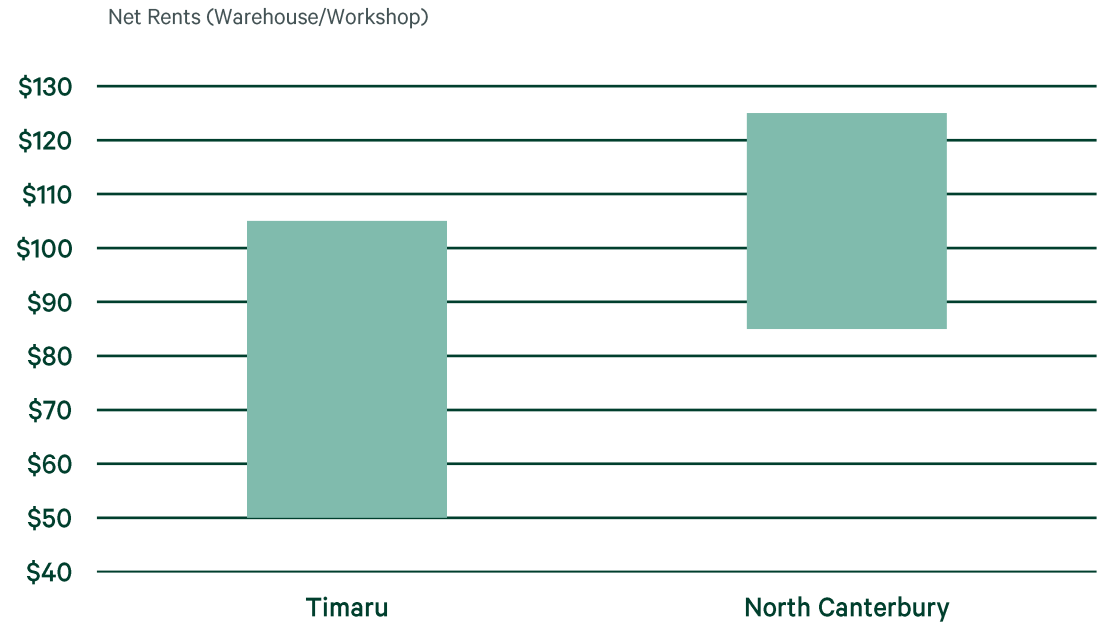
NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
Timaru	▲ Improving	Adequate
North Canterbury	▲ Improving	Adequate



INVESTOR MARKET

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

Retail

Provincial Canterbury

New development is planned for Rangiora, with record rental levels being achieved. Supply of large format retail accommodation is very limited at the present time. Tenant demand for well-located property remains. The investment market remains tight, with few properties made available for purchase of late. Market activity in central Timaru has been muted over the last 12 months, with few leasing transactions and little change in rental levels. The development of the Showgrounds site has been met with strong tenant demand, with several national tenants relocating to the development.

NET YIELDS

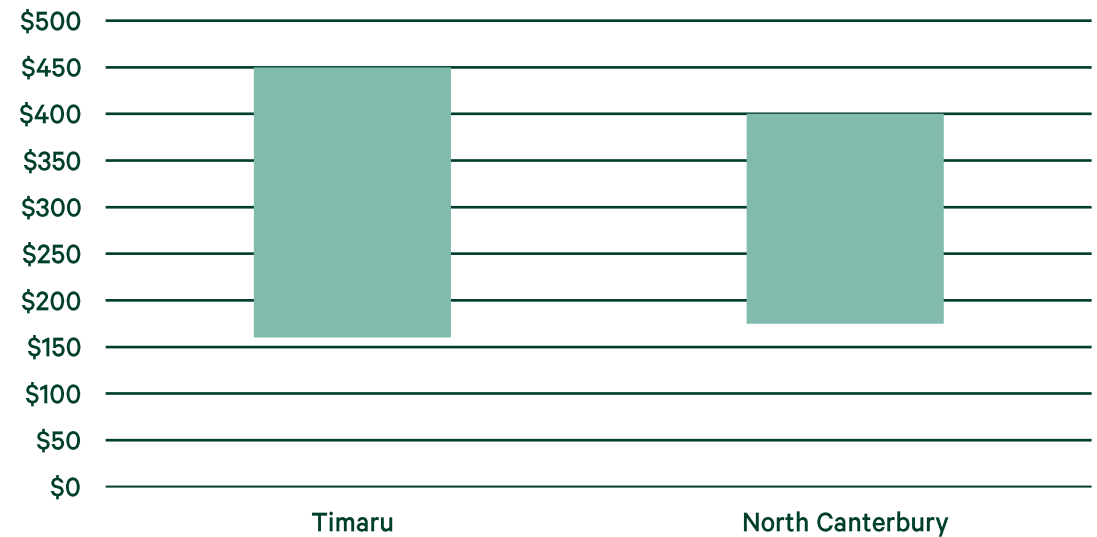


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OCCUPIER MARKET

	Market direction	Supply
Timaru	▶ Static	Moderate
North Canterbury	▲ Improving	Limited

Net Rents



INVESTOR MARKET

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