

FIGURES | QUEENSTOWN | JUNE 2023

Commercial office

CBD office demand remains steady and subject to low levels of vacancy, most of which relates to dated premises in secondary locations. Supply has increased in recent years following the expansion and ongoing development of the Frankton commercial precinct, which offers new build A-grade office accommodation. Frankton is generally achieving rental rates in line with the CBD, though upward pressure is being experienced as occupancy improves.

NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Queenstown CBD	▼ Weakening	Limited
Frankton	▲ Improving	Limited

FIGURE 1: Net Rents



INVESTOR MARKET

	Market direction	Demand
Queenstown CBD	▶ Static	Strong
Frankton	▶ Static	Average

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Industrial

Industrial rents have fully recovered from any softening which occurred as a result of the pandemic. Vacancy is minimal and largely underpinned by low supply and increased demand. Recent leasing activity has achieved strong results, particularly for smaller scale new build premises. Demand for industrial assets priced under <\$3.0M remains strong, with higher priced assets being subject to upward yield pressure. Frankton is considered the preferred industrial location and tends to achieve stronger results relative to the Gorge Road industrial precinct.

NET YIELDS

▶ 4.75-5.5% Queenstown ▶ 4.25-5.0% Frankton

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Queenstown	▶ Static	Limited
Frankton	▲ Improving	Very limited

FIGURE 1: Net Rents (Warehouse/Workshop)



INVESTOR MARKET

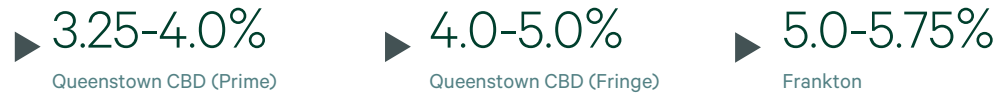
	Market direction	Demand
Queenstown	▶ Static	Average
Frankton	▶ Static	Strong

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Retail

The Queenstown CBD retail environment has now fully recovered from the lows experienced during the pandemic, with improved tourism numbers having returned confidence to the marketplace and local businesses. Abatements are now a thing of the past, with rental rates in the prime having experienced growth and vacancy levels returning to historical lows. Recent transactions indicate yields between 3.25%-4.0% for prime retail assets.

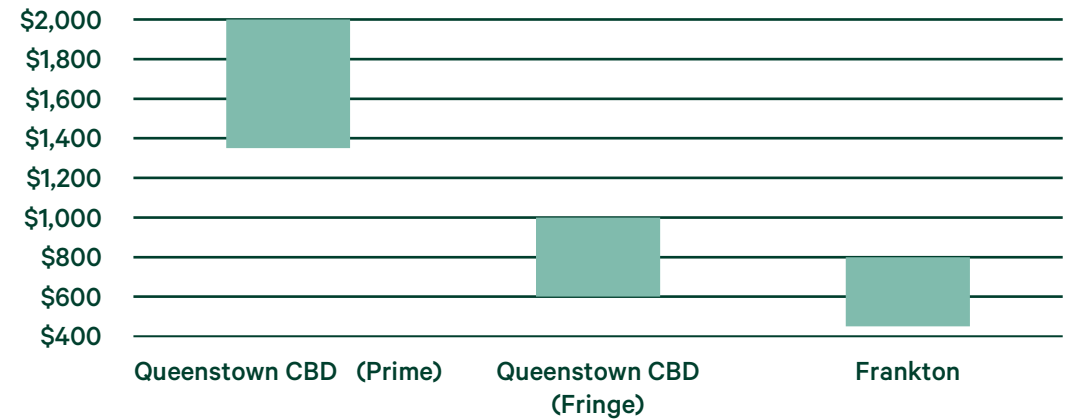
NET YIELDS



OCCUPIER MARKET

	Market direction	Supply
Queenstown CBD (Prime)	▲ Improving	Limited
Queenstown CBD (Fringe)	▶ Static	Limited
Frankton	▶ Static	Moderate

FIGURE 1: Net Rents



INVESTOR MARKET

	Market direction	Demand
Queenstown CBD (Prime)	▶ Static	Strong
Queenstown CBD (Fringe)	▶ Static	Average
Frankton	▼ Weakening	Average