

FIGURES | QUEENSTOWN | JUNE 2024

# Commercial office

The Frankton office market, which is generally comprised of modern A-grade accommodation is near to capacity and continues to be viewed favourably against CBD office space as it provides more modern accommodation without the parking and accessibility challenges of the CBD. Leasing agents report increase listing times on CBD office, although vacancy is still low. There have been too few transactions over the 2023/24 period to have established any meaningful yield trend within the office sector, though we expect yields to have softened in line with broader market trends.

## NET YIELDS

▶ 4.5-5.5%  
Queenstown CBD

▶ 4.5-5.5%  
Frankton

Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

	Market direction	Supply
Queenstown CBD	▶ Static	Limited
Frankton	▶ Static	Limited

## Net Rents



## INVESTOR MARKET

	Market direction	Demand
Queenstown CBD	▼ Weakening	Average
Frankton	▶ Static	Average

FIGURES | QUEENSTOWN | JUNE 2024

# Industrial

The industrial market remains strong with continued rental pressure on the back of limited supply. Frankton has clearly established itself as the preferred industrial locality and is receiving higher levels of rental growth and demand, compared with Gorge Road which is now viewed as secondary. Cromwell is also growing as an industrial base for the region. Demand for industrial assets priced under <\$3.0M remains very strong, particularly for owner occupiers with higher priced assets being subject to more normalised investment metrics with upward yield pressure.

## NET YIELDS



Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

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

Net Rents (Warehouse/Workshop)



## INVESTOR MARKET

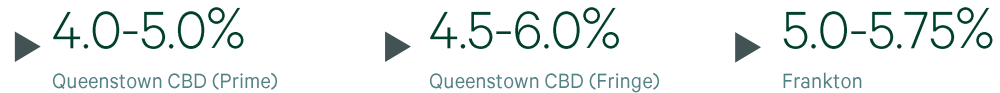
	Market direction	Demand
Queenstown	▶ Static	Average
Frankton	▶ Static	Very strong

FIGURES | QUEENSTOWN | JUNE 2024

# Retail

Several new leases in prominent positions of the Queenstown CBD has established record rent levels and a shift with the prime retailing area considered to be focussed on the Rees St/Beach St intersection where recent streetscape upgrades have improved the retailing experience and pedestrian flow. Queenstown CBD rents remain highly sensitive to location and outside of the core, retail rents soften substantially though have experienced modest uplift, with fringe tenancies having experienced little change. Recent transactions indicate yields have softened though remain sharper than the bulk of the country for similar priced assets.

## NET YIELDS

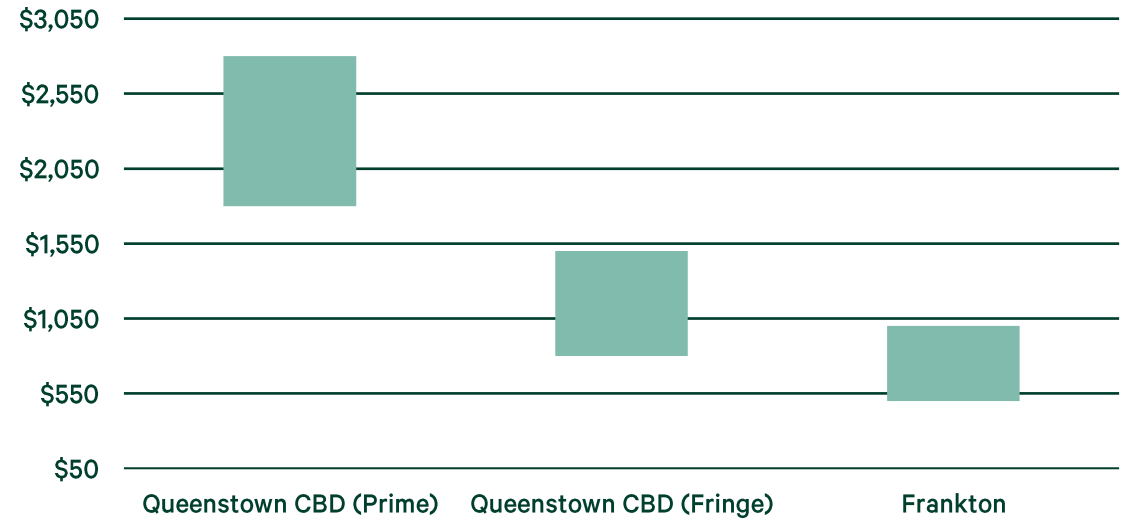


Note: Arrows indicate change from previous report.

## OCCUPIER MARKET

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

Net Rents



## INVESTOR MARKET

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