

FIGURES | ROTORUA | FEBRUARY 2025

Commercial office

The overall vacancy level for prime office space remains low with unsatisfied demand. Demand for secondary and poor-quality space is limited. There is limited developer interest or activity at present. Yield levels have softened in the last two years with the gap between vendor and purchaser expectations causing more sale listings to sit for longer periods.

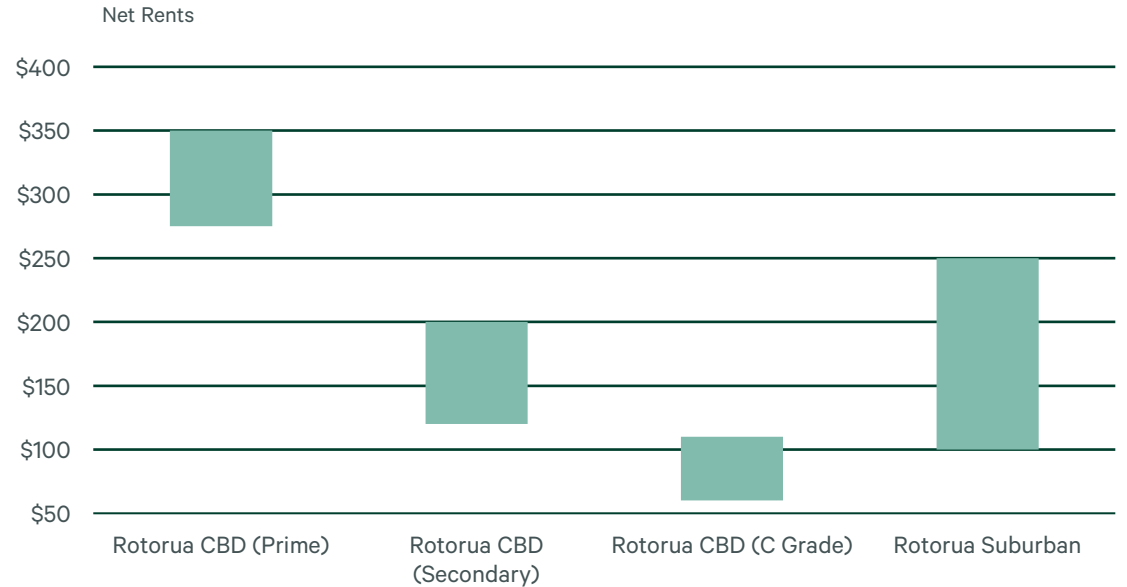
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
CBD (Prime)	▲ Improving	Limited
CBD (Secondary)	▶ Static	Over supplied
CBD (C Grade)	▼ Weakening	Over supplied
Suburban	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
CBD (Prime)	▼ Weakening	Average
CBD (Secondary)	▼ Weakening	Weak
CBD (C Grade)	▼ Weakening	Weak
Suburban	▼ Weakening	Average

FIGURES | ROTORUA | FEBRUARY 2025

Industrial

A limited supply of vacant land close to the CBD underpins a relatively robust industrial market. Recent land sales with strong prices have occurred near the airport, with 13 hectares of leasehold industrial land at the southern entrance of town becoming available in mid-2025. A shortage of available space to lease, with an overall vacancy level at 4.9%, is keeping rent levels firm. The weak forestry sector economy is impacting industrial confidence. The sales market is showing a strengthening of yields, driven primarily by owner-occupiers.

NET YIELDS

▼ 5.5-6.75%

Prime (Main Roads)

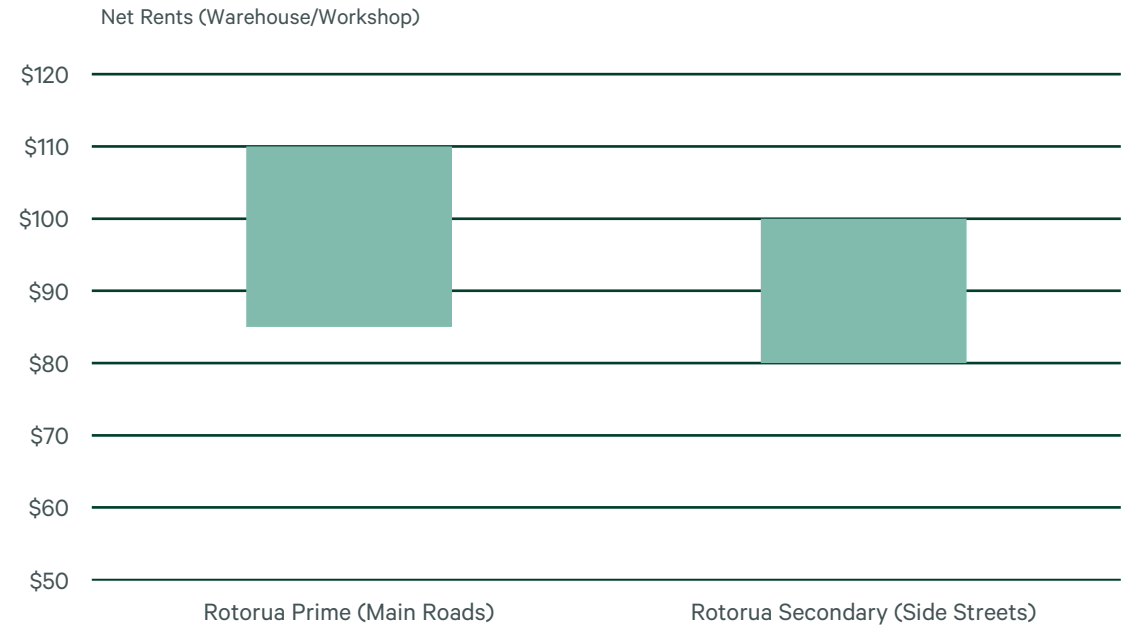
▼ 6.0-7.25%

Secondary (Side Streets)

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Prime (Main Roads)	▶ Static	Limited
Secondary (Side Streets)	▲ Improving	Limited



INVESTOR MARKET

	Market direction	Demand
Prime (Main Roads)	▲ Improving	Average
Secondary (Side Streets)	▲ Improving	Average

Retail

The retail leasing market in Rotorua remains soft with a general oversupply although CBD vacancy rates have remained static over the past two years. There has been considerable site swapping as tenants try to reduce their cost structures or move to better sites on improved rental terms. The investment market is generally quiet with limited enquiry although there are very few properties on the market. Yields have softened in the last year, especially for second tier properties where there is uncertainty around tenants, vacancies and/or seismic issues.

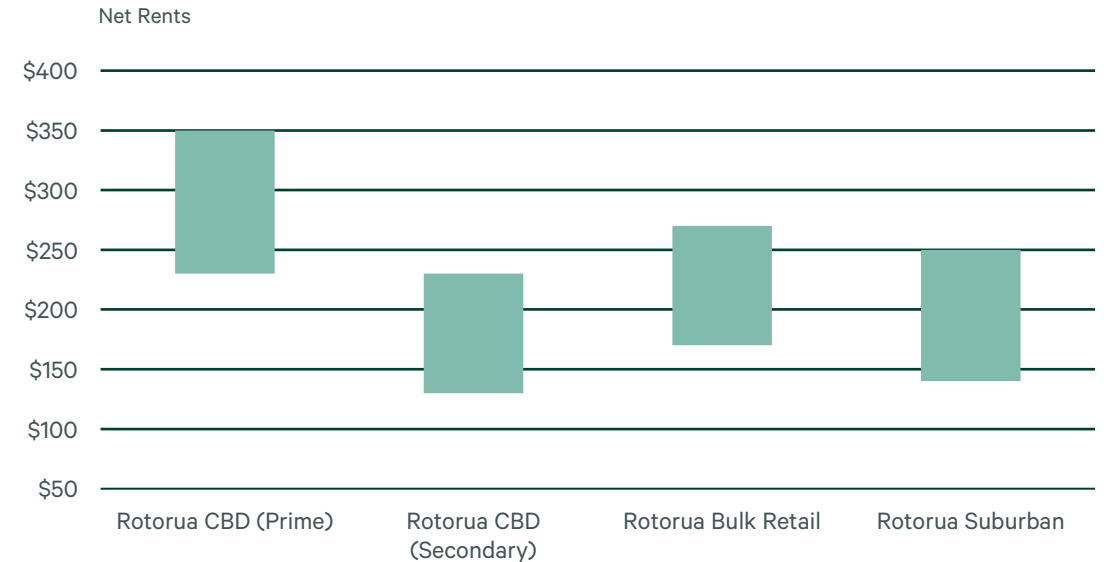
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
CBD (Prime)	▼ Weakening	Moderate
CBD (Secondary)	▼ Weakening	Over supplied
Bulk Retail	No trend apparent	Moderate
Suburban	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
CBD (Prime)	▼ Weakening	Average
CBD (Secondary)	▼ Weakening	Weak
Bulk Retail	▼ Weakening	Average
Suburban	▼ Weakening	Average