

Commercial office

Over the past eight years, we have seen low vacancy rates and strong rental growth, although this trend has recently levelled off. Despite the increase in work-from-home practices, a significant reduction in office space demand has not yet been observed in the market. However, rents for car parking spaces have remained stagnant. Suburban office spaces continue to attract a variety of organizations. Meanwhile, new construction in central business districts (CBD) is redefining A-grade office spaces and establishing new benchmark rental prices. In contrast, lower-grade office spaces are experiencing significantly lower rental rates. Leasing office spaces that offer lower quality or lack parking facilities can be particularly difficult.

NET YIELDS

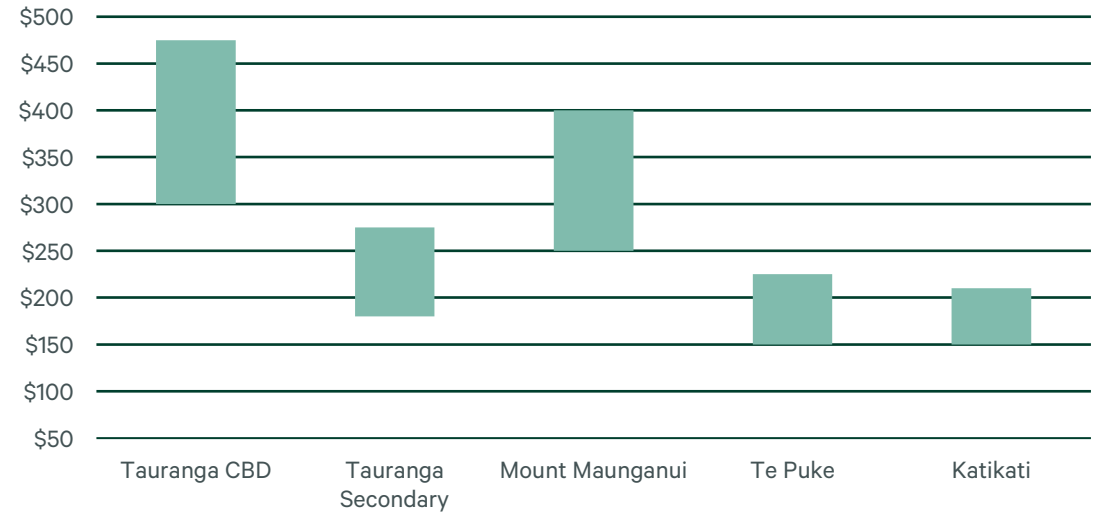


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD	▶ Static	Moderate
Tauranga Secondary	▶ Static	Moderate
Mount Maunganui	▶ Static	Limited
Te Puke	▶ Static	Limited
Katikati	▶ Static	Limited

Net Rents



INVESTOR MARKET

	Market direction	Demand
Tauranga CBD	▶ Static	Average
Tauranga Secondary	▶ Static	Weak
Mount Maunganui	▶ Static	Average
Te Puke	▶ Static	Weak
Katikati	▶ Static	Weak

Industrial

From 2014 through early 2024, rental rates experienced steady and robust growth, primarily driven by limited supply, low vacancy levels, and strong tenant demand. However, the surge in rents has slowed down this year. Industrial properties continue to attract significant investor interest, although the high cost of industrial land has rendered new developments only marginally profitable. Should interest rates continue to decline, this trend is expected to shift within the next year.

NET YIELDS

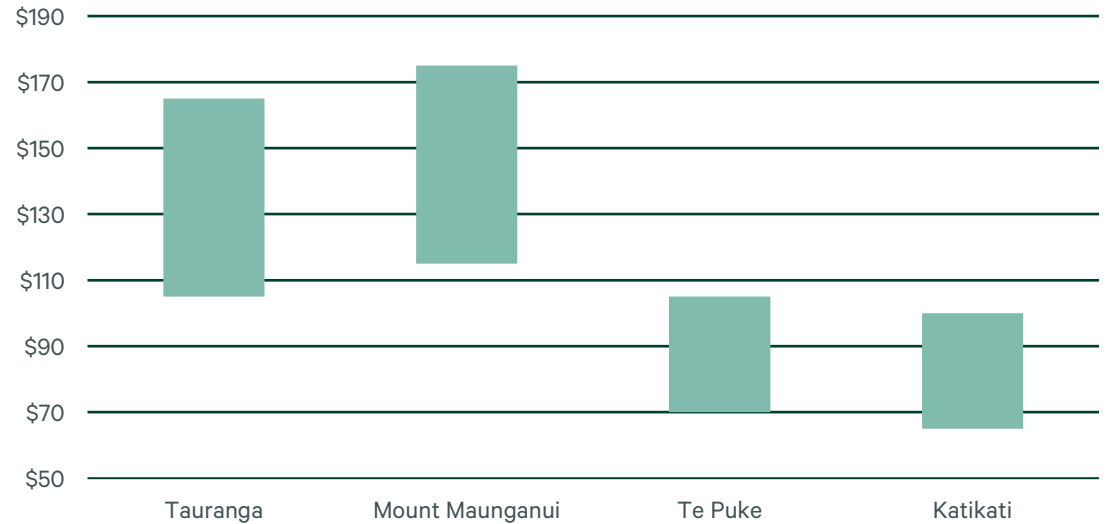


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OCCUPIER MARKET

	Market direction	Supply
Tauranga	▶ Static	Moderate
Mount Maunganui	▶ Static	Limited
Te Puke	▶ Static	Limited
Katikati	▶ Static	Moderate

Rents (Warehouse/Workshop)



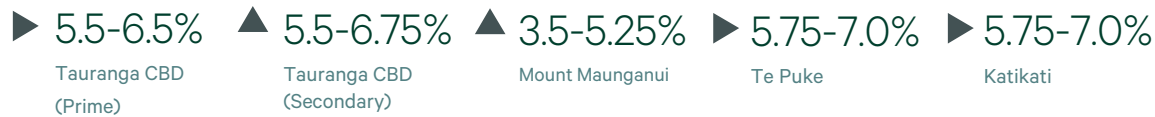
INVESTOR MARKET

	Market direction	Demand
Tauranga	▶ Static	Average
Mount Maunganui	▶ Static	Strong
Te Puke	▶ Static	Average
Katikati	▶ Static	Average

Retail

Over the past decade, the ground floor commercial rental market in the Tauranga region has experienced low to moderate growth in most areas. Notable exceptions include certain parts of the CBD, such as the "Eat Street" and a few new developments, which have seen concentrated rental growth. Additionally, the main downtown area of Mount Maunganui showed remarkable growth until 2024, but this trend has since slowed down. Except for the CBD, retail vacancy rates remain low across most areas. Retail properties are generally not considered a preferred investment by investors.

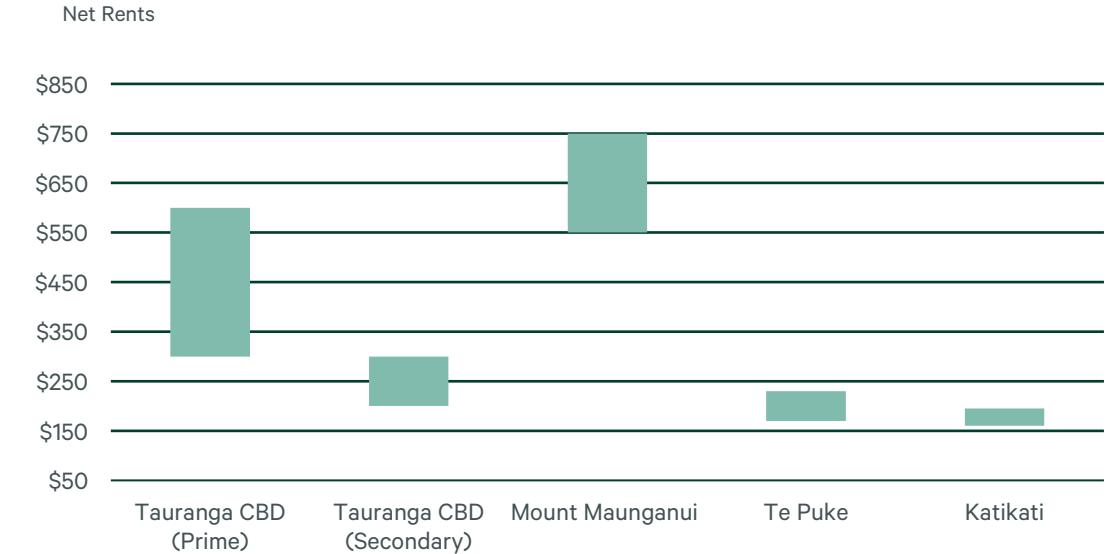
NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD (Prime)	▶ Static	Over supplied
Tauranga CBD (Secondary)	▶ Static	Over supplied
Mount Maunganui	▼ Weakening	Limited
Te Puke	▶ Static	Limited
Katikati	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
Tauranga CBD (Prime)	▶ Static	Weak
Tauranga CBD (Secondary)	▶ Static	Weak
Mount Maunganui	▶ Static	Very strong
Te Puke	▶ Static	Average
Katikati	▶ Static	Average