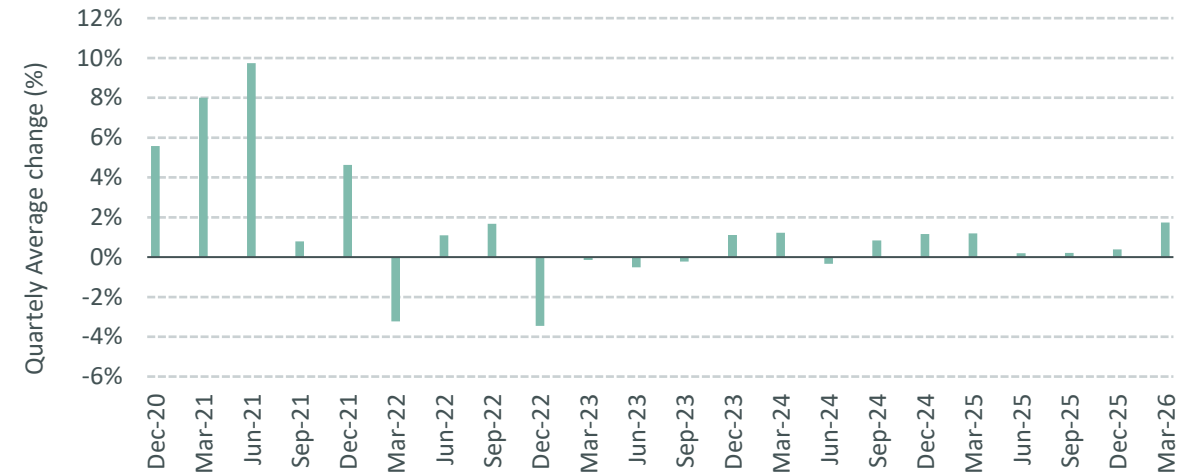


Christchurch Property Market Overview

KEY MARKET CHANGES

- The investment market entered 2026 on a positive momentum, but global trends have started to weigh heavily on sentiment. In this context, during Q1 Prime CBD office yields decreased by 16 bps, whilst Secondary CBD office yields firmed by 4 bps. In addition, Prime industrial yields firmed by 6 bps, but this has been reflected as a Q4 2025 movement, as we believe it occurred during that quarter but was not captured in our previous Figures report.
- The Christchurch office leasing market was active during Q1, with rents increasing in the Prime and Secondary CBD submarkets by 2.3% and 4.7%, respectively. Strong demand also led to suburban strip retail rents increasing by 1.5% in the quarter. By contrast, activity was more subdued in the suburban office and industrial leasing markets with rents remaining stable during the quarter.
- CBRE's Q1 evaluation indicates some yield compression over the quarter, with Prime CBD office yields decreasing by 16 bps and Secondary CBD office yields firming by 4 bps between Q4 2025 and Q1 2026.
- The Christchurch CBD office vacancy rate decreased to 7.4% in H2 2025, driven by a decline in Prime CBD office vacancy, despite an increase in vacant stock in Secondary buildings. Meanwhile, the industrial vacancy rate declined slightly to 2.1% in the second half of 2025.

Average Office, Retail, Industrial Capital Values – q-o-q % change



Market indicators

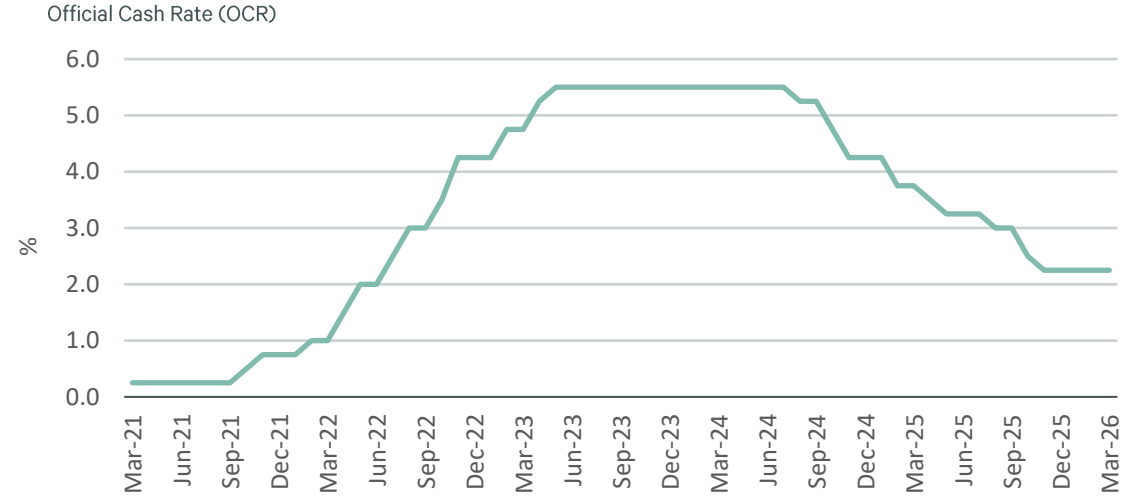
| Market Sector | Stock (sqm) | Vacancy (%) | Net Face Rent (\$/sqm/yr) | Incentive (%) | Yield Range (%) |
|---------------------------|-------------|-------------|---------------------------|---------------|-----------------|
| Prime CBD Office | 248,400 | 7.6 | 385 – 475 | 4 – 8 | 5.75 – 7.15 |
| Secondary CBD Office | 69,456 | 6.7 | 325 – 450 | 6 – 9 | 6.90 - 8.00 |
| Prime Suburban Office | 67,851 | 5.6 | 260 – 365 | 8 – 9 | 7.00 - 8.90 |
| Secondary Suburban Office | 342,418 | 10.3 | 165 – 345 | 8 – 14 | 8.30 - 10.30 |
| Prime Industrial | 1,742,765 | 2.8 | 111 – 168 | 1 – 2 | 5.25 - 6.75 |
| Secondary Industrial | 2,856,589 | 1.8 | 72 – 140 | 1 – 2 | 6.05 - 9.10 |
| CBD Retail | - | - | 270 - 1,700 | 4 – 8 | - |
| Suburban Strip Retail | - | - | 220 – 750 | 4 – 8 | 5.50 – 7.75 |

Economy

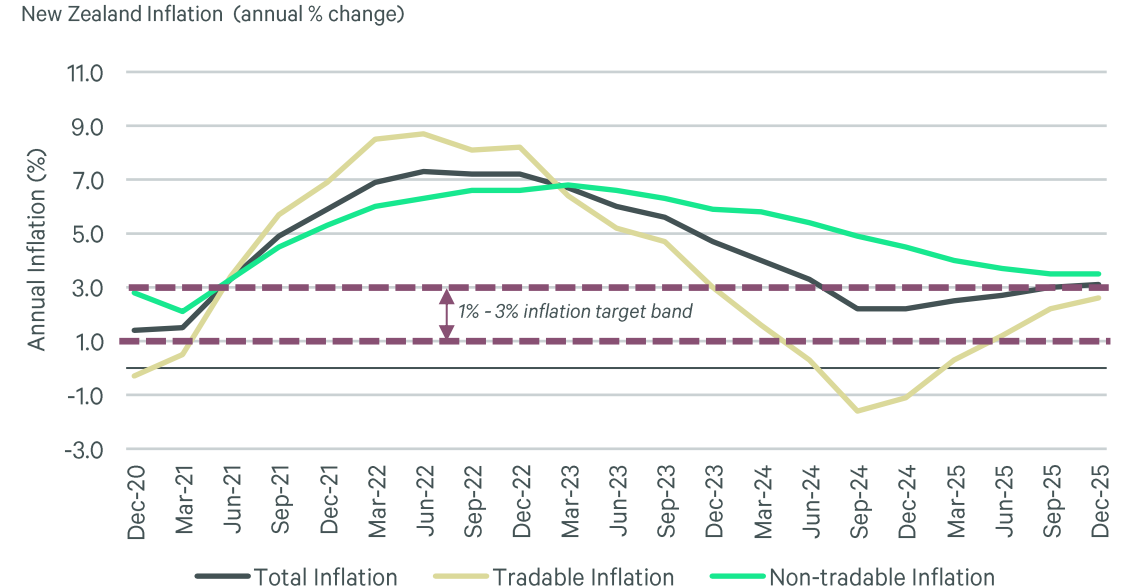
The New Zealand economy was showing signs of improvement during the first two months of this year. In its February Monetary Policy Statement, the RBNZ expected GDP growth to maintain an upward trend during 2026, with annual inflation hovering just above the inflation target midpoint (2.0%) by the end of this year. However, these predictions changed drastically in late February when the US and Israel conducted military actions against key strategic sites in Iran, prompting a regional conflict with significant global economic and financial implications. The immediate shock was the steep increase in oil and refined petroleum product prices, which reached their highest level since early 2022.

The RBNZ has made clear that the escalating Middle East conflict is set to drive consumer prices higher in New Zealand in the months ahead, potentially peaking at 4.2% during Q2 2026. In terms of economic growth, the RBNZ signalled that it had revised its growth expectations downward relative to its February forecasts. Businesses are contending with higher input costs that are eroding profitability, while households face declining real purchasing power. New Zealand's trade exposure to the Middle East leaves certain sectors vulnerable if alternative markets cannot be secured. Furthermore, since many of New Zealand's largest trading partners depend heavily on imported oil, the conflict is expected to soften their economies and, by extension, reduce their appetite for New Zealand goods and services.

Heightened uncertainty is an additional headwind, likely causing firms and consumers to hold back on spending and investment. The present situation finds New Zealand's economy still recovering, operating with spare capacity, and with consumers and businesses carrying more financial strain. These conditions may act as a natural brake on how far and how fast the current cost pressures filter through into sustained inflation. However, the RBNZ has announced that it is willing to hike the OCR in case medium and long-term inflation expectations become unanchored or second-round inflationary effects become significant.



Source: Reserve Bank of New Zealand



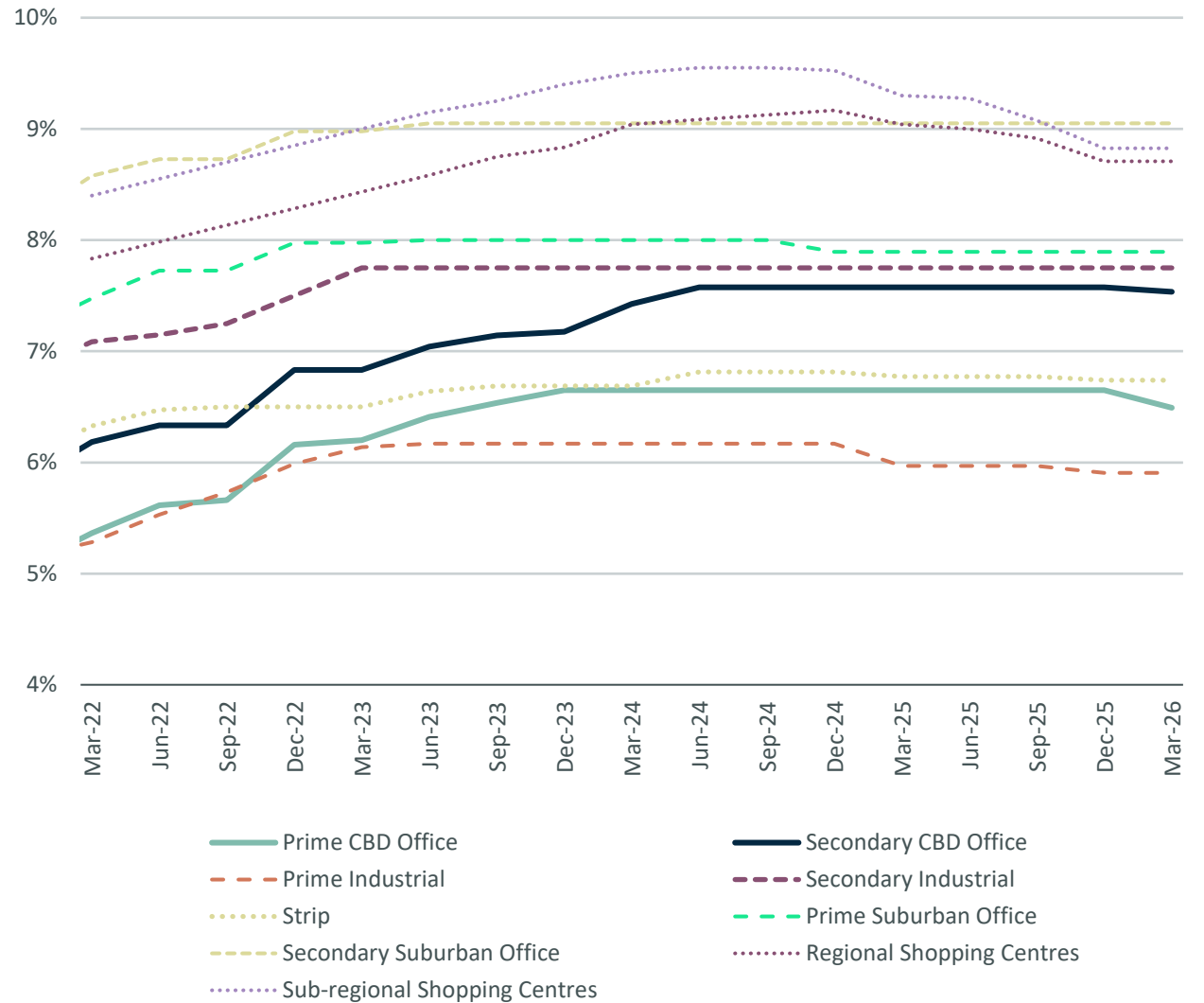
Source: Statistics New Zealand

Investment market

Debt costs in the first months of this year were lower than they were a year and a half ago. However, interest rates in New Zealand started on an upward trend in March due to the Middle East conflict and high oil prices, sparking concern about higher inflation. By the end of Q1 2026, medium and long-term wholesale interest rates were considerably higher than at the beginning of the year. This could stifle investment in the first half of this year, but things could turn around depending on how this conflict plays out in the short term. Markets now expect the RBNZ to bring forward an OCR rate hike to as early as Q3.

CBRE's assessment of the Christchurch investment market indicated that the CBD office market registered some yield compression during Q1. Between Q4 2025 and Q1 2026, Prime CBD office yields decreased by 16 bps, whilst Secondary CBD office yields firmed by 4 bps. In addition, Prime industrial yields firmed by 6 bps, but this has been reflected as a Q4 2025 movement, as we believe it occurred during that quarter but was not captured in our previous Figures report. Yields remained steady across the remaining submarkets.

Christchurch Indicative Yields by Sector

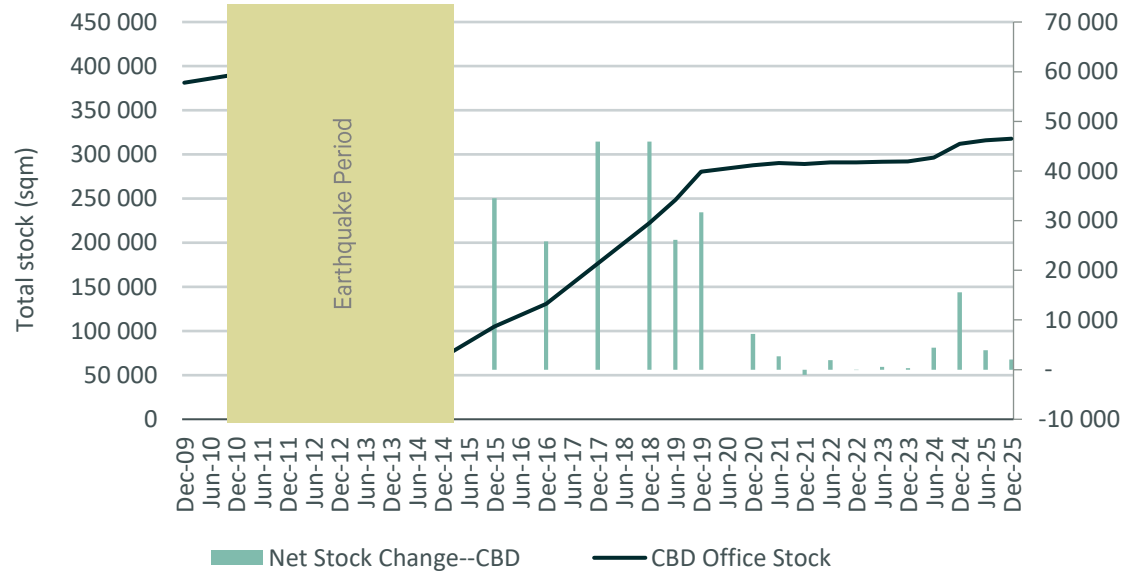


CBD Office Stock

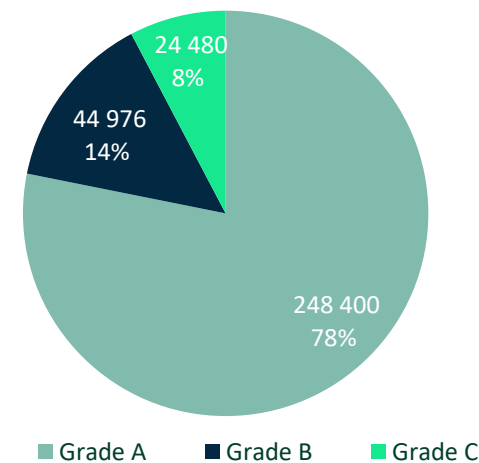
Christchurch CBD office stock started expanding in 2024, a phase that continued in 2025. This year will see a further increase in supply with approximately 10,500 sqm of Prime office space to be added to the CBD, around 8,000 sqm from new buildings and 2,500 sqm from refurbished assets. These buildings will be located in different precincts in the CBD. The largest development is 107 Cambridge Terrace, located in the West End, a 5,500-sqm new build. The other two are 79 Hereford Street, a 2,500-sqm refurbished building in the Core precinct, and 209-211 High Street, a 2,500-sqm new build located in the Frame precinct. Additionally, two new developments are planned for next year, including 56 Worcester Street in the West End, which will be the largest office development planned for Christchurch in the last few years, at 11,000 sqm over 11-stories. The other building for next year is 116 Worcester Street, a 4,200-sqm refurbished asset.

The total office stock in Christchurch CBD is approximately 318,000 sqm. During H2 2025, there was a net increase of 2,013 sqm, driven by the completion of 200 High Street, a 2,217-sqm new building located in the Core precinct and owner occupied by Treshna Enterprises. This increase in stock was offset by 232 sqm of office space converted into retail space and 280 sqm into residential space. Also, 308 sqm of retail space was converted into office space. In relation to the stock's composition, 78% of the CBD office stock is Grade A, 14% is Grade B, and the remaining 8% is Grade C. This distribution has largely remained stable over the past few years.

Christchurch CBD Office Net Supply Changes



Christchurch CBD Office Quality by Composition (H2 2025)



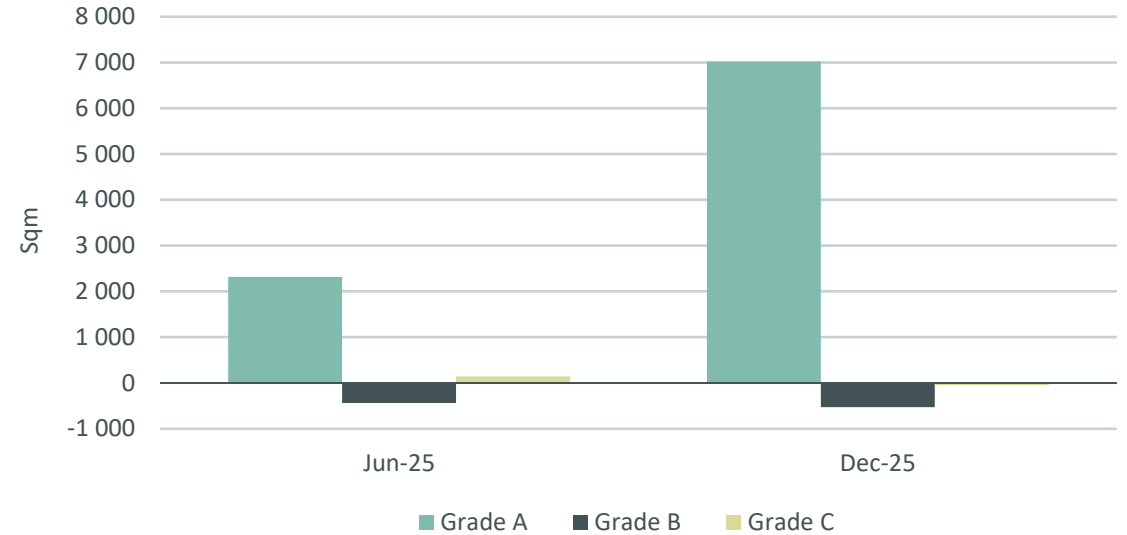
CBD Office Net Absorption

During H2 2025, net absorption in the Christchurch’s CBD office market was higher compared to the previous period. It reached 6,446 sqm, exceeding the first half of last year's level by 4,417 sqm. Prime (Grade A) reached 7,017 sqm, the highest level in the last five years. However, this was slightly offset by a loss of 571 sqm in the Secondary (Grades B and C) submarket.

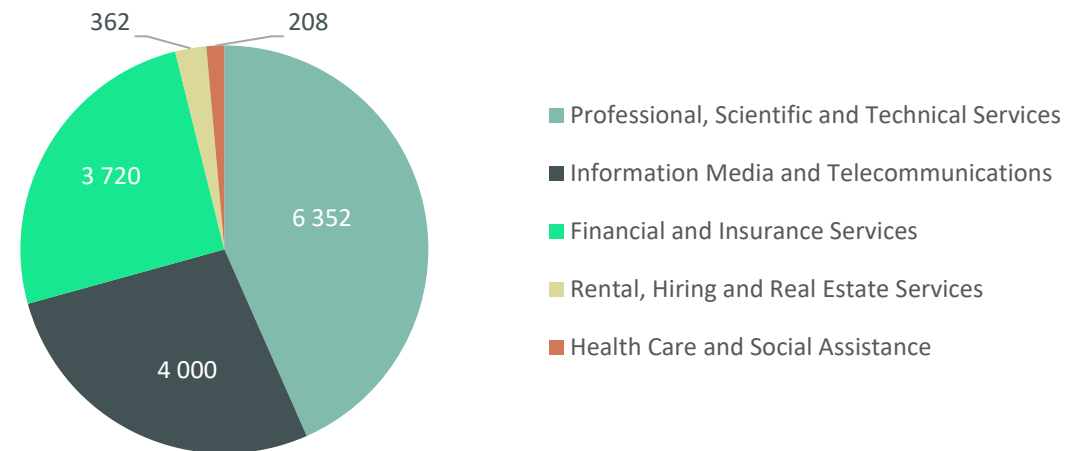
Prime net absorption was supported primarily by the take up of previously vacant space in buildings that entered the market in the last 12 months and also by the introduction of a fully occupied new building in H2. The most important move happened in 224 Cashel Street, a 14,000-sqm refurbished building that entered the market with no pre-commitments in H2 2024. Seequent leased the top two floors in this building (4,000 sqm of office space). Other important new occupancies in the Prime submarket included Kiwibank leasing 1,105 sqm at 213-221 Tuam Street, ICIB Brokerweb moving into 99-119 Cashel Street (800 sqm), and Mott MacDonald taking up 493 sqm at 159 Hereford Street. Additionally, Treshna Enterprises moved into their new building at 200 High Street, occupying 2,217 sqm of Prime office space. In terms of Secondary net absorption, the most important moves included Datastar occupying 483 sqm at 158 Gloucester Street and TSArchitects moving into 339 St Asaph Street (310 sqm). Overall, gross absorption during H2 2025 reached over 14,500 sqm across 36 new occupancies, higher than in H1.

During the first half of this year, the industry that registered the highest take up of space in the CBD office market was professional, scientific, and technical services, totalling 6,352 sqm. It was followed by information, media and telecommunications (4,000 sqm) and financial and insurance services (3,720 sqm).

Christchurch CBD Office Net Absorption by Grade



New Take Up by Industry in H2 2025 (sqm of top five)



CBD Office Vacancy

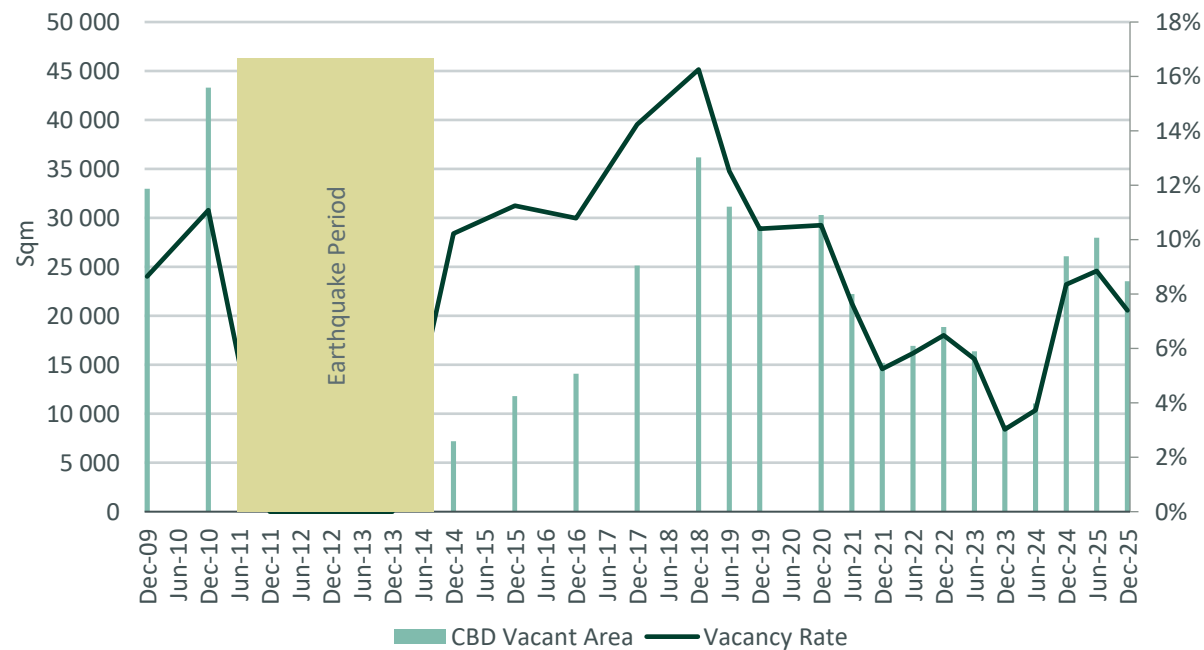
During H2 2025, Christchurch CBD office vacancy decreased, moving to 7.4% from 8.9% (a 4,433 sqm decrease). This is the first drop in vacancy since H2 2023. This was driven by a decline in Prime CBD office vacancy by circa 5,000 sqm. However, this was slightly offset by an increase in Secondary CBD office vacancy, which went up by around 600 sqm. In contrast to previous periods, during H2 the market did not receive any un-committed (or partially un-committed) new or refurbished buildings, something that pushed vacancy up in previous periods. The only building that entered the market in H2 was 200 High Street, which was fully occupied by a software development company. CBRE’s definition of vacancy encompasses space that is both physically vacant and available for lease.

Prime office vacancy in Christchurch’s CBD went down to 7.6% from 9.7% during H2. The moves that brought Prime vacancy down included Seequent leasing 4,000 sqm at 224 Cashel Street, Kiwibank taking up 1,105 sqm at 213-221 Tuam Street, Mott MacDonald leasing 493 sqm at 159 Hereford Street, Bank of China taking up 277 sqm at 172 Cashel Street, and Rider Levett Bucknall leasing 248 sqm at 159 Hereford Street. More than half of the Prime CBD office vacant stock was concentrated in 224 Cashel Street (10,000 sqm out of 18,848 sqm), a 14,000-sqm refurbished building that entered the market with no pre-commitments in H2 2024. In contrast, Secondary office vacancy increased during H2, moving up to 6.7% from 5.9%, prompted primarily by several companies leaving behind vacant space due to relocations: Bank of China left behind 276 sqm at 678 Colombo Street to move to 172 Cashel Street, and Mott MacDonald vacated 219 sqm at 152 Oxford Terrace to move to 159 Hereford Street.

CBD Office Vacancy by Grade

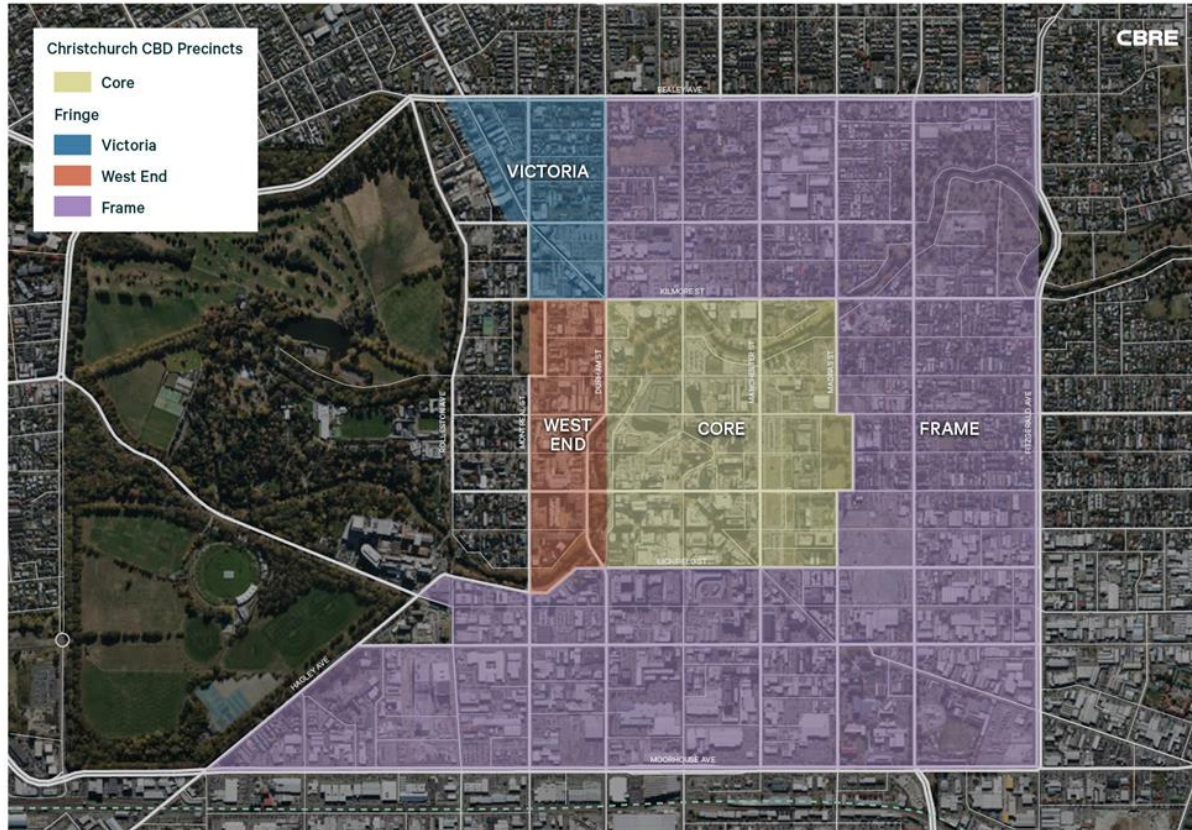
| | | Grade A | Grade B | Grade C | Total |
|-------------------------|-----|---------|---------|---------|--------|
| Vacancy – June 2025 | % | 9.7% | 5.8% | 6.1% | 8.9% |
| | sqm | 23,881 | 2,588 | 1,494 | 27,963 |
| Vacancy – December 2025 | % | 7.6% | 7.0% | 6.3% | 7.4% |
| | sqm | 18,848 | 3,143 | 1,538 | 23,529 |

CBD Office Vacancy



CBD Office Vacancy by Precinct

During H2 2025, office vacancy decreased in the Core and Frame precincts, reaching 13.1% and 4.4%, respectively. Out of the total vacant stock in the Christchurch CBD office market, 59% is located in the Core precinct, followed by 17% in Frame, 16% in Victoria and 9% in West End. Despite going up in the second half of this year, the West End precinct continues to have the lowest vacancy rate in Christchurch’s CBD (2.4%). This remains a sought-after precinct for professional services companies.



Core Precinct Vacancy by Grade

| | | Grade A | Grade B | Grade C | Total |
|-------------------------|-----|---------|---------|---------|--------|
| Vacancy – June 2025 | % | 21.2% | 2.5% | 0.0% | 17.2% |
| | sqm | 17,526 | 483 | 0 | 18,009 |
| Vacancy – December 2025 | % | 15.4% | 5.2% | 0.0% | 13.1% |
| | sqm | 12,728 | 999 | 0 | 13,727 |

West End Precinct Vacancy by Grade

| | | Grade A | Grade B | Grade C | Total |
|-------------------------|-----|---------|---------|---------|-------|
| Vacancy – June 2025 | % | 1.6% | 0.0% | 14.3% | 2.0% |
| | sqm | 1,239 | 0 | 429 | 1,668 |
| Vacancy – December 2025 | % | 2.4% | 0.0% | 6.8% | 2.4% |
| | sqm | 1,827 | 0 | 203 | 2,030 |

Victoria Precinct Vacancy by Grade

| | | Grade A | Grade B | Grade C | Total |
|-------------------------|-----|---------|---------|---------|-------|
| Vacancy – June 2025 | % | 4.4% | 12.3% | 23.6% | 9.6% |
| | sqm | 844 | 1,572 | 1,065 | 3,481 |
| Vacancy – December 2025 | % | 4.4% | 12.6% | 28.0% | 10.2% |
| | sqm | 844 | 1,572 | 1,265 | 3,681 |

Frame Precinct Vacancy by Grade

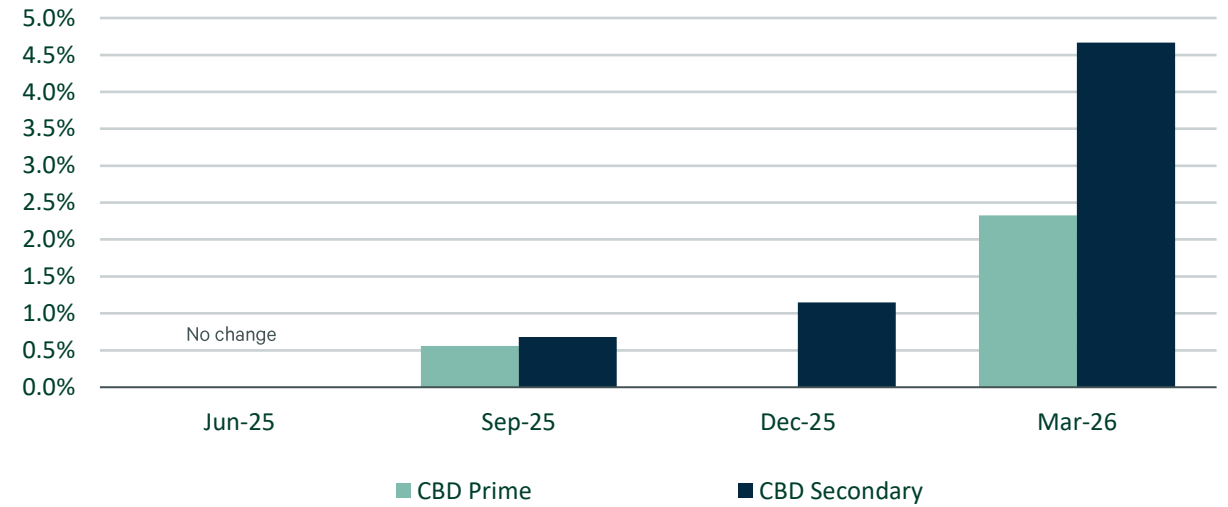
| | | Grade A | Grade B | Grade C | Total |
|-------------------------|-----|---------|---------|---------|-------|
| Vacancy – June 2025 | % | 6.2% | 7.2% | 0.0% | 5.3% |
| | sqm | 4,272 | 533 | 0 | 4,805 |
| Vacancy – December 2025 | % | 5.0% | 5.6% | 0.5% | 4.4% |
| | sqm | 3,450 | 419 | 70 | 3,939 |

CBD Office Rents

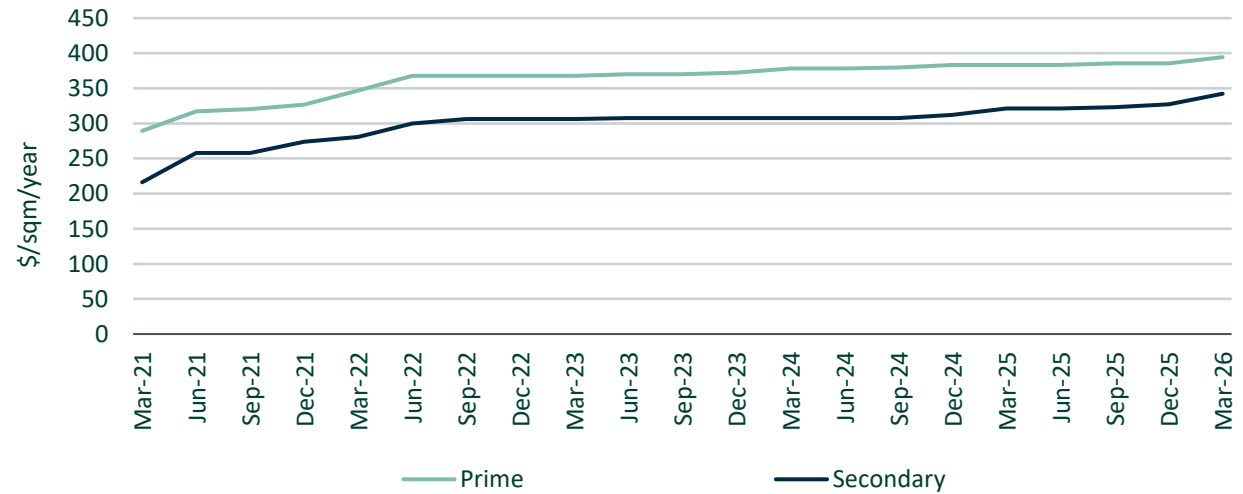
During Q1, the Christchurch CBD office market was characterised by robust leasing activity. This momentum, combined with higher rent reviews, pushed up rents in both the Prime and Secondary CBD office submarkets. Prime CBD net face rents rose to \$426 per sqm in Q1, a 2.3% increase compared to Q4 2025. Meanwhile, Secondary CBD net face rents increased to \$384 per sqm, up by 4.7%. These figures represented the highest quarterly face rent growth rates for both submarkets since Q2 2022.

According to CBRE’s assessment, incentives in both submarkets recorded movement, though this was isolated to a single asset in each submarket and is not considered representative of the broader market. Prime indicative market incentives increased to 5.2% from 5.0% of face rents, whilst Secondary indicative market incentives decreased to 8.3% from 8.6% of face rents.

CBD Net Effective Office Rents – Quarterly Change



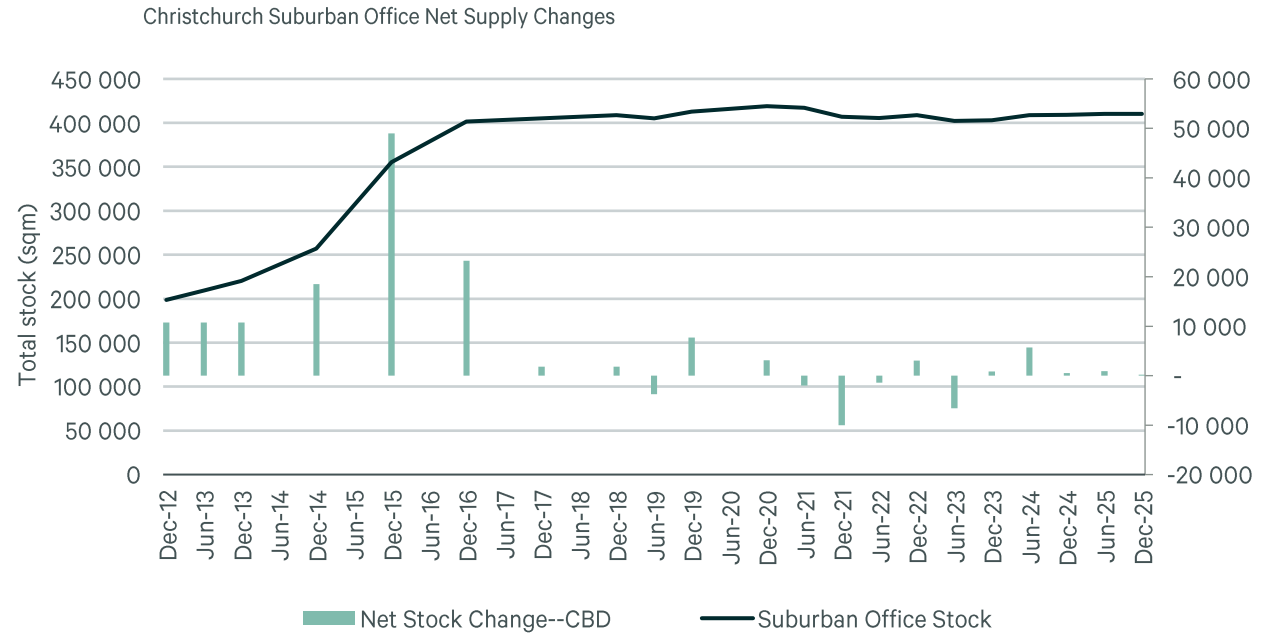
CBD Net Effective Office Rents



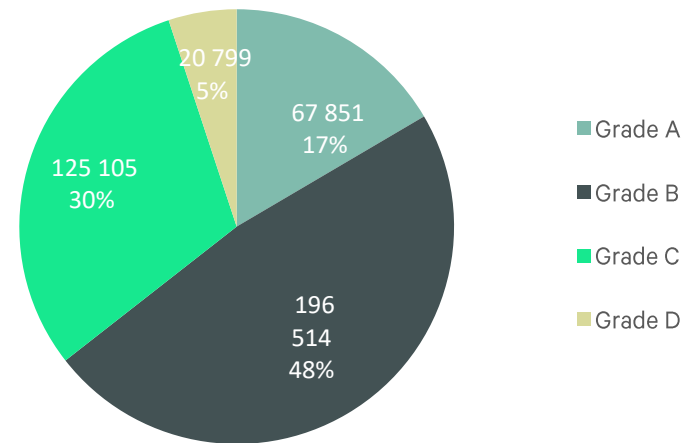
Suburban Office Stock

During H2 2025, there was a net increase of only 176 sqm in the Christchurch suburban office stock, totalling 410,269 sqm. This follows the 924 sqm net increase in the first half of last year. The main factor driving the increase during H2 was the return of 476 sqm of Grade D refurbished office space at 18 Winston Avenue in Papanui. This was offset by 300 sqm of Grade C office space at 240 St Asaph Street converted into residential space.

During the second half of last year, 48% of the suburban office stock was Grade B, whilst 30% was Grade C, 17% was Grade A, and the remaining 5% was Grade D. This composition has shown little variation over the last three years.



Christchurch Suburban Office Quality by Composition (H2 2025)



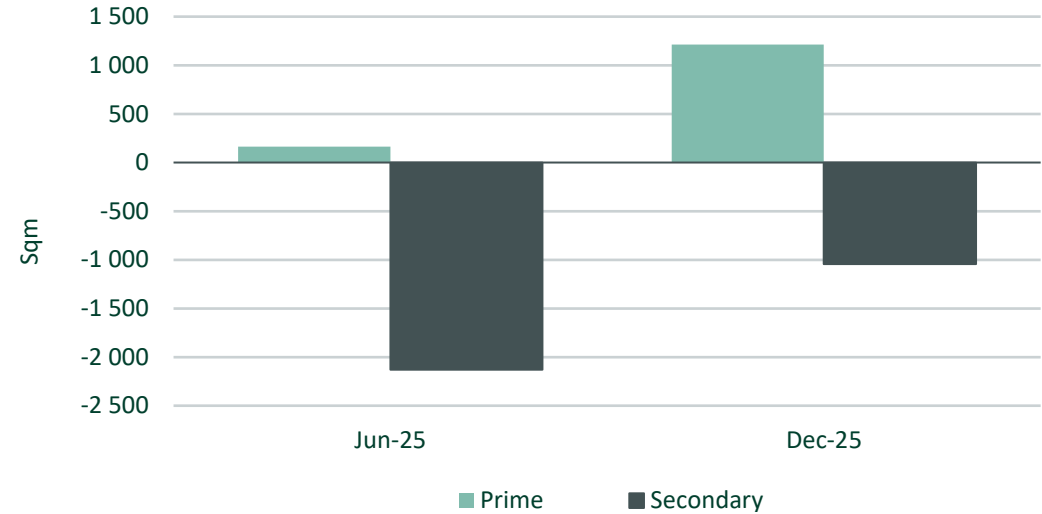
Suburban Office Net Absorption

Following two consecutive periods with negative net absorption levels, H2 2025 saw net absorption returning to positive territory (170 sqm). This was primarily driven by a positive net absorption in the Prime (Grade A) office submarket, which reached 1,213 sqm, the highest level since H2 2022. Meanwhile, Secondary net absorption was negative across most suburban office submarkets, with Grade C and D registering negative net absorption levels of -874 sqm and -362 sqm, respectively, while Grade B reported a positive net absorption of 192 sqm.

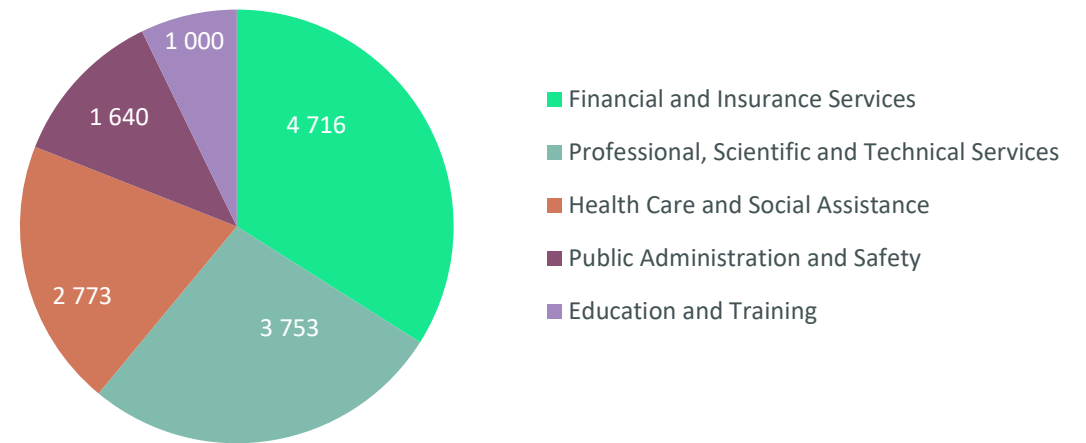
The Christchurch suburban office market witnessed strong leasing activity during H2, with almost 20,000 sqm of gross absorption, above the level registered during the first half of last year (circa 16,000 sqm). In relation to new take up (gross absorption) in the Prime suburban office submarket, the most relevant move was by IAG moving into 1,382 sqm at 14 Show Place in Addington. Meanwhile, the most relevant moves in the Secondary submarket included Stepping Stone Trust (non-profit mental health organization) moving into 2,400 sqm of Grade B office space at 2 Barry Hogan Place in Addington, the Electoral Commission occupying 1,640 sqm of Grade C space in the City Fringe East, and the NZ School of Tourism moving into 1,000 sqm of Grade B space in the City Fringe West.

The industry that recorded the highest take up of Suburban office space during H2 2025 was financial and insurance services, with a total of 4,716 sqm, followed by professional, scientific and technical services (3,753 sqm), and health care and social assistance (2,773 sqm).

Christchurch Suburban Office Net Absorption by Grade



New Take Up by Industry in H2 2025 (sqm of top five)



Suburban Office Vacancy

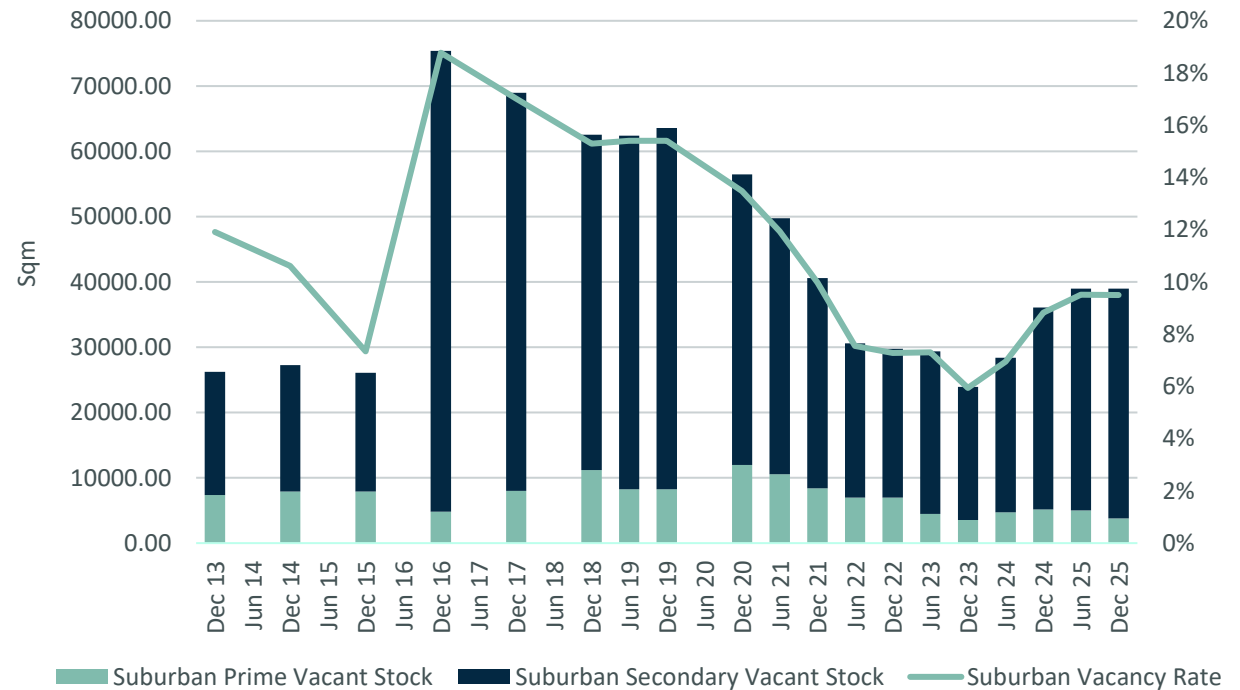
After rising steadily since the first half of 2024, suburban office vacancy plateaued during H2 2025, remaining stable at 9.5%. Total vacant space sat at 38,997 sqm during H2, less than 10 sqm higher compared to H1, driven by a decrease in Prime office vacancy by 1,213 sqm and a rise in Secondary office vacancy by 1,220 sqm, mainly in Grade C and D. Prime suburban office vacancy went down to 5.6% from 7.4% during H2, whilst Secondary vacancy increased to 10.3% from 9.9%.

The most important moves in the Prime suburban office submarket during H2 included Ray White moving into 525 sqm at 110 Wrights Road in Addington, Re-Generate (an engineering firm) occupying 453 sqm at 118 Wrights Road, and Masthead Limited (an investment firm) moving into 339 sqm at Hazeldean Business Park. In contrast, the most relevant moves in the Secondary submarket included TREC vacating 1,136 sqm of Grade B office space at 11 Deans Avenue in Addington, Heartland Bank moving out of 800 sqm of Grade D space at 75 Riccarton Road in Riccarton, and Hawkins Construction vacating 600 sqm of Grade B office space at 14 Barry Hogan Place in Addington.

Suburban Office Vacancy by Grade

| | | Grade A | Grade B | Grade C | Grade D | Total |
|-------------------------|-----|---------|---------|---------|---------|--------|
| Vacancy – June 2025 | % | 7.4% | 7.9% | 12.9% | 11.1% | 9.5% |
| | sqm | 5,010 | 15,576 | 16,150 | 2,254 | 38,991 |
| Vacancy – December 2025 | % | 5.6% | 7.8% | 13.4% | 14.9% | 9.5% |
| | sqm | 3,797 | 15,384 | 16,724 | 3,092 | 38,997 |

Suburban Office Vacancy

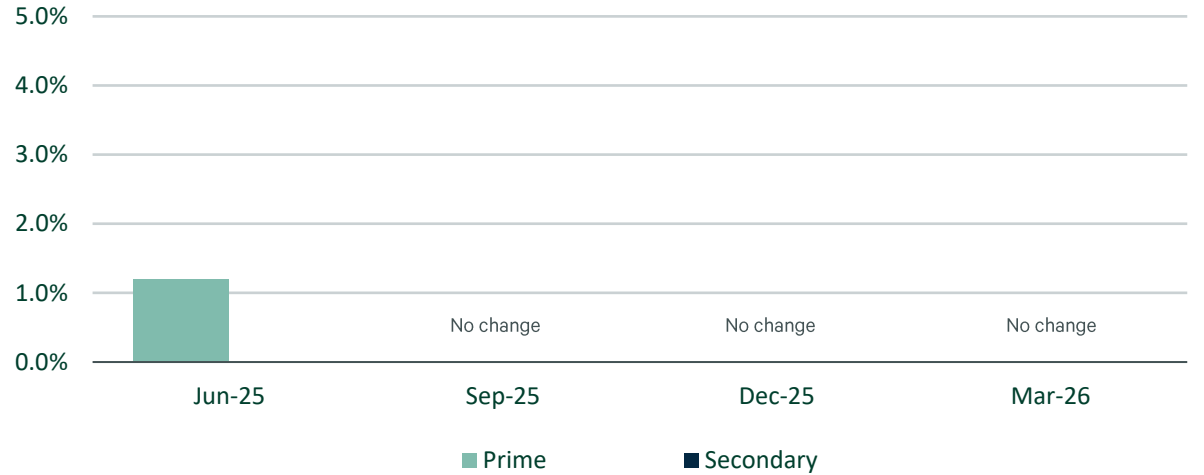


Suburban Office Rents

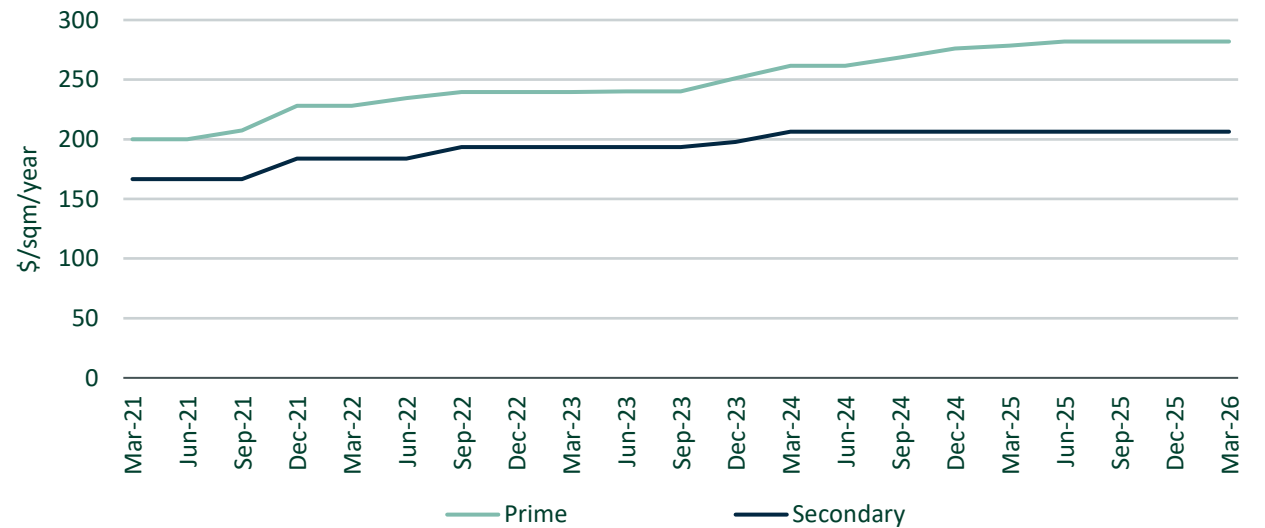
During Q1, the Christchurch suburban office market remained stable. Even though demand for Prime office buildings (such as Show Place) remained robust and demand for Secondary assets remained subdued, rents were steady. Net effective rents remained at \$282 per sqm for Prime office space, and at \$206 per sqm for Secondary. Prime suburban office rents might register an increase once 6 Hazeldean Road in Addington returns to the market after undergoing strengthening works.

Incentives in both Prime and Secondary buildings remained stable in Q1. According to CBRE's assessment, Prime indicative market incentives were 8.3% of face rents, while Secondary stood at 12.3%.

Suburban Net Effective Office Rents – Quarterly Change



Suburban Net Effective Office Rents

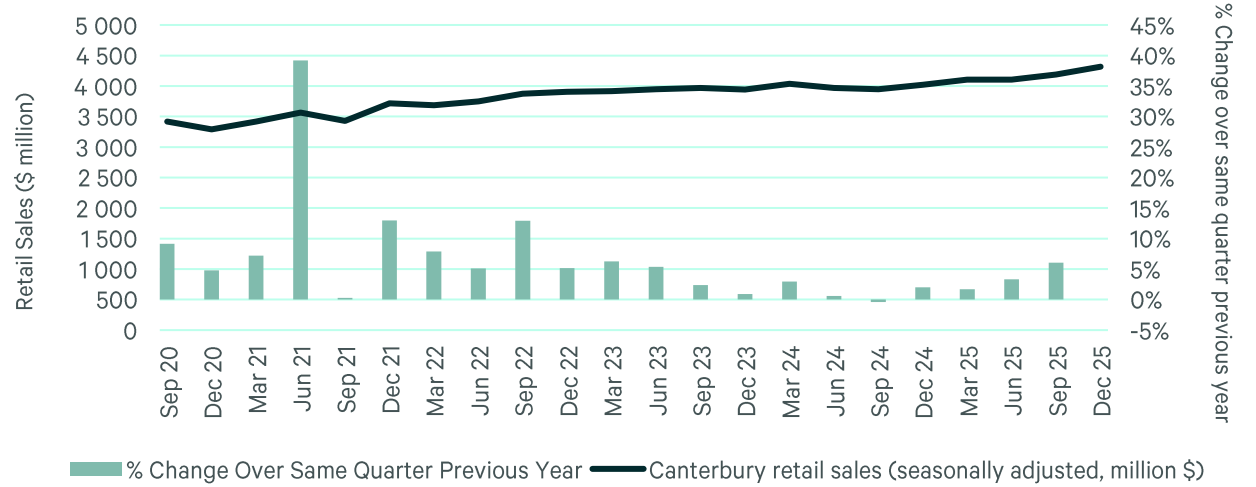


Retail Sales

In the year up to December 2025, retail sales in Canterbury increased by 4.6% compared to the previous 12-month period. The figures for Auckland and the Wellington region were also positive during this period (3.2% and 3.4%, respectively). Canterbury continued to outperform these regions, driven by strong performance in its agricultural sector. However, consumer confidence, while improving across all three regions, remains below its long-term average.

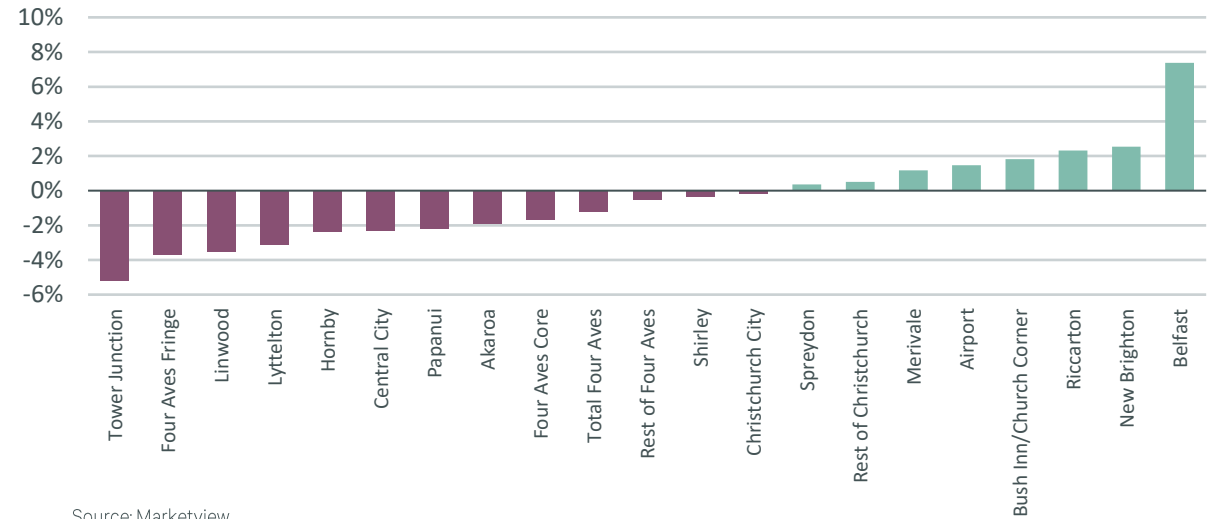
At a territorial authority level, in the year ending February 2026 retail spending in Christchurch decreased by 0.2% compared to the previous year. By area, Belfast saw the highest growth rate at 7.4%, followed by New Brighton (2.5%) and Riccarton (2.3%). In addition, retail spending in Christchurch's Central City declined by 2.3% over the same period.

Canterbury Retail Sales



Source: Statistics New Zealand

Spending Growth by Area (YE February 2026 vs YE February 2025)

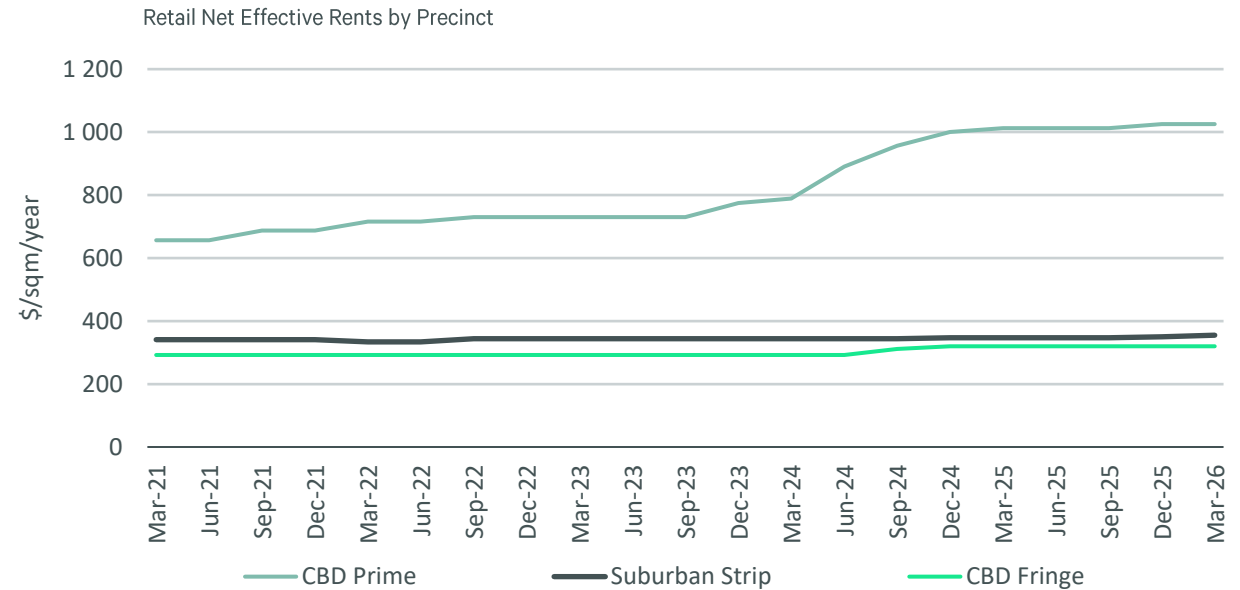
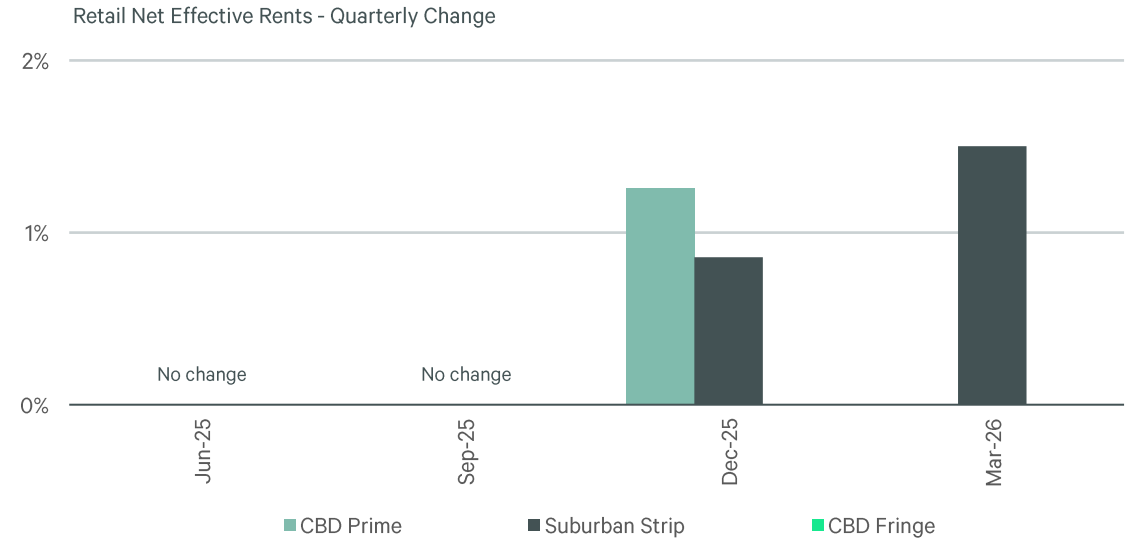


Source: Marketview

Retail Rents

Even though demand for retail locations in the CBD remained solid, net effective rents in the Prime CBD and Secondary CBD Fringe retail locations were stable in Q1 2026, sitting at \$1,026 per sqm and \$320 per sqm, respectively. Meanwhile, the Suburban strip submarket experienced rental growth once again during Q1, with net effective rents rising by 1.5% to \$355 per sqm, driven by ongoing strong demand in Merivale.

According to CBRE’s assessment, incentives remained unchanged in Q1, at 4.2% of face rents for Prime CBD retail assets, 8.3% of face rents for Fringe locations and 7.4% of face rents for Suburban Strip locations.

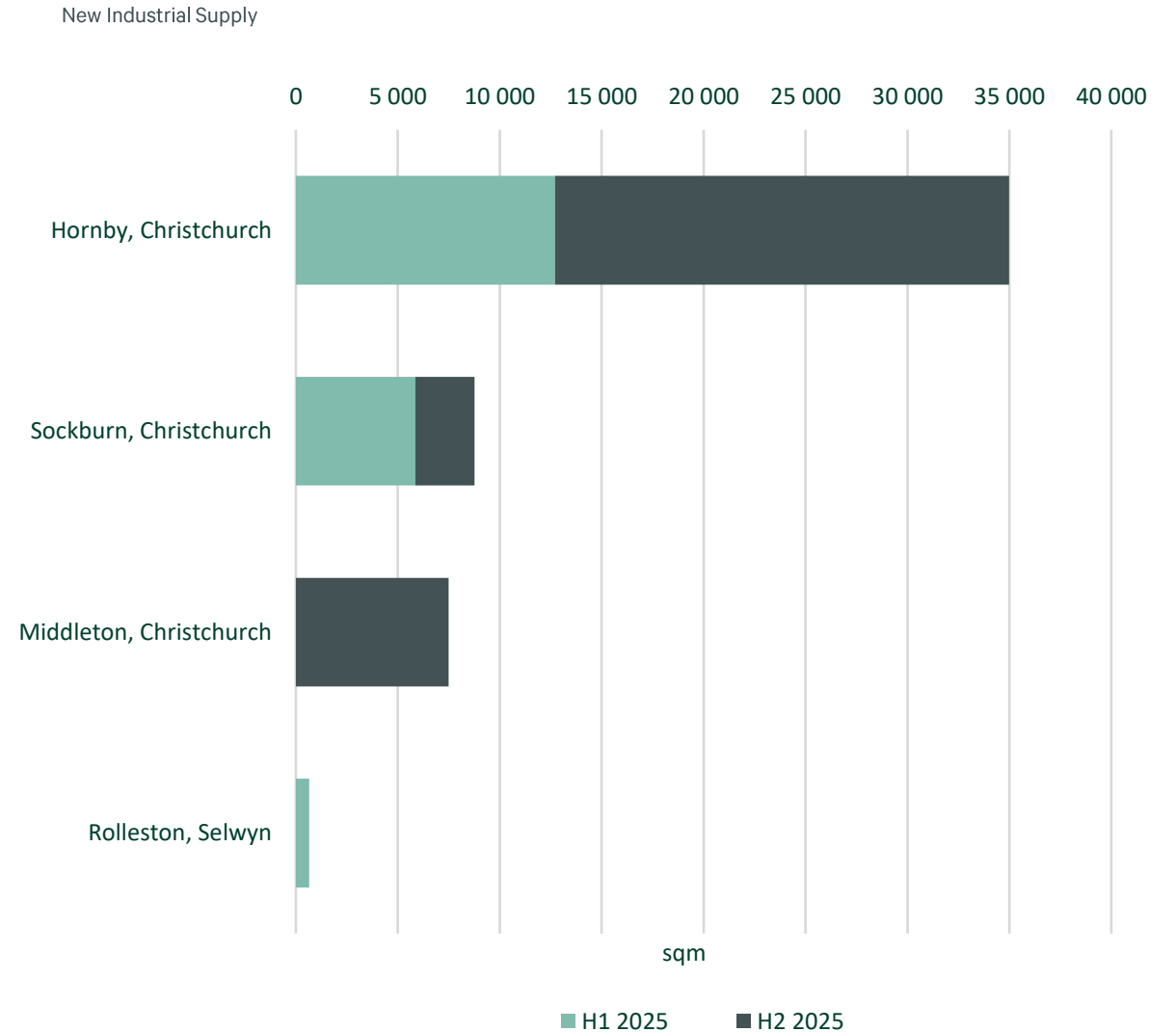


Industrial New Supply

During 2025, Christchurch’s industrial market registered the addition of 51,906 sqm of new stock. A total of 19,235 sqm were introduced during the first half of last year, whilst 32,671 sqm were added during the second half. This was partially offset by the demolition of two industrial assets during H1 2025: a 8,910 sqm Grade C light manufacturing industrial building in Waltham and a 788 sqm Grade D asset in Christchurch Central. No industrial buildings above 500 sqm were demolished during H2 2025.

Only Hornby, Sockburn, and Middleton witnessed the arrival of new industrial space in H2 2025. Following the trends of previous periods, Christchurch continued to lack geographical diversification in its new industrial stock. Most of the new industrial supply continued to be concentrated in Hornby, which witnessed during H2 the arrival of 22,267 sqm of new industrial space through five new assets. During H1, Hornby only registered the introduction of 12,720 sqm of new stock (also in five buildings). Middleton increased its industrial stock by 7,500 sqm with the completion of HamiltonJet’s new production facility at 20 Lunns Road. Also, Sockburn saw its industrial stock going up by 2,904 sqm through two new assets on Waterloo Road.

Hornby saw the completion of the largest industrial building in Christchurch during the second half of last year, 20 Aruhe Road, a 10,300 sqm warehouse in Islington occupied by Cottonsoft. The other completed buildings exceeding 5,000 sqm were 14 Gallagher Drive (also in Hornby), a new 6,640 sqm distribution centre occupied by Summit Steel and Wire, and the previously mentioned asset built by HamiltonJet at Lunns Road in Middleton (7,500 sqm).



Industrial Net Absorption

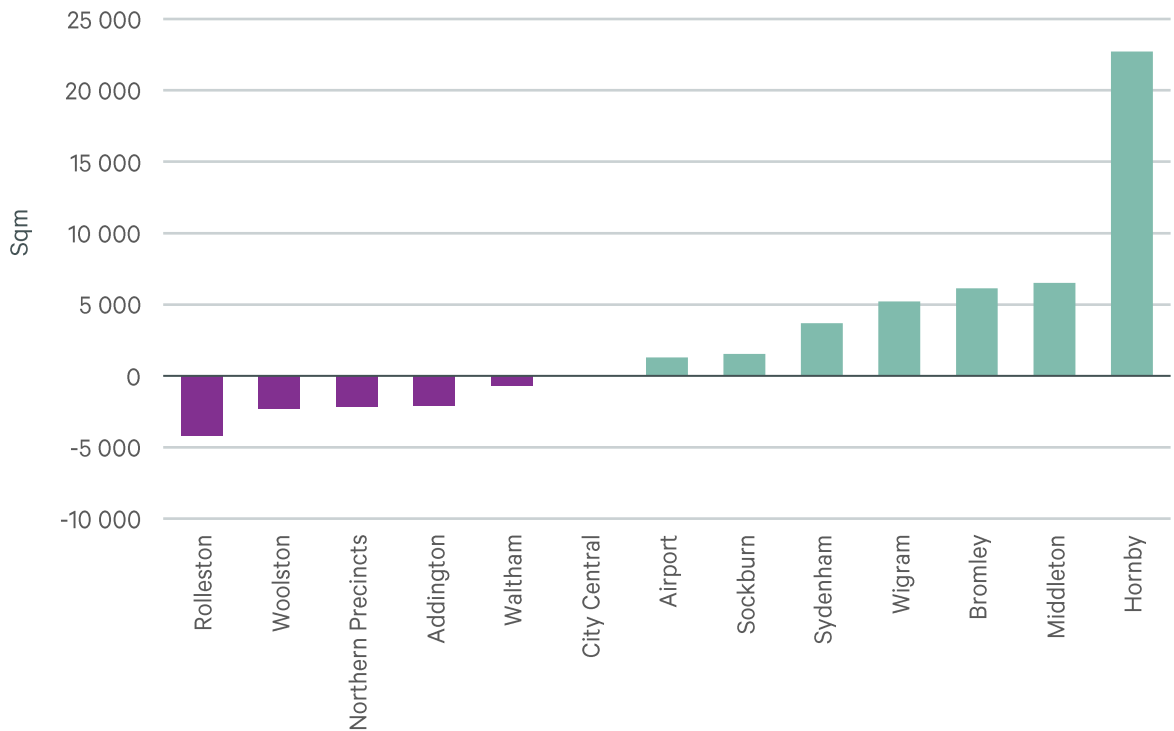
The Christchurch industrial market saw a shift to positive total net absorption after two consecutive periods in negative territory. During H2 2025, total net absorption increased to 35,762 sqm, moving from -15,388 sqm in H1. However, it still remained below the average biannual net absorption over the last five years (circa 42,000 sqm). This positive result was mainly driven by high net absorption levels in the Prime (Grade A) industrial submarket, which reached close to 28,400 sqm during H2, supported by the introduction of new industrial stock. Of the eight completed industrial buildings during the second half of last year, five were fully committed. Hornby recorded the largest positive net absorption level during H2, at nearly 22,800 sqm, followed by Middleton (6,517 sqm) and Bromley (6,130 sqm).

Net absorption in the Secondary (Grade B and C/D) industrial submarket was also positive during H2, reaching 7,416 sqm. Grade C/D experienced positive net absorption levels, increasing to 8,072 sqm during H2. Sydenham and Bromley, suburbs characterised by low quality industrial stock, recorded the highest levels during this period, reaching 3,680 sqm and 2,780 sqm, respectively. Meanwhile, net absorption in the Grade B submarket remained in negative territory during H2, albeit less negative compared to the previous period.

Industrial Net Absorption by Grade

| | Total | Grade A | Grade B | Grade C/D |
|---------------|---------|---------|---------|-----------|
| June 2025 | -15,388 | 5,852 | -2,400 | -18,840 |
| December 2025 | 35,762 | 28,346 | -657 | 8,072 |

Industrial Net Absorption by Precinct—H2 2025



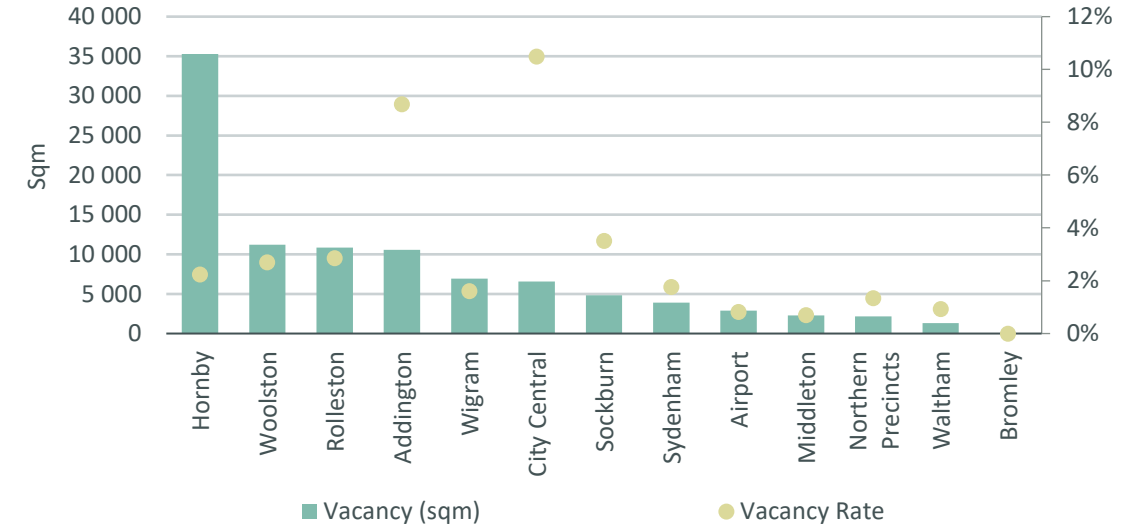
Industrial Vacancy

Following three consecutive periods of increasing levels, Christchurch industrial vacancy decreased to 2.1% from 2.2% during H2 2025, sitting on par with the average vacancy rate over the last five years. During this period, industrial vacancy registered a divergence across submarkets. Whilst vacant space increased in Grade A buildings, which experienced a 4,940 sqm rise in vacant stock, vacant space in Grade B buildings remained largely unchanged and vacant stock in Grade C/D assets decreased considerably, going down by 8,072 sqm. Of the 13 precincts, vacancies increased in seven, remained unchanged in one, and decreased in five. The precinct with the highest vacancy rate continued to be City Central (10.5%), followed by Addington (8.7%) and Sockburn (3.5%).

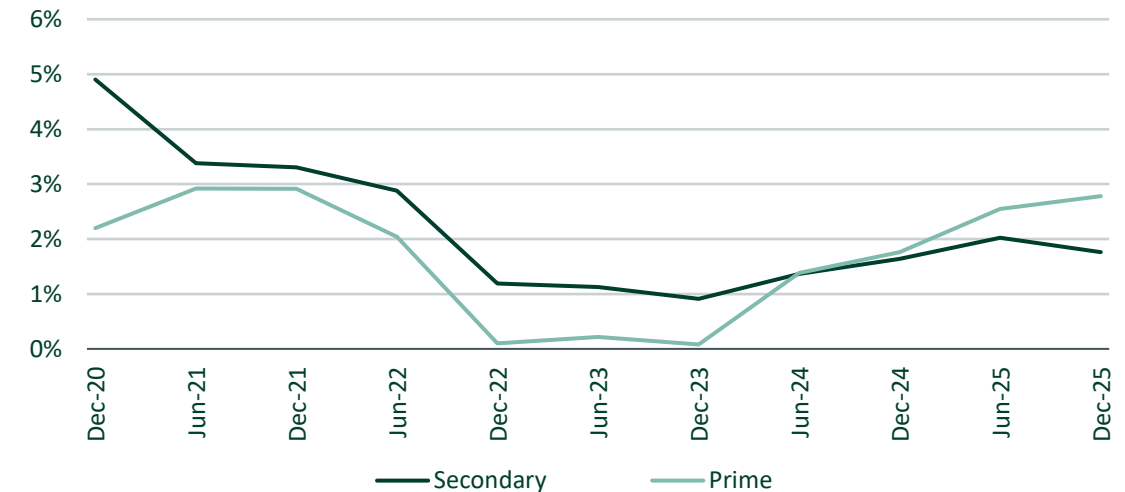
Prime industrial vacancy increased to 2.8% from 2.5% during the second half of last year. This was mainly driven by the closure of Wimpex, New Zealand’s largest manufacturer of dry food packaging, and also by new un-committed stock. Before going into liquidation, Wimpex occupied 11,765 sqm across three different buildings on Innovation Road in Hornby. Also, three new buildings completed in H2 remained vacant: two in Sockburn at 491 Waterloo Road (2,044 sqm) and 51 Waterloo Road (860 sqm), and one in Hornby at 35 Mania Road (1,532 sqm). Other important moves during H2 occurred at 268A Main South Road in Hornby, where NEXT Generation Windows & Doors vacated 3,965 sqm, at 652 Halswell Junction Road, with CEVA Logistics leaving behind 2,250 sqm, at 66 Kennaway Road, where Paramount Safety Products vacated 2,200 sqm, and 66A Izone Drive in Rolleston, with Farmlands vacating 1,800 sqm.

During H2, Secondary industrial vacancy went down to 1.8% from 2.1%. This was the first time Secondary vacancy declined since H2 2023. The main moves in the Grade C/D submarket occurred in Sydenham, where five previously vacant buildings were occupied (circa 5,000 sqm) on Antigua Street, Montreal Street, Byron Street, and Coleridge Street. This was followed by a move in Bromley, where Gill Joinery occupied 2,780 sqm at 181 Maces Road, and multiple tenants moving into 1,542 sqm at 75 Main South Road in Sockburn.

Industrial Vacancy by Precinct – H2 2025



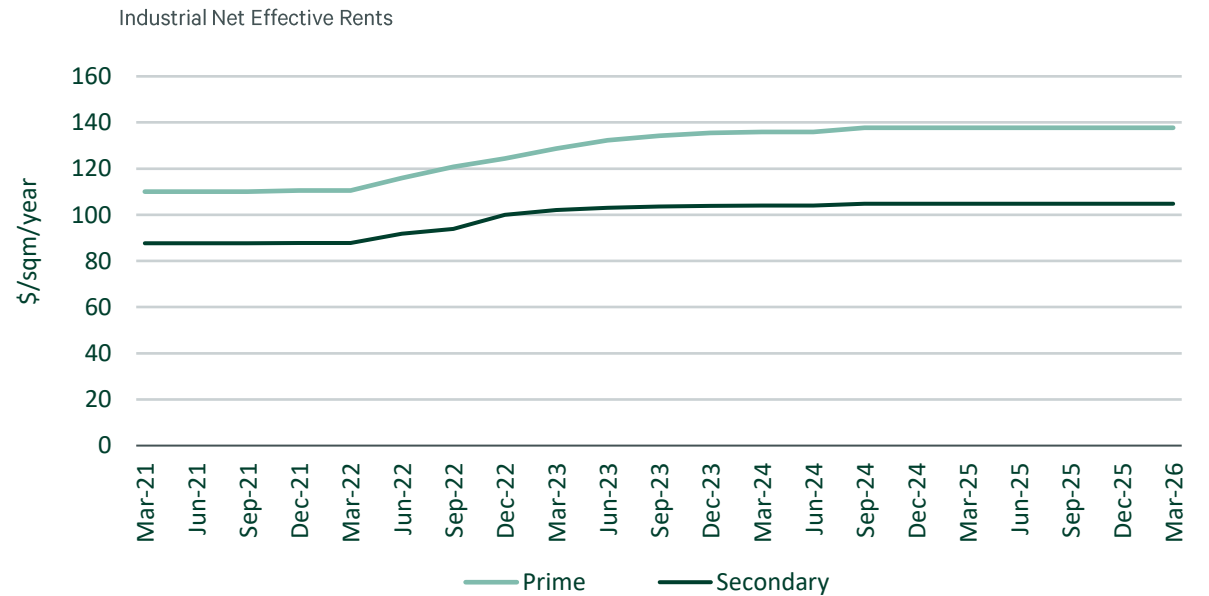
Industrial Vacancy



Industrial Rents

Despite stronger leasing activity compared to previous periods, Christchurch's industrial rental market remained steady in Q1, following the trend of the last 18 months. The market is still witnessing some cost-cutting measures and consolidation by large tenants, but mid-size occupiers are experiencing some growth in footprint.

Prime net effective rents are \$138 per sqm, whilst Secondary net effective rents are \$105 per sqm. CBRE's assessment indicates that Prime and Secondary market incentives have remained stable at 1.4% of face rents, a level that has held consistently since H2 2022.



Definitions

Office building grades

Premium: Top quality landmark space which is generally the pacesetter in establishing rents and includes the following general attributes: prestige lobby; high architectural merit; prominent location; prestigious occupiers; the latest or recent generation of building services; ample natural lighting; good views and outlook; quality access to and from an attractive street environment; large size - +20,000 sqm. **Grade A:** High-quality modern space including many but not all Premium features. **Grade B:** Good quality modern space with some but not all Grade A features and to a lower standard. **Grade C:** Average quality air-conditioned space. **Grade D:** Older style poor quality space. **Prime:** Combination of Premium and Grade A. **Secondary:** Combination of Grade B and C.

Industrial building grades

Prime: Industrial space used for general warehousing or logistics with stud heights of 9 metres or more, largely column free. Lettable area will exceed 1,500 sqm. The property will be of a high specification and well maintained. The grade encompasses properties from the current generation of design build premises to buildings built over the previous cycle. **Secondary:** Industrial space generally built prior to the mid 1990s, inferior to Prime space in terms of building quality and specifications being lower stud (generally between 6 and 9 metres) and in some cases lacking Capex and having deferred maintenance issues although still providing functional industrial accommodation. Lettable area will exceed 500 sqm.

Rents and yields

CBRE uses the “basket of buildings” methodology to determine market yields and rents. For each property sector covered, a group of representative buildings are nominated and a panel containing senior members of appropriate departments within CBRE convenes to assess the market level of yields and rents for these buildings. Based on this, CBRE’s indicative average rental and yield figures reflect our view of the market after considering available appropriate evidence. Yields represent initial yields based on market rents. Rents are net effective. The industrial rents presented are a combined warehouse and office figure.

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