

Commercial office

Hamilton

There has been very limited transactions of office assets. Demand has been weak, with uncertainty as to yield levels and a lack of alignment between vendor expectation and offers to purchase. Several properties have been unsuccessfully marketed for sale. The smaller sized assets appear to be less affected. Lending is difficult for investment assets.

NET YIELDS

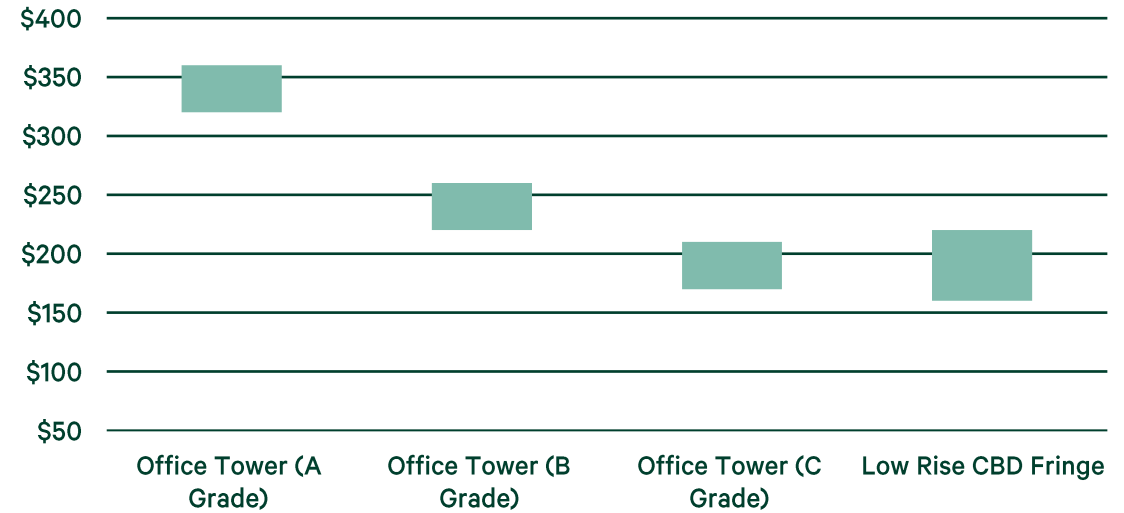


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Office Tower (A Grade)	▶ Static	Limited
Office Tower (B Grade)	▶ Static	Over supplied
Office Tower (C Grade)	▶ Static	Over supplied
Low Rise CBD Fringe	▶ Static	Moderate

Net Rents



INVESTOR MARKET

	Market direction	Demand
Office Tower (A Grade)	▶ Static	Weak
Office Tower (B Grade)	▼ Weakening	Weak
Office Tower (C Grade)	▼ Weakening	Weak
Low Rise CBD Fringe	▶ Static	Average

Industrial

Hamilton

Industrial continues to be the strongest sector, yields have stabilised over the last 12 months, particularly for larger sized assets. There continues to be strong demand from owner occupiers for smaller sized assets (sub \$1.5m). Investors remain conscious of key investment criteria such as tenant covenant, lease terms and the quality of the development. Strong rental growth appears to have levelled out however firm occupancy and increased build costs will put pressure on rents.

NET YIELDS

- ▶ 5.75-6.75%
Te Rapa/Pukete/Burbush
- ▶ 6.0-7.5%
Frankton East
- ▶ 6.0-7.5%
Frankton West/Grasslands

Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Te Rapa/Pukete/Burbush	▶ Static	Limited
Frankton East	▶ Static	Limited
Frankton West/Grasslands	▶ Static	Limited

Net Rents (Warehouse/Workshop)



INVESTOR MARKET

	Market direction	Demand
Te Rapa/Pukete/Burbush	▶ Static	Average
Frankton East	▶ Static	Average
Frankton West/Grasslands	▶ Static	Average

Retail

Hamilton

Retail remains subdued with limited sales transactions over the last 12 months and low levels of stock coming to market. Suburban retail continues to perform more strongly in comparison to assets within the CBD. Increases in living costs has impacted the hospitality sector.

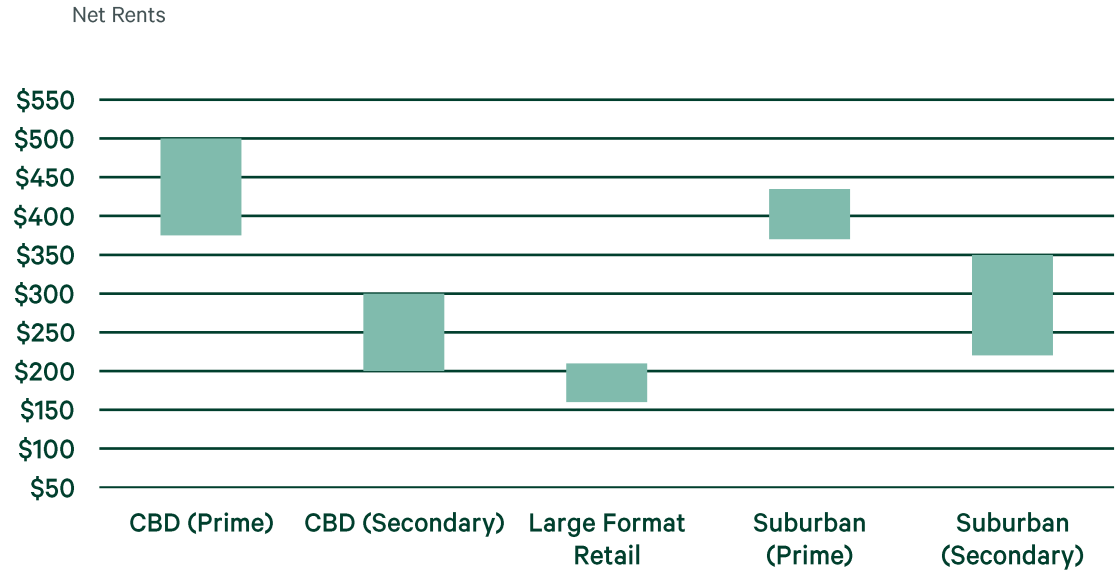
NET YIELDS



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OCCUPIER MARKET

	Market direction	Supply
CBD (Prime)	▶ Static	Limited
CBD (Secondary)	▶ Static	Moderate
Large Format Retail	▶ Static	Limited
Suburban (Prime)	▶ Static	Limited
Suburban (Secondary)	▶ Static	Limited



INVESTOR MARKET

	Market direction	Demand
CBD (Prime)	▼ Weakening	Weak
CBD (Secondary)	▼ Weakening	Weak
Large Format Retail	▶ Static	Average
Suburban (Prime)	▶ Static	Average
Suburban (Secondary)	▶ Static	Average