

FIGURES | TAURANGA | JUNE 2024

Commercial office

Low vacancy and good rental growth over the last five years, which has now tapered off. COVID-19 is not yet a major factor in the local office market, despite new work from home practices. Car parking rents though have stalled. Suburban office space is supported by a range of organisations. New CBD construction is redefining A grade space and setting new benchmark rents. Lower office grades exhibit markedly lower rents. Tenancies providing lower quality space and/or without parking can prove very challenging to lease.

NET YIELDS

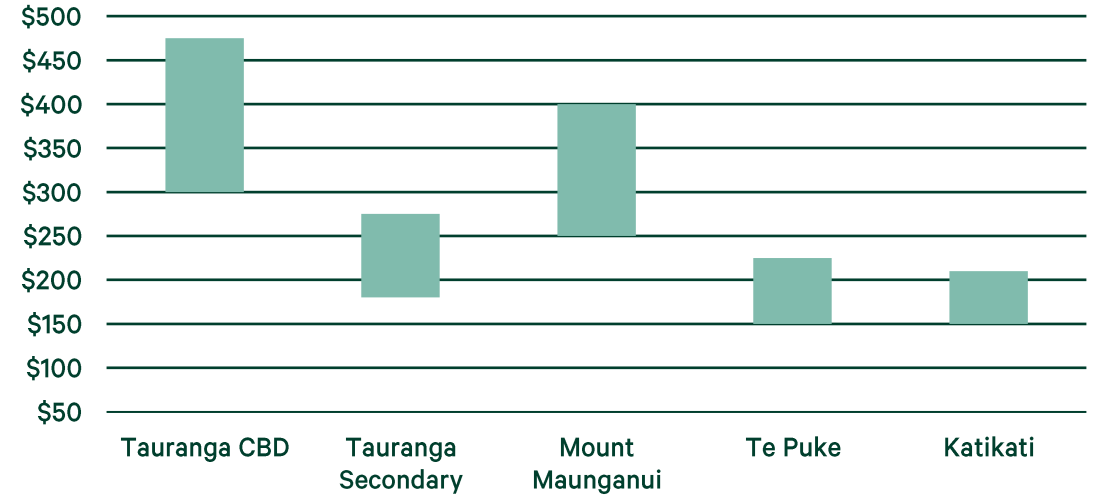


Note: Arrows indicate change from previous report.

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

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Industrial

Consistent rental growth has been noted over the last ten years due to constrained supply, low vacancy rates and good tenant demand. Rents in the main industrial areas of Mount Maunganui and Tauriko have showed the strongest upswing. Despite recent economic headwinds, ongoing rental growth strength has continued to be noted. Vacancy rates though have begun to increase and in time will likely attenuate rents. Industrial property remains very popular with investors.

NET YIELDS

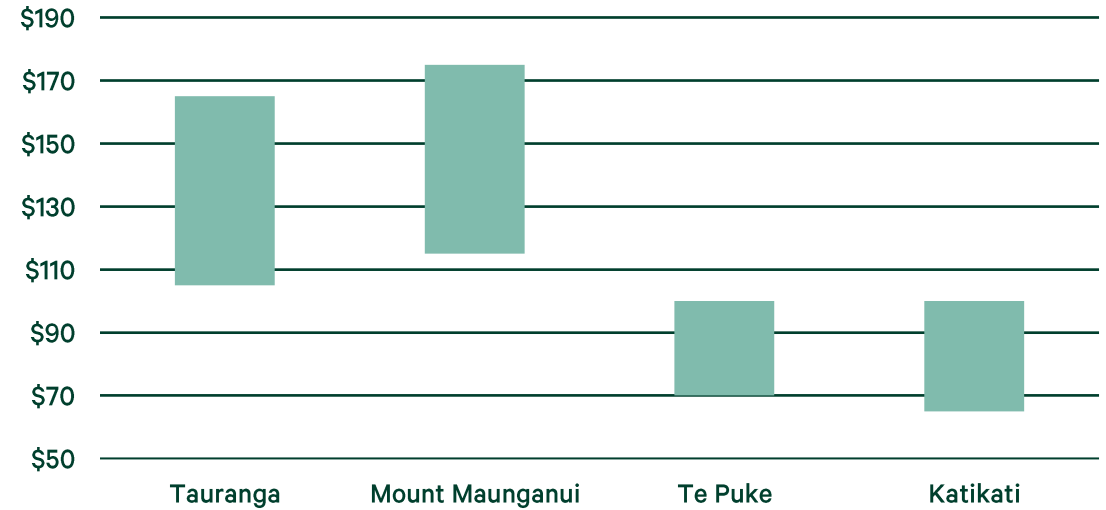


Note: Arrows indicate change from previous report.

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

The ground floor commercial rental market in the Tauranga region is currently showing low to moderate rental growth in most areas. The two exceptions to this are firstly within the CBD where rental growth is concentrated to select areas (such as “Eat Street”) and a few new builds. Secondly, until earlier this year, the main downtown Mount Maunganui commercial area had exhibited exceptional growth for the prior five years or so. This now appears to have abated. Except for the CBD, most areas have low levels of retail vacancy. Retail is not a favoured asset class for investors.

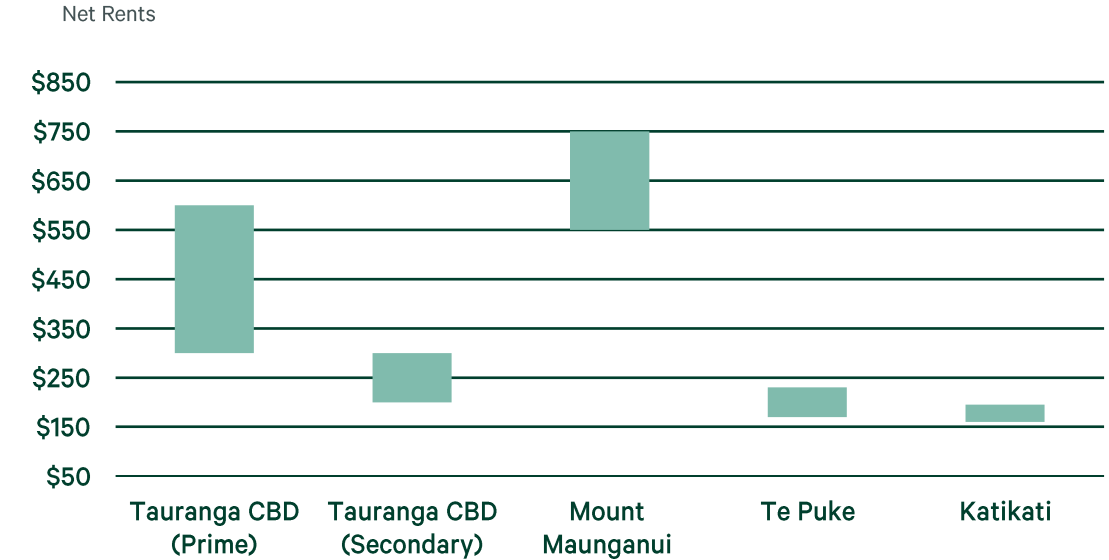
NET YIELDS



Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Tauranga CBD (Prime)	▶ Static	Over supplied
Tauranga CBD (Secondary)	▶ Static	Over supplied
Mount Maunganui	▶ Static	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