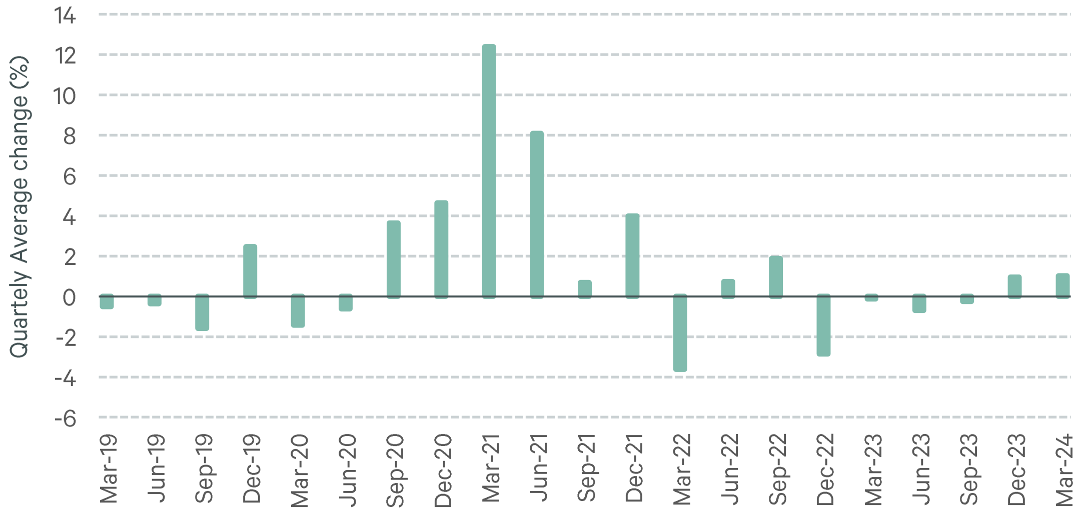
CBRE

Christchurch Property Market Overview

KEY MARKET CHANGES

- In Q1 2024, the market lacked the more pronounced yield softening trend that characterised previous quarters. Only Secondary CBD office yields registered some yield expansion. It seems that the peak of the current yield cycle is near.
- All sectors benefited from rental growth during Q1. The suburban office market registered the highest increase, followed by the Prime submarkets for CBD retail, CBD office and industrial.
- Christchurch continues to stand out as a healthy occupier market. One clear signal of this is the drop in vacancy across all tracked markets during H2 2023 (CBD office, suburban office and industrial) due to positive net absorption.
- Industrial vacancy continues to be extremely low, sitting at 0.6%, down from 0.8% in H1. This market is benefiting from good rental growth, especially in the Prime submarket although the rate of growth has slowed in recent quarters.
- In terms of new stock during H2 2023, the industrial market registered circa 32,300 sqm of new stock, with Hornby the main beneficiary.
- Christchurch retail spend increased by 3.6% in 2023. The Central City experienced spending growth of 8.3%, with the Four Avenues Core area increasing by 12.5%.

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



Market indicators

Market Sector	Stock (sqm)*	Vacancy (%)*	Net Face Rent ($/sqm/yr)	Incentives (%)	Yield Range (%)
Prime CBD	221,078	3.1	330 – 460	4 – 8	5.95 – 7.15
Secondary CBD	70,408	3.2	300 – 400	8 – 10	7.00 - 7.85
Prime Suburban	67,547	5.3	260 – 335	5 – 11	7.30 - 8.90
Secondary Suburban	335,984	6.2	165 – 345	8 – 14	8.30 - 10.30
Prime Industrial	1,595,315	0.1	111 – 168	1 – 2	5.50 - 7.00
Secondary Industrial	2,930,878	0.9	72 – 136	1 – 2	6.05 - 9.10
Fringe & Strip Retail	-	-	220 – 700	4– 8	5.53 – 7.65

* Stock and Vacancy figures are as of December 2023. Net Face Rent, Incentives and Yield Range figures are as of March 2024.

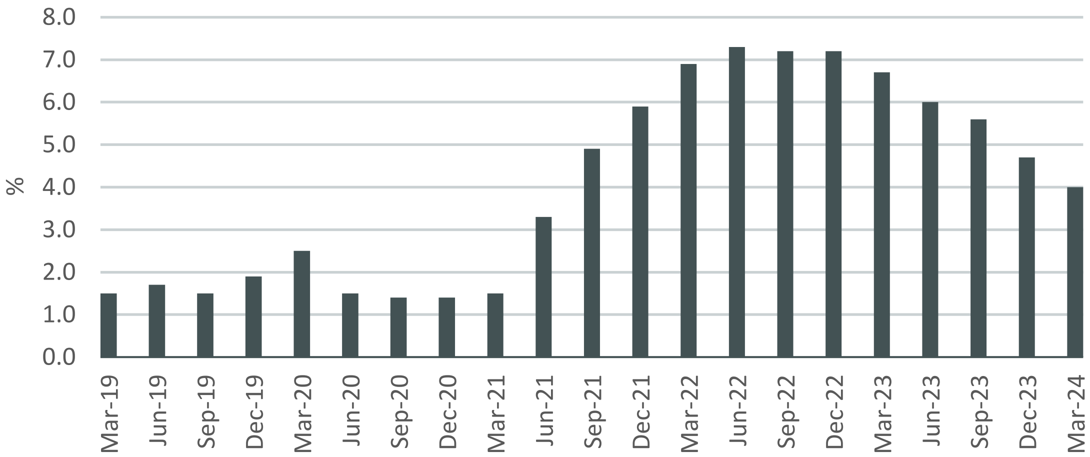
Economy

The RBNZ continues its fight against inflation. The diagnosis in the last two years was clear: mounting pressures were positioning the inflation rate way outside its desired target of 1%-3%. The medicine prescribed by the RBNZ was also obvious: monetary tightening via an aggressive dosage of high OCR to tackle a febrile economy and bring inflation down to non-threatening levels; especially domestic-generated inflation.

As with any prescribed medicine, there are also some side effects. One of them is recession. The New Zealand economy is clearly in recessionary territory. Out of the last five quarters, four registered negative GDP growth, clearly showing a double-dip recession. So far, headline inflation has been consistently slowing down and the unemployment rate has been rising. The inflation rate in Q1 2024 was 4.0%, coming down from 4.7% in Q4. However, the non-tradable inflation component remained highly sticky. Despite this, the medicine is revealing its effect, running slowly through the system, taking the excess steam out of the economy. The effects of the RBNZ's tightening monetary policy are having a clear impact on aggregate demand through weaker consumption by households and lacklustre private investment. Both the market and the RBNZ continue to forecast subdued economic conditions for the rest of 2024.

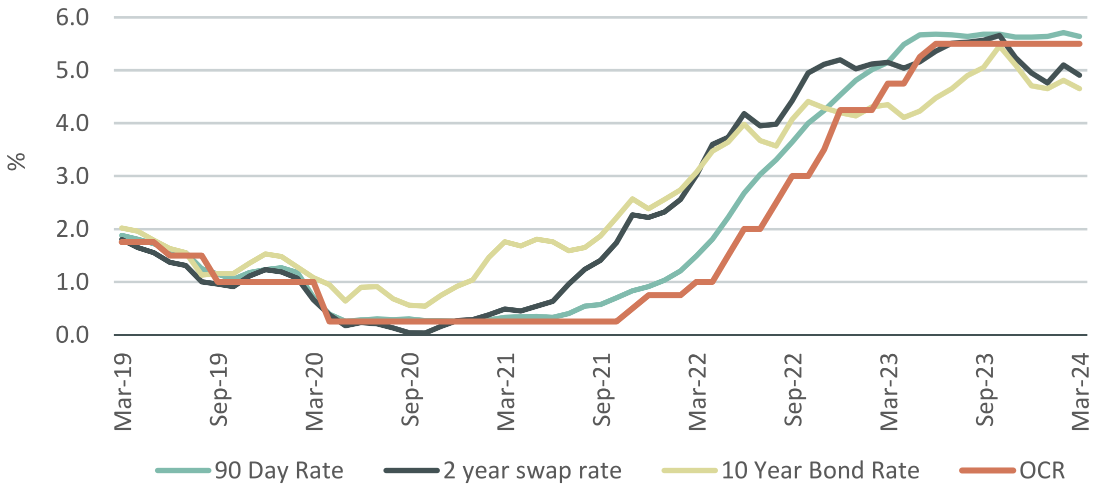
After increasing the OCR by 525 basis points from late 2021 up to May 2023, the RBNZ pivoted to a 'high for longer approach', letting the cycle run its course. Expectations of further OCR rises dissipated as Q1 2024 unfolded. However, the Q1 CPI data will be somewhat concerning for the RBNZ. Domestic inflation pressures remain acute, particularly concentrated in services sectors. The balance of risks is now tilted towards the RBNZ cutting OCR rates later than August, which until now has been the baseline consensus expectation for most economists. The RBNZ will likely await confirmation from the hard data before it pivots to looser policy, which means rate cuts may not be on the table until November.

Consumer Price Index



Source: : Statistics New Zealand

Interest rates (% pa)



Source: Reserve Bank of New Zealand

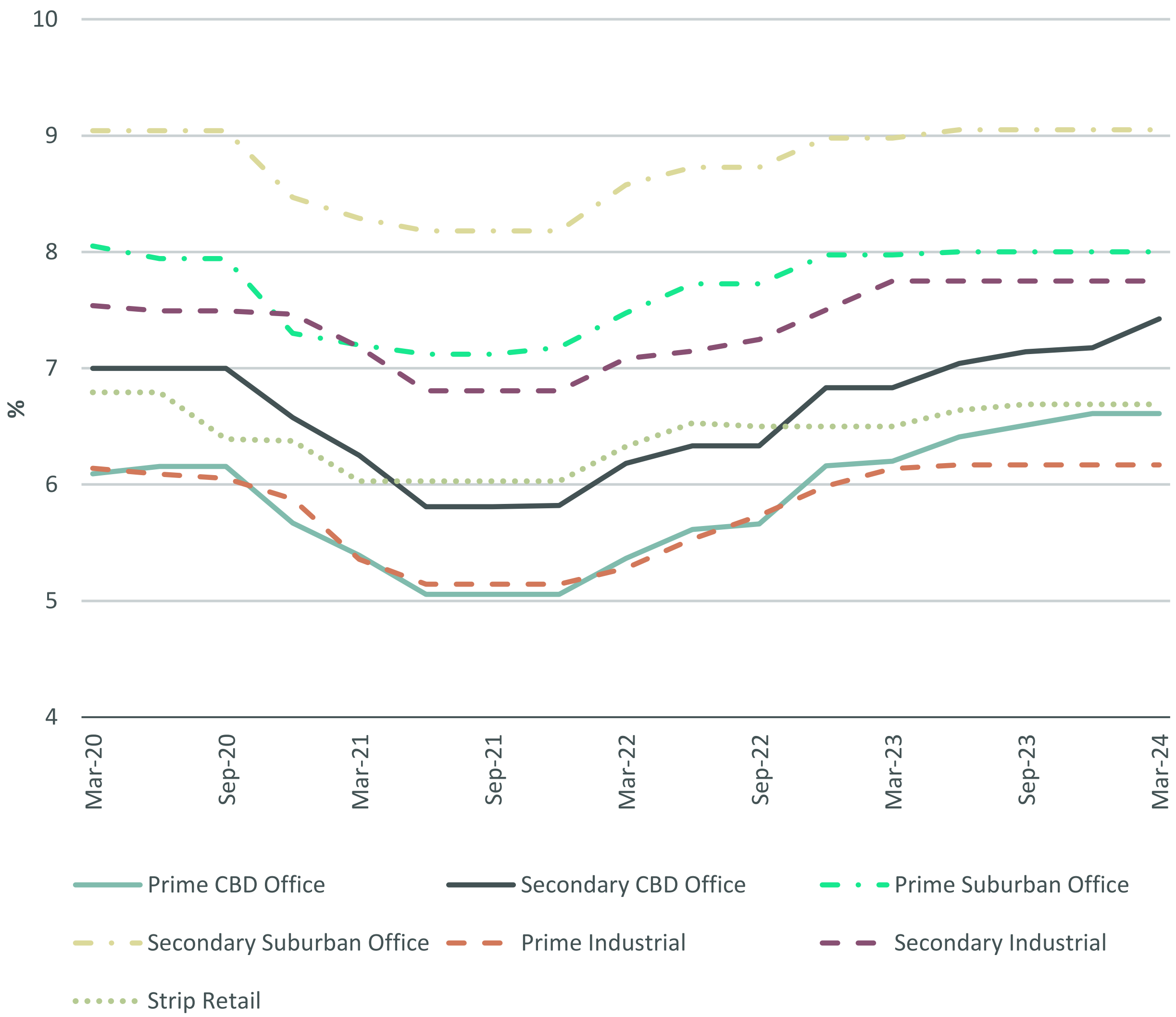
Investment market

The investment market during Q1 continued to be characterised by heedful investors. Some of the Q4 market features funnelled through to the beginning of 2024, such as heavy scrutinisation of assets on offer and greater focus on capex. There was only a limited number of transactions in Q1 casting light on current prices. Therefore, CBRE's quarterly yield assessments continued to primarily rely on our market interactions and available bidding statistics and aim to find the middle ground between the expectations of potential vendors and purchasers.

Within this context, CBRE's assessment revealed a plateauing of market yields during Q1; the CBD Secondary office market being the only one exposed to some adjustments based on some transactional evidence filtering through.

From the market peak in 2021 up to the first quarter of 2024, CBD office assets witnessed more yield softening than the other market sectors. During this period, Prime CBD office yields increased by 155 bps, whilst Secondary CBD office yields went up by 160 bps. Industrial yields softened by 99 bps, CBD retail by 63 bps. Suburban office yields, characterised by the highest absolute yield levels, increased by 85 bps.

Christchurch Indicative Yields by Sector



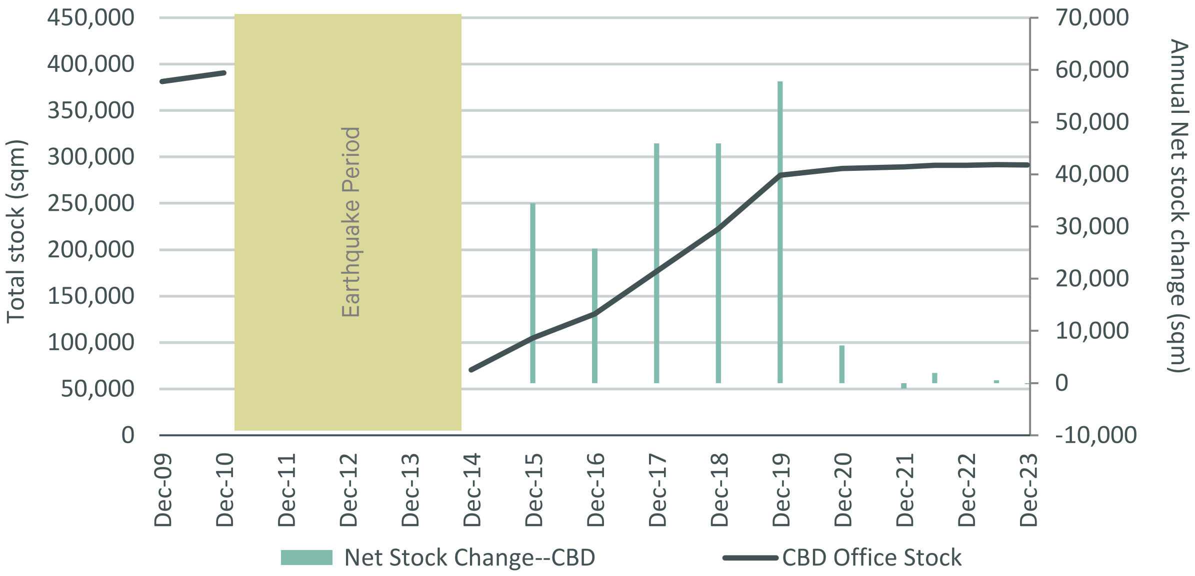
CBD Office Stock

The CBD office market is entering a new supply phase in 2024, following the post-earthquake rebuild supply wave that largely concluded in 2019. With Grade A vacancy rapidly falling in the past year to reach 3.1%, this will help quench the demand thirst of occupiers trying to find high-quality office space.

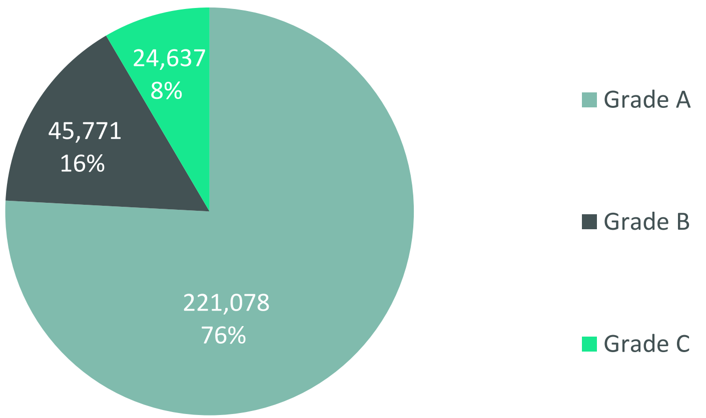
Around 33,450 sqm of new office stock is expected to hit the market this year. Of this, 11,945 sqm will be new build, whilst circa 21,500 sqm will be added to stock due to strengthened and refurbished buildings coming back to the market. Of these new developments, the largest ones are 224 Cashel Street (14,000 sqm) and 116 Worcester Street (4,212 sqm).

The Christchurch CBD office stock is 291,486 sqm. At a net level, it decreased slightly during H2 2023 (by 178 sqm), due to the completion of Qb Studios's new building in 235 High Street (700 sqm) and the removal of two floors (878 sqm) of a Grade B building located in 144 Kilmore Street due to refurbishment works. By composition, 76% of the CBD office stock is Grade A, 16% Grade B, and the remaining 8% Grade C. This composition has remained unchanged throughout the last 12 months.

Christchurch CBD Office Net Supply Changes



Christchurch CBD Office Quality by Composition (H2 2023)



CBD Office Net Absorption

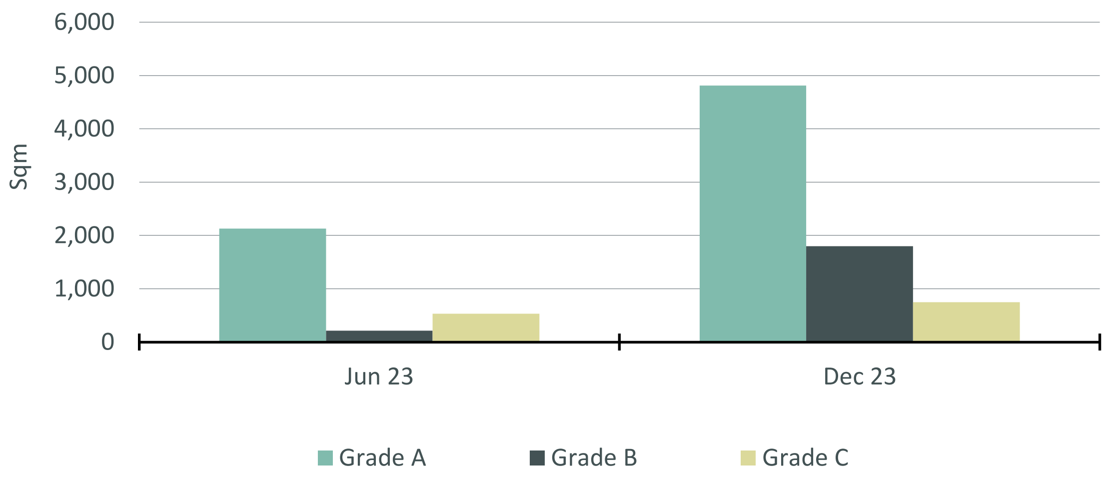
The industry that recorded the highest take up of space during H2 in the CBD office market was professional, scientific and technical services, with a total of 2,963 sqm, followed by administrative and support services (1,019 sqm), and public administration and safety (831 sqm). This reflects what has happened in the economic fabric of the city in recent years. Since 2018, professional, scientific and technical services has been the most important industry in Christchurch in terms of share of total GDP (12.0% in 2023). Also, between 2018 and 2023, the number of people working in this industry in the CBD grew by almost 40%.

Following the positive absorption levels experienced during H1 2023 (2,878 sqm), Christchurch's CBD office market registered even higher levels of net absorption during H2 (7,366 sqm), mainly due to the high net absorption witnessed by the Prime (Grade A) office submarket.

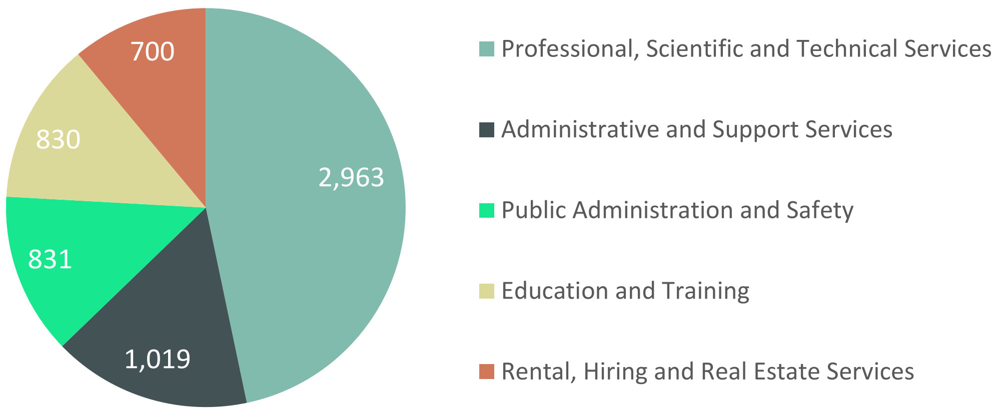
The strong positive net absorption was mainly due to a previously vacant Grade A office space (1,466 sqm of) being occupied in 272-278 Antigua Street. Net absorption in Grade B and Grade C CBD office buildings was also positive during H2 (1,800 sqm and 751 sqm, respectively).

In relation to new take up (gross absorption), the largest new occupancies were 901 sqm in 93 Manchester Street (Grade B building) by a wholesale trade company (moving to the ground floor) and by a professional services company (moving to Level 1), and 863 sqm in 47 Riccarton Road (a Grade C building) by several companies, including a rental and hiring company and a financial advice firm. Gross absorption reached 9,539 sqm in the second half of the year through 17 new occupancies.

Christchurch CBD Office Net Absorption by Grade



New Take Up by Industry in H2 2023 (sqm of top five)



CBD Office Vacancy

Christchurch CBD office market occupancy continues to improve. During H2 2023, the vacancy rate declined from 5.7% to 3.1%, a 7,544 sqm decrease in vacant space.

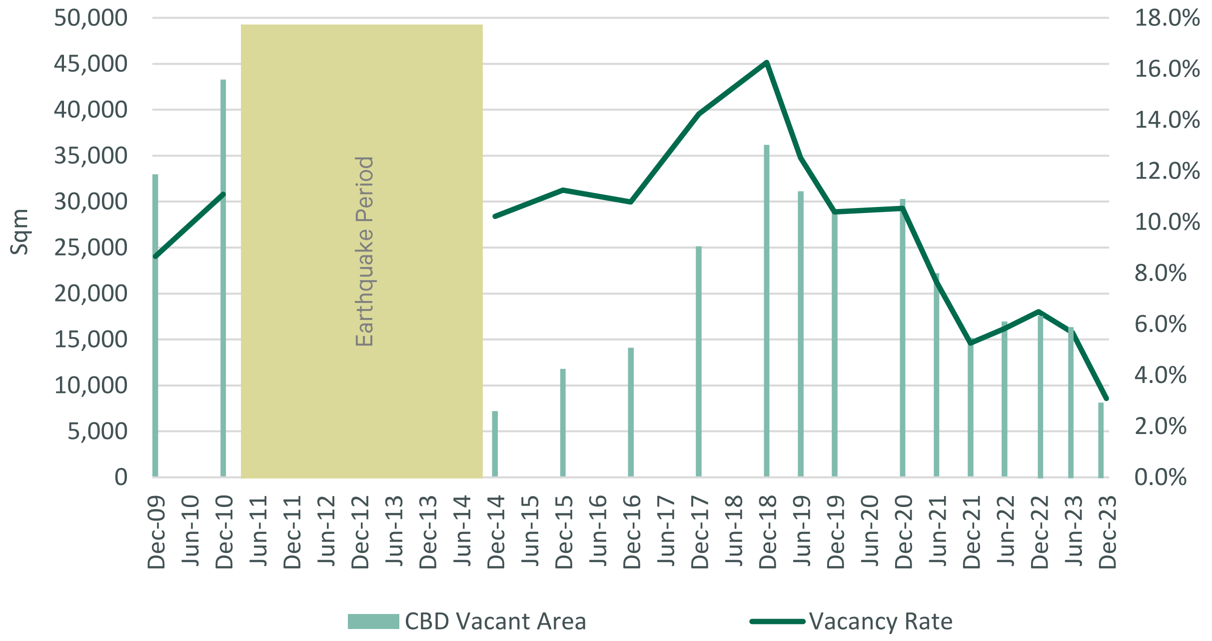
This decrease was mainly driven by a decline in the Prime vacancy rate, from 5.2% to 3.1% (a 4,815 sqm drop). This was due to two vacant large floor plates being occupied: a 1,466 sqm level in the Manawa building (272-278 Antigua Street) and a 1,378 sqm level in the Porsche building in 264 Antigua Street, occupied by the Christchurch Clinical Studies Trust, which expanded its footprint in this building. Other important movements that happened in the CBD office Prime submarket include Tonkin & Taylor occupying part of Level 2 (750 sqm) in the Awly building and BDO expanding its footprint by 390 sqm in that same location.

In addition, vacancy in Secondary office buildings in the CBD more than halved during H2, falling from 7.0% to 3.2%, greatly benefitting from a strong absorption in both Grade B and Grade C buildings.

CBD Office Vacancy by Grade

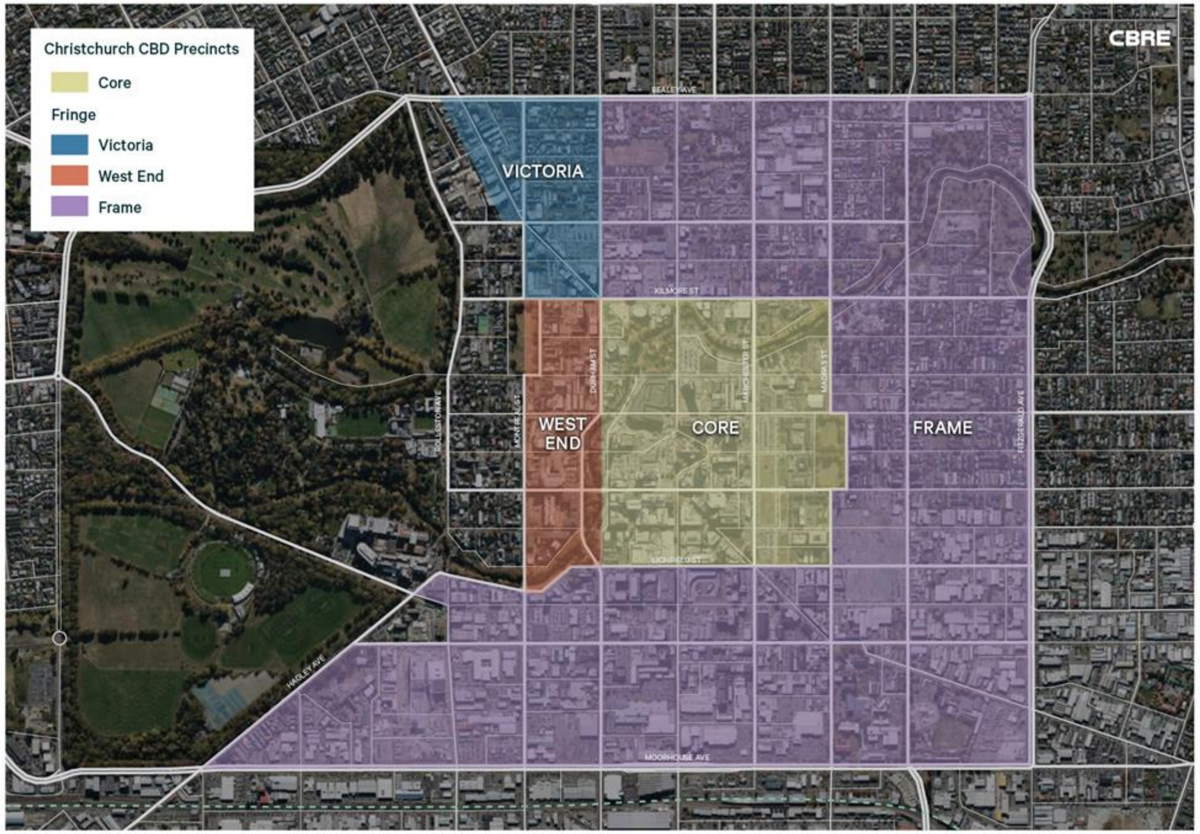
		Grade A	Grade B	Grade C	Total
Vacancy at June 2023	%	5.2%	5.7%	9.6%	5.7%
	sqm	11,558	2,605	2,365	16,528
Vacancy at December 2023	%	3.1%	1.4%	6.6%	3.1%
	sqm	6,743	627	1,615	8,984

CBD Office Vacancy



CBD Office Vacancy by Precinct

Office vacancy dropped across all CBD's precincts during H2 2023, which include Core (the area within Kilmore St, Madras St, Lichfield St and Durham St), West End (the area within Kilmore St, Durham St, Montreal St and the Avon River), Victoria (the area within Kilmore St, Durham St North, Bealey Avenue, and Victoria St) and Frame (the residual area within the Four Avenues, shown in purple below).



Core Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy at June 2023	%	0.4%	8.9%	31.3%	3.6%
	sqm	232	1,772	992	2,996
Vacancy at December 2023	%	0.4%	1.0%	0.0%	0.5%
	sqm	232	190	0	422

West End Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy at June 2023	%	5.0%	0.0%	10.2%	4.9%
	sqm	3,763	0	308	4,071
Vacancy at December 2023	%	2.4%	0.0%	18.3%	2.8%
	sqm	1,792	0	550	2,342

Victoria Precinct Vacancy by Grade

		Grade A	Grade B	Grade C	Total
Vacancy at June 2023	%	5.7%	5.2%	20.8%	7.6%
	sqm	1,094	671	1,065	2,830
Vacancy at December 2023	%	5.7%	2.1%	20.8%	6.6%
	sqm	1,094	275	1,065	2,434

Frame Precinct Vacancy by Grade

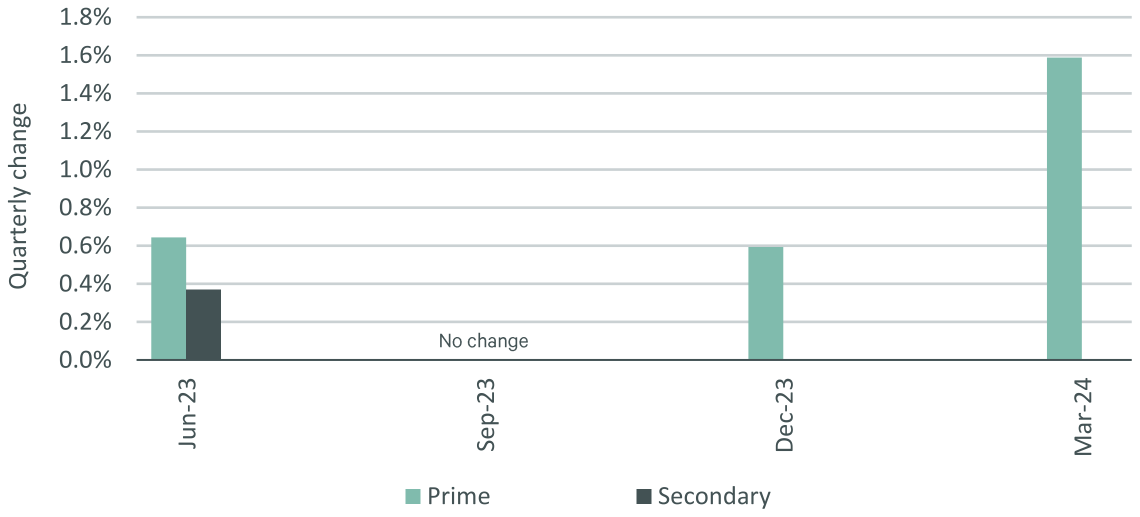
		Grade A	Grade B	Grade C	Total
Vacancy at June 2023	%	9.6%	2.2%	0.0%	7.5%
	sqm	6,469	162	0	6,631
Vacancy at December 2023	%	5.4%	2.2%	0.0%	4.3%
	sqm	3,625	162	0	3,787

CBD Office Rents

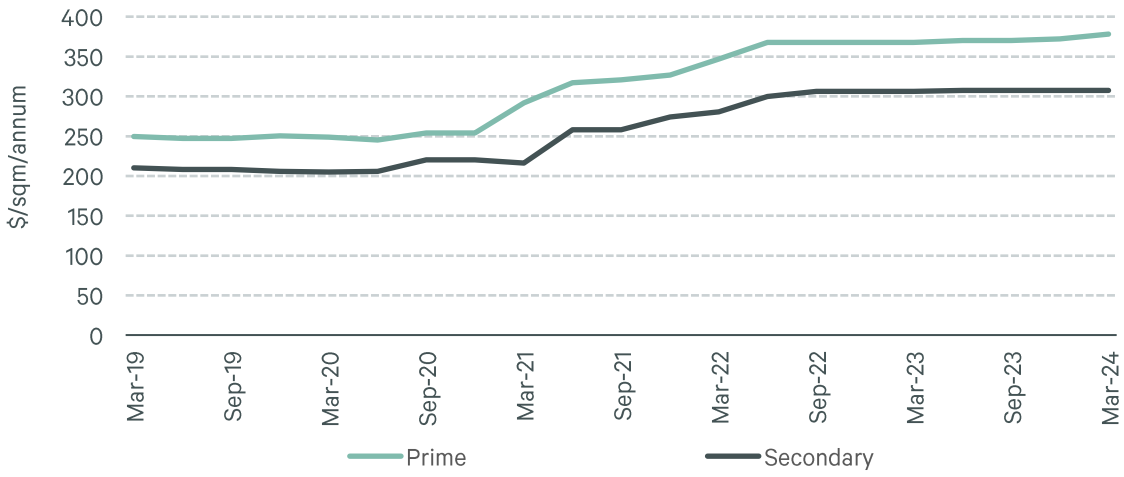
High demand and low vacancy continued to benefit the Prime CBD office submarket during Q1, which was evidenced by good rental growth. Net effective rents in Prime CBD office buildings registered a 1.6% q-o-q growth, benefiting from a drop incentives. In Q1 2024, CBD Prime net effective office rents sat at $378 per sqm, up by 2.8% compared to Q1 2023. Secondary rents continued to remain stable since their last increase in Q2 2023.

Incentives decreased in some Prime office buildings situated in the West End, revealing the high demand for good quality assets in this side of town, which is also reflected in this precinct's low vacancy. Based on CBRE's assessment, Prime indicative market incentives are 5.0% of face rents, coming down from 5.7% of face rents, whilst Secondary indicative market incentives remained unchanged at 8.8% of face rents.

CBD Net Effective Office Rents – Quarterly Change



CBD Net Effective Office Rents



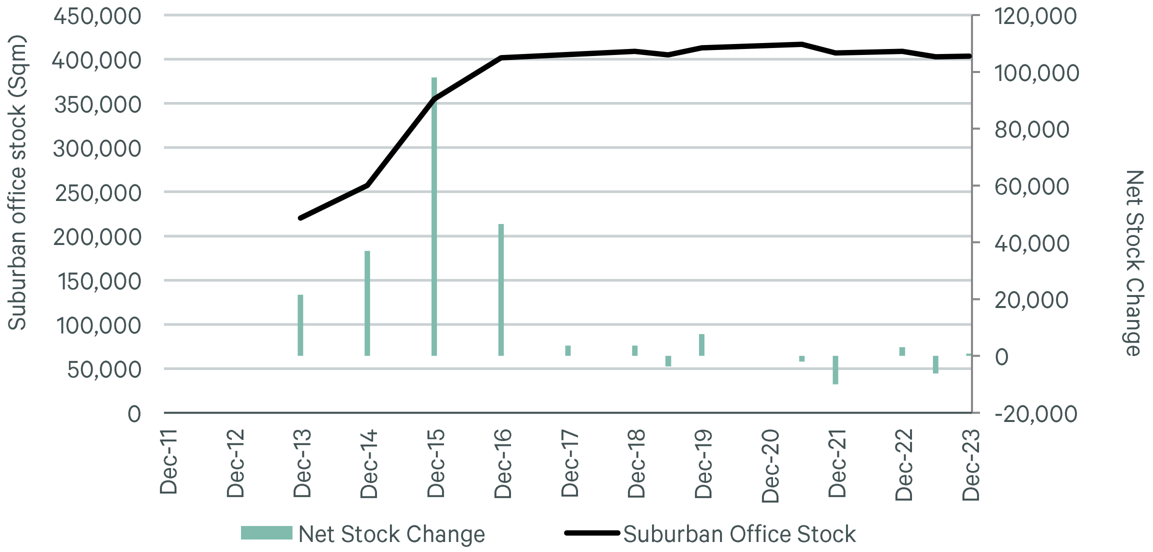
Suburban Office Stock

The Christchurch suburban office stock is 403,530 sqm, increasing by 863 sqm during H2 2023, driven by the return to the market of a Grade C building in 47 Riccarton Road, which underwent refurbishment works.

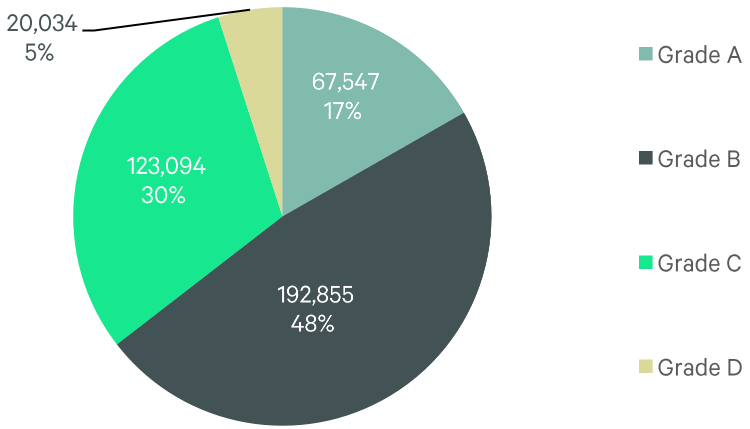
The changes in office stock in the suburban market during H2 were quite different from H1. During the previous period, a considerable amount of office space was taken out of the market (over 6,000 sqm) due to buildings that were removed from total stock to undergo refurbishment works (such as 323 Madras Street), to office space that was transformed into retail space (such as 1 Waimairi Road), and to the withdrawal of a whole Grade A building in Addington (6 Hazeldean Road), since it was earthquake-prone.

During H2 2023, 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 remained mostly unchanged throughout the last 24 months.

Christchurch Suburban Office Net Supply Changes



Christchurch Suburban Office Quality by Composition (H2 2023)



Suburban Office Net Absorption

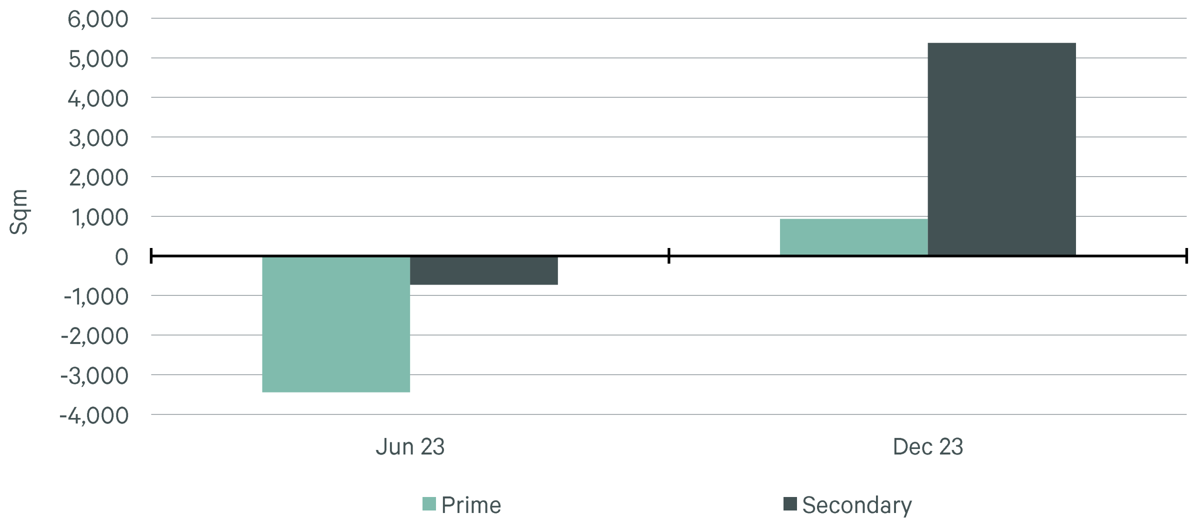
The suburban office market in H2 was less active in terms of leasing activity compared to H1, but more dynamic in terms of net absorption. Total net absorption moved to positive territory in H2 (6,303 sqm), contrasting with the negative absorption registered during H1 2023 (-4,175 sqm). Also, the total net absorption experienced during H2 was the highest since H1 2022.

The positive net absorption during H2 was prevalent across all suburban office submarkets, but more evident in Secondary buildings, which recorded a high net absorption level (5,373 sqm). However, of all the Secondary submarkets, the Grade B submarket stood out, with a total net absorption of 3,932 sqm, mainly due to CCL moving to 1 Durham Street South, occupying 1,136 sqm of previously vacant space, and two new tenants (School Docs and Reform Radiology) moving into 704 sqm of previously vacant space in 226 Antigua Street.

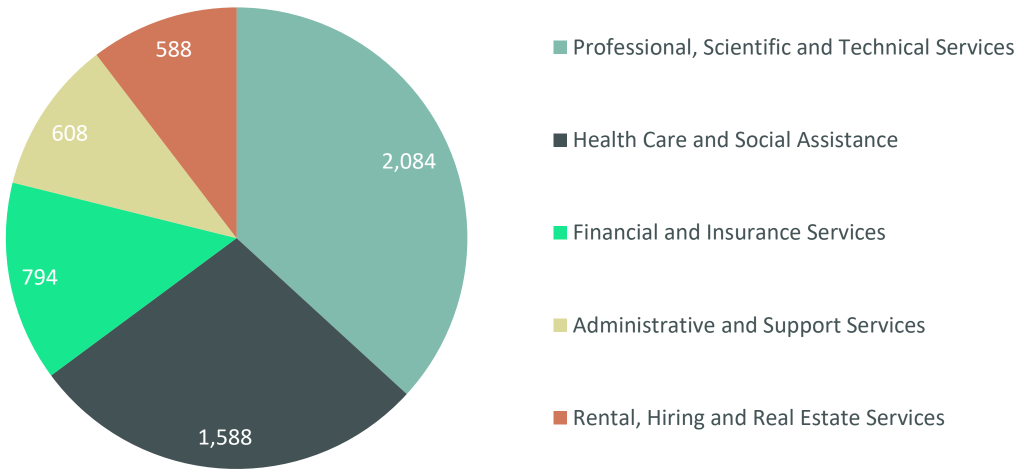
Regarding new take up (gross absorption), the Grade C submarket showed good activity, with three different tenants occupying 863 sqm of space in 47 Riccarton Road and Early Start Project occupying 520 sqm in 7 Winston Avenue. Gross absorption reached 7,872 sqm in the second half of 2023 through 30 new occupancies, lower than the gross absorption in the previous period (circa 33,000 sqm through almost 90+ new occupancies).

The industry that recorded the highest take up of space during H2 2023 in the Suburban office market was professional, scientific and technical services, with a total of 2,084 sqm, followed by health care and social assistance (1,588 sqm), and financial and insurance services (794 sqm).

Christchurch Suburban Office Net Absorption by Grade



New Take Up by Industry in H2 2023 (sqm of top five)



Suburban Office Vacancy

Following the same trend as the CBD office market, the suburban office market also continued to register a decline in vacancy. During H2 2023, the vacancy rate dropped from 7.4% to 6.0% (the lowest since 2015), a 5,440 sqm decline in vacant space.

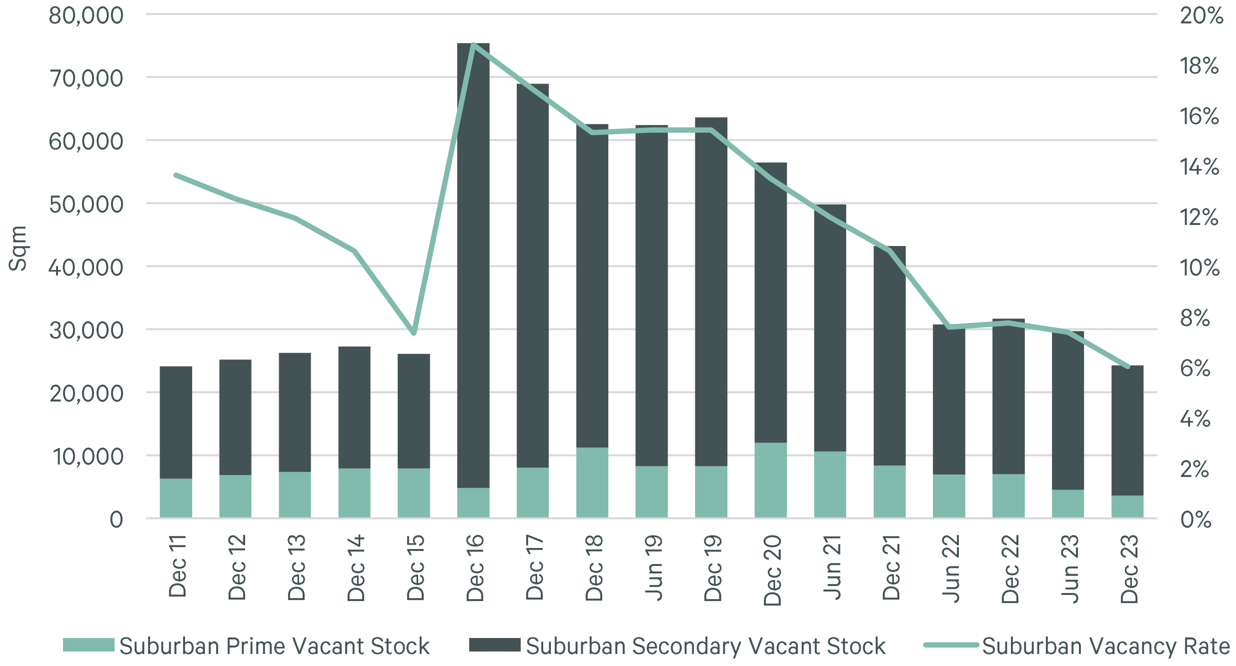
This decrease was led primarily by a decline in vacant stock in Secondary buildings (a 4,510 sqm drop), which caused the vacancy rate to move from 7.5% to 6.2%. Also, of all the Secondary submarkets, the Grade B submarket stood out considerably, with a sharper decrease in vacancy rates, shifting from 6.9% to 4.8% (a 3,932 sqm decline).

The Prime (Grade A) suburban office submarket followed the Grade B submarket in terms of drop in vacancy. Grade A vacancy space decreased by 931 sqm, mainly driven by Habit Heath moving to 10 Show Place (part of the Show Place Office Park), occupying 461 sqm of previously vacant space, and by a construction company taken over 348 sqm in 106 Wrights Road. Both moves occurred in Addington.

Suburban Office Vacancy by Grade

		Grade A	Grade B	Grade C	Grade D	Total
Vacancy at June 2023	%	6.7%	6.9%	8.6%	7.1%	7.4%
	sqm	4,497	13,237	10,556	1,423	29,712
Vacancy at December 2023	%	5.3%	4.8%	8.5%	4.6%	6.0%
	sqm	3,566	9,305	10,483	918	24,272

Suburban Office Vacancy



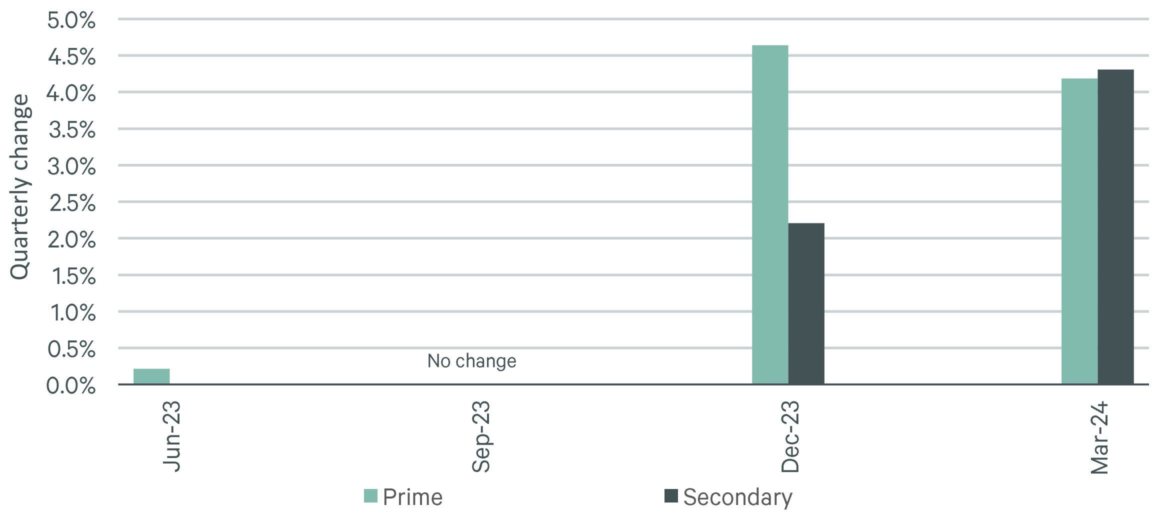
Suburban Office Rents

The Christchurch suburban office market continued to benefit from good rental growth in Q1, following the trend established in the previous quarter. Suburban office registered the highest growth of all markets (including CBD office, industrial and retail), with a y-o-y growth of almost 8.0%.

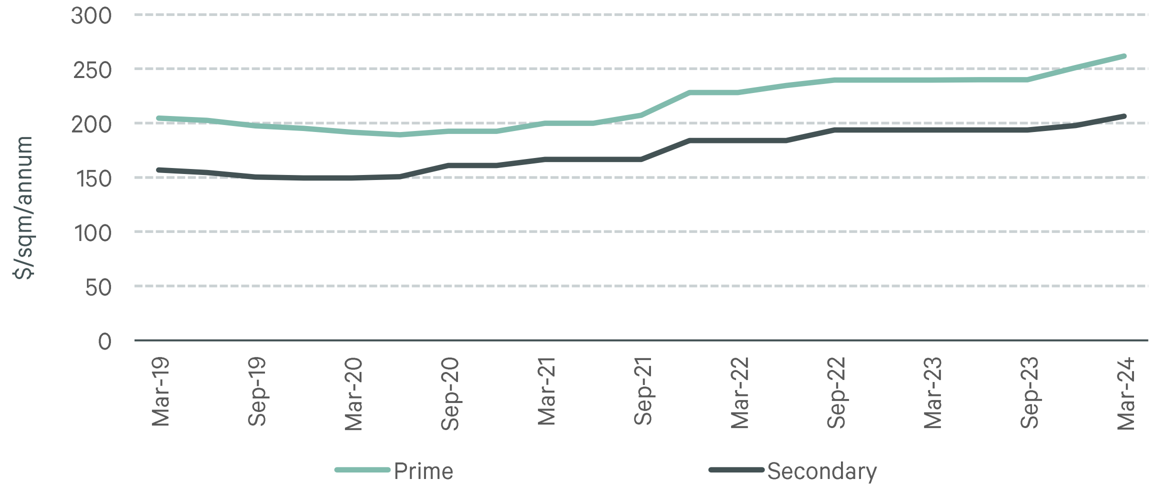
Prime suburban office rents are benefitting from positive occupier demand driven mainly by low vacancy in the Prime CBD submarket (serving as a push factor into the suburbs) and the good occupier value proposition offered by high-quality suburban office assets. Secondary assets also experienced a good uplift in rents, mainly due to an increase in demand for buildings in the higher-quality realm of this submarket which, again, are offering comparatively good value for money.

In Q1, net effective rents in the Prime suburban office market increased by 4.2% compared to Q4 2023, sitting at $262 per sqm. Suburban Secondary net effective office rents increased by 4.3% compared to the previous quarter, reaching $206 per sqm. Incentives remained unchanged in Q1 2024 for both Prime and Secondary buildings. Based on CBRE's assessment, in Q1 Prime indicative market incentives were 7.9% of face rents, whilst Secondary indicative market incentives remained at 12.3% of face rents.

Suburban Net Effective Office Rents – Quarterly Change



Suburban Net Effective Office Rents

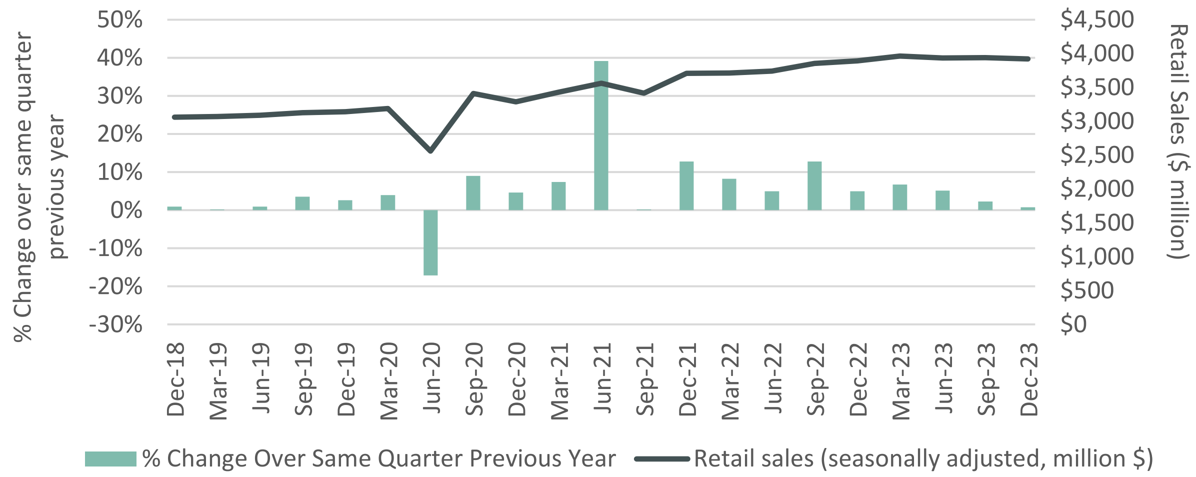


Retail Sales

Retail sales in Canterbury increased by 3.7% in the year ended December 2023 compared to the previous 12-month period, surpassing the growth rates registered in Auckland and Wellington in the same period (3.0% and -0.1%, respectively).

At a territorial authority level, in the year ended December 2023 retail spending in Christchurch grew by 3.6% compared to 2022. By area, Akaroa registered the highest growth rate (17.0%), followed by Airport (15.2%) and Lyttelton (14.2%). Christchurch's Central City came in fifth place, with retail spending growing at 8.3%. The growth witnessed in these areas was mainly driven by the higher number of overseas tourists, including the ones arriving via cruise ships at Lyttelton port.

Canterbury Retail Sales



Source: : Statistics New Zealand

Spending Growth by Area (YE Dec-23 vs YE Dec-22)

Source: Marketview

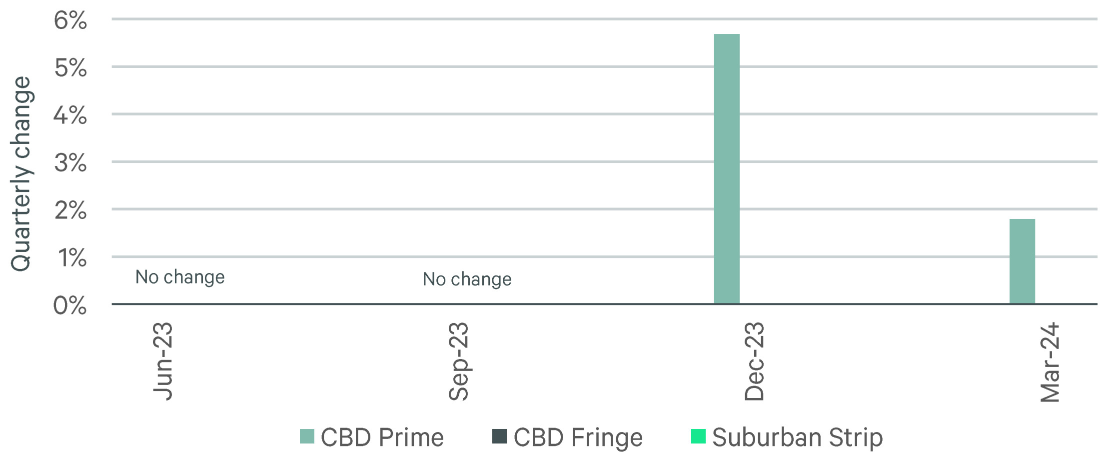
Retail Rents

The CBD Prime retail submarket continued to benefit from rental growth. Continuing the trend of Q4 '23, this growth was galvanised by a decline in incentives, with face rents remaining unchanged. The main driver was the extremely low vacancy in Prime locations, especially on High Street and Cashel Street. Demand for CBD locations in this submarket continued to be strong from both local and overseas retailers. On the contrary, demand for CBD Fringe and Suburban Strip locations remained weak.

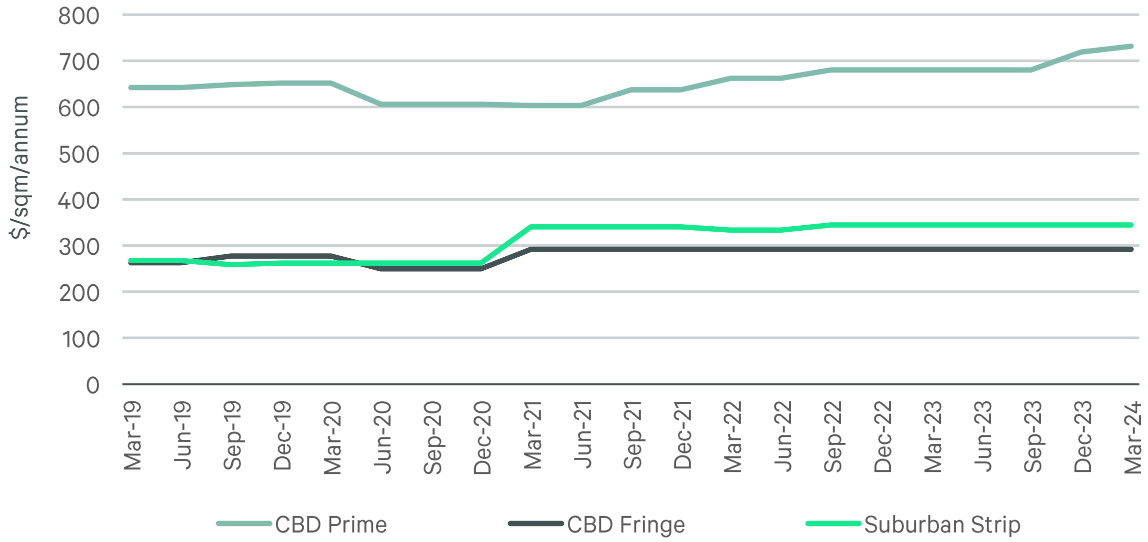
CBD Prime retail net effective rents sat at $732 per sqm in Q1, up by 1.8% compared to Q4 2023. CBD Fringe retail net effective rents are $292 per sqm; unchanged since March 2021. Also, Suburban Strip retail net effective rents are $344 per sqm; stable since September 2022.

Based on CBRE's Q1 assessment, CBD Prime indicative market incentives are 2.8% of face rents, down from 4.2% in Q4. Incentives in both CBD Fringe and Suburban Strip remained unchanged in Q1 (sitting at 8.3% and 7.4%, respectively).

Retail Net Effective Rents - Quarterly Change



Retail Net Effective Rents by Precinct



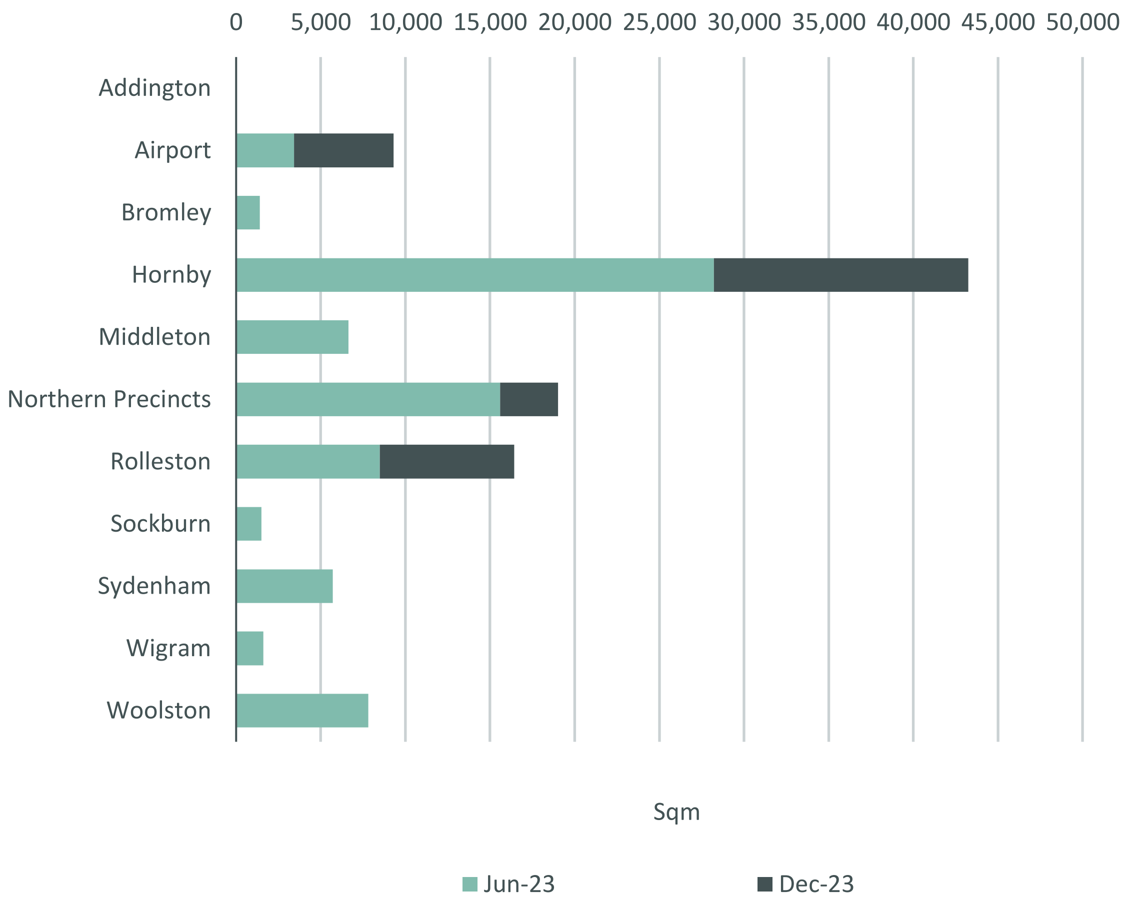
Industrial New Supply

In 2023, Christchurch's industrial market received 112,681 sqm of new stock. Out of this total, 80,429 sqm were received in H1 2023 and 32,252 sqm in H2. Even though the new supply of industrial buildings continued to be robust, the amount of new stock during H2 2023 was limited to only four suburbs (Airport, Hornby, Northern Precincts and Rolleston), whereas in previous periods the new supply showed more geographic diversification.

Hornby had the largest amount of new stock in the first half of 2023 (28,225 sqm), followed by Northern Precincts (15,604 sqm) and Rolleston (8,500 sqm). In addition, during the second half of 2023, Hornby also had the largest amount of new stock (with 15,013 sqm), followed by Rolleston (7,936 sqm) and Airport (5,890 sqm).

The largest industrial building completed in Christchurch over the past six months was 561 Avonhead Road, located in the Airport area (a 5,890 sqm building), followed by 45 Mania Road in Hornby (5,343 sqm). The average size of industrial buildings completed during H2 was 2,304 sqm. During H2 2023, only two buildings larger than 5,000 sqm and four buildings between 2,000-5,000 sqm were completed.

H1 2023 – H2 2023 New Industrial Supply



Industrial Net Absorption

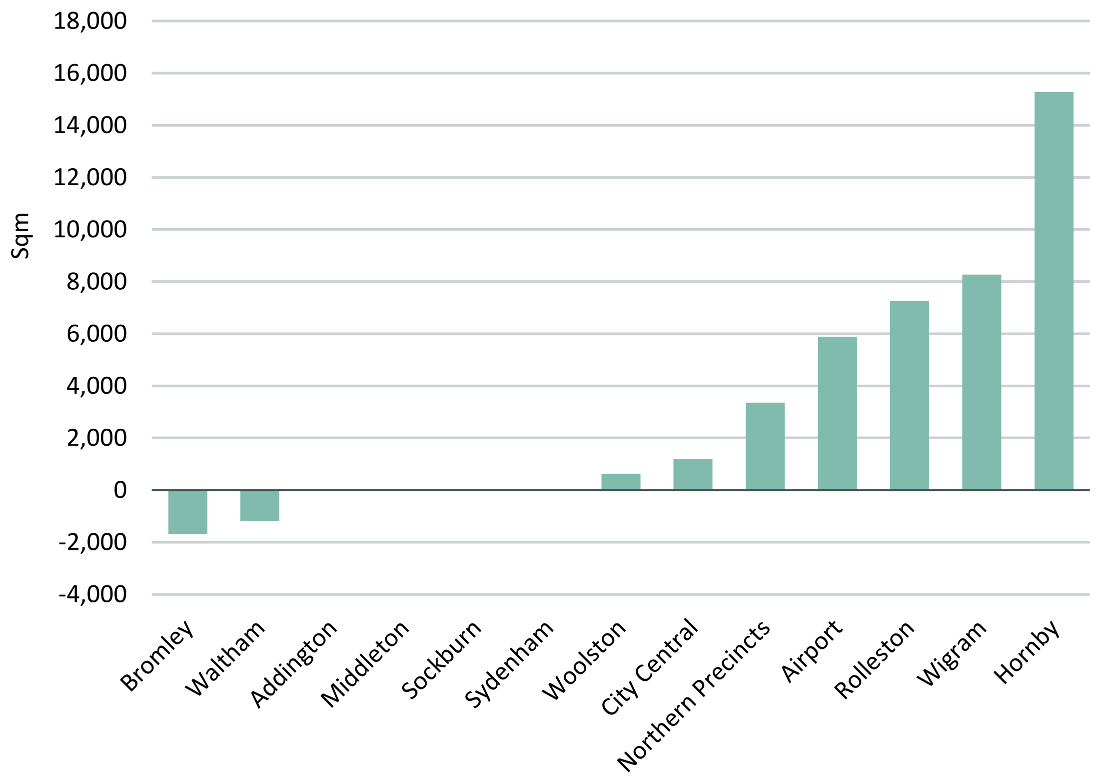
Net absorption in the industrial market remains healthy. Total net absorption over H2 was 39,009 sqm, following 79,293 sqm in H1 and 106,573 sqm in H2 2022. The high levels of net absorption continue to be driven by new supply. During H2, all the new built stock was occupied (32,252 sqm), benefiting net absorption in the Grade A industrial submarket, which sat at 32,888 sqm. In addition, the Grade C/D submarket experienced a positive net absorption of 11,888 sqm, whilst Grade B absorption during H2 was negative (-5,067 sqm).

In H2 2023, Hornby had the largest net absorption with over 15,281 sqm, followed by Wigram (8,270 sqm) and Rolleston (7,247 sqm). The largest occupier take up in newly completed buildings is Mighty Ape, taking up 5,890 sqm at 561 Avonhead Road in the Airport area.

Industrial Net Absorption by Grade

	Total	Grade A	Grade B	Grade C/D
Jun-23	79,293	70,101	8,890	302
Dec-23	39,009	32,888	-5,067	11,188

Industrial Net Absorption by Precinct—H2 2023



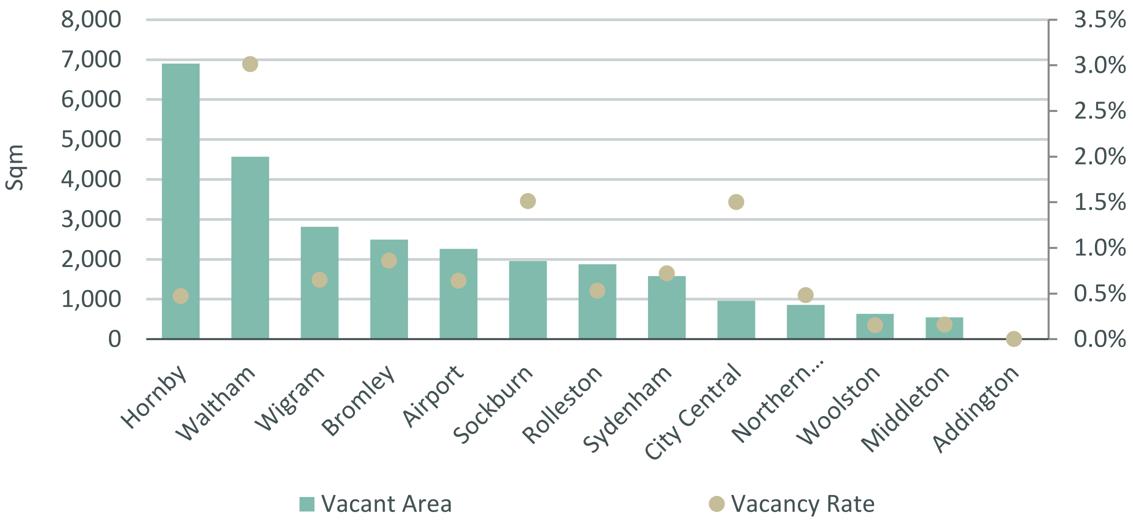
Industrial Vacancy

From H2 2022 to H2 2023, Christchurch's industrial market beheld an extremely low vacancy (below 1.0%). During H2 2023, total industrial vacancy sat at 0.6%, down from 0.8% in H1. The industrial market continues to benefit from high demand, especially for assets in the top end of the market. However, low quality industrial buildings also witnessed an important decrease in vacancy.

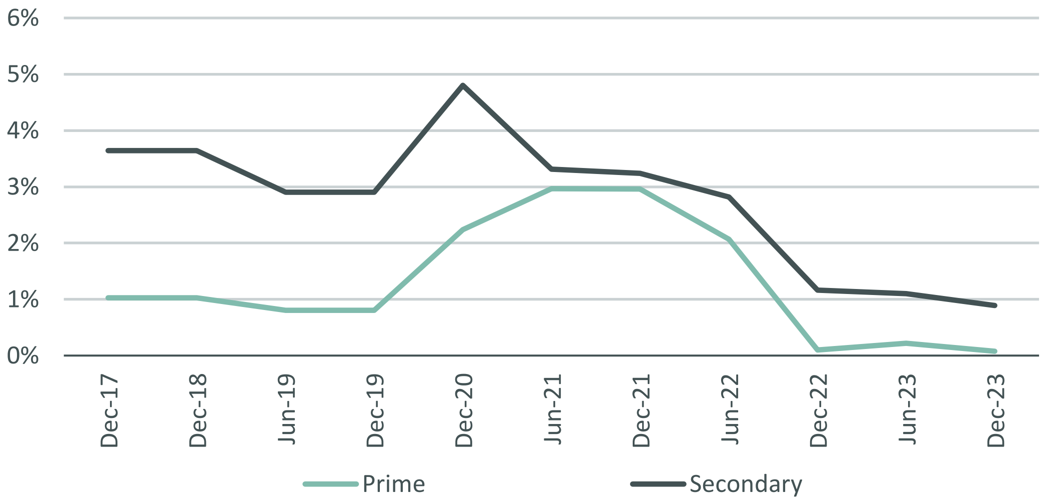
The largest reduction happened in Grade C/D where vacancy dropped by 11,188 sqm, decreasing the vacancy rate from 1.6% to 0.8%. This was followed by a decrease in Grade A vacancy by 2,162 sqm, shifting the vacancy rate from 0.22% to 0.08%. The main move in the Grade C/D submarket occurred in 78 Treffers Road in Wigram, where TSB Living occupied 9,701 sqm, which was previously vacant. Also, the most important move in the Grade A submarket occurred in 315 Tuam Street, where 1,130 sqm of previously vacant space were occupied.

On the contrary, Grade B registered an increase in vacancy, which rose by 5,067 sqm, increasing the vacancy rate from 0.7% to 1.0%. This was primarily due to a boat building company leaving behind circa 1,700 sqm in 11 Newtown Street in Bromley and a furniture manufacturing firm vacating around 1,450 sqm in 80 Hayton Road in Wigram.

Industrial Vacancy by Precinct – December 2023



Industrial Vacancy



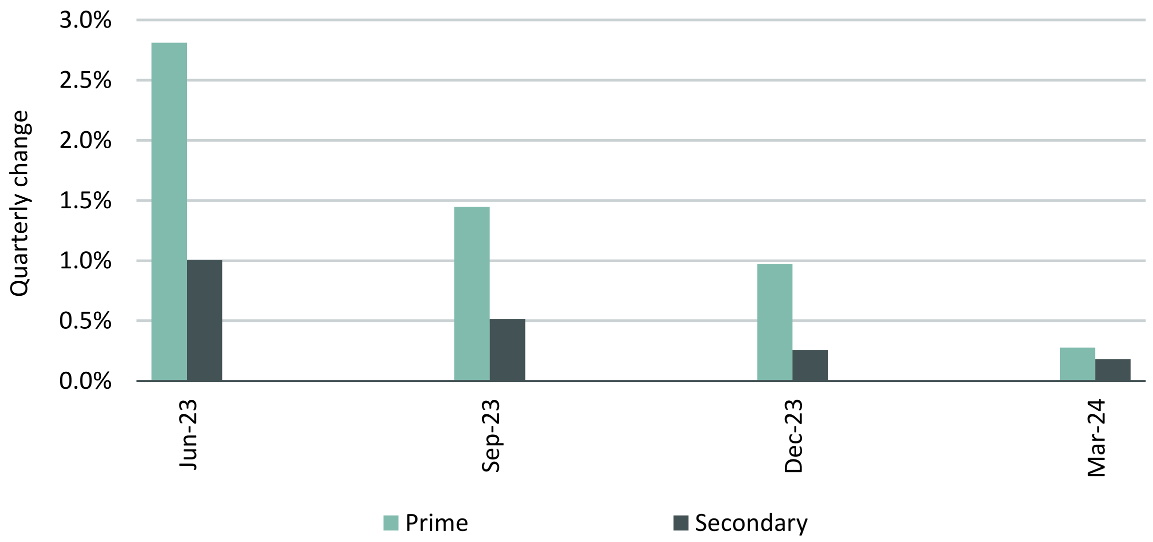
Industrial Rents

The Christchurch industrial market continued to register rental growth in Q1 2024. However, the rate of growth has slowed in recent quarters in tandem with what is perceived to be a moderation in occupier demand and some plateauing in cost inflation drivers for new builds.

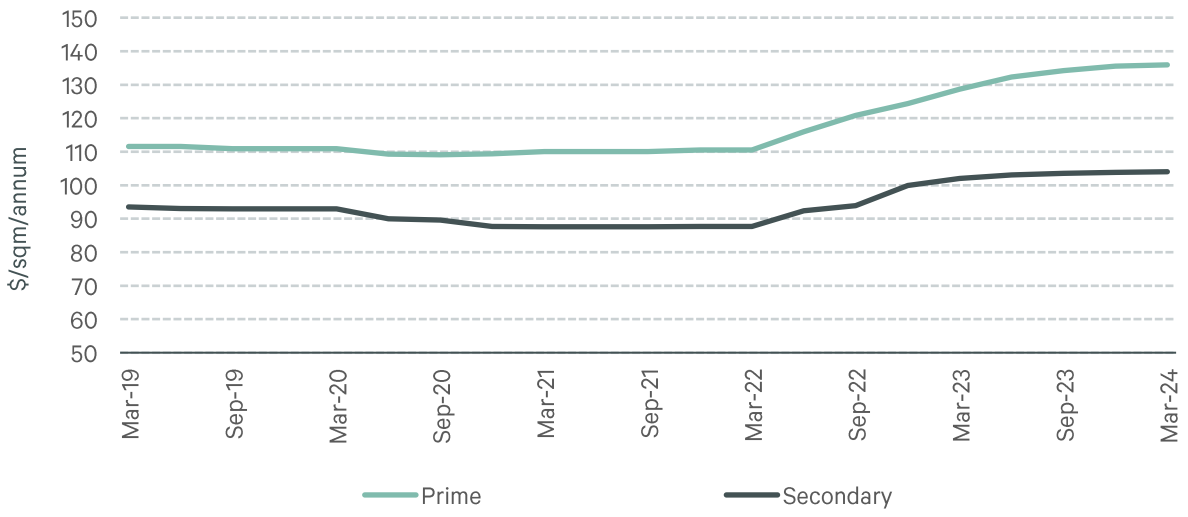
Industrial Prime net effective rents reached a new record in Q1 at $136 per sqm, up by 0.3% compared to Q4 2023, mainly via increases to the office component. Secondary net effective rents reached $104 per sqm, up by 0.2% compared to the previous quarter. On an annual basis, Prime net effective rents increased by 5.6%, Secondary net effective rents increased by 2.0%.

Incentives remained stable in Q1 2024. Based on CBRE's assessment, both industrial Prime and Secondary indicative market incentives remained at 1.4% of face rents.

Industrial Net Effective Rents - Quarterly Change



Industrial Net Effective Rents



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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