

Commercial office

Hamilton

Demand has been weak, with uncertainty as to yield levels and a lack of alignment between vendor expectation and offers to purchase. A number of properties have been unsuccessfully marketed for sale. The smaller sized assets appear to be less affected.

NET YIELDS

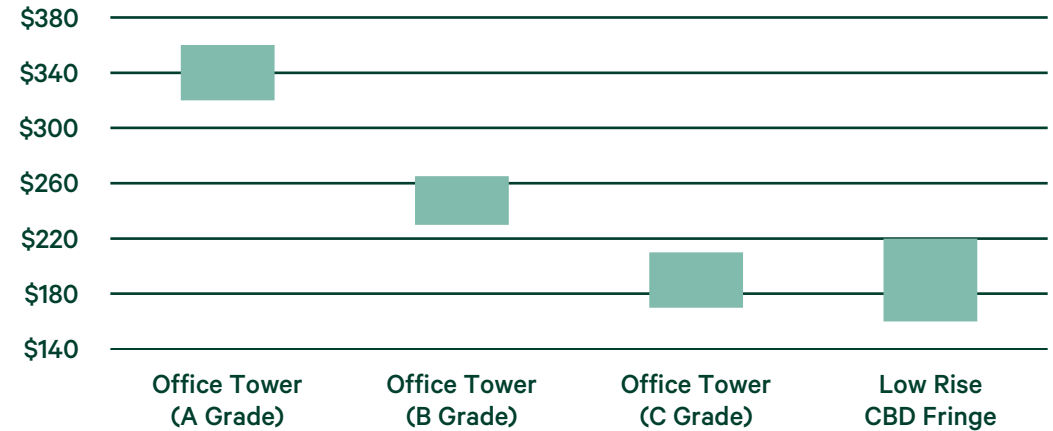


Note: Arrows indicate change from previous report.

OCCUPIER MARKET

	Market direction	Supply
Office Tower (A Grade)	▶ Static	Limited
Office Tower (B Grade)	▲ Improving	Moderate
Office Tower (C Grade)	▲ Improving	Over supplied
Low Rise CBD Fringe	No trend apparent	Moderate

FIGURE 1: Net Rents



INVESTOR MARKET

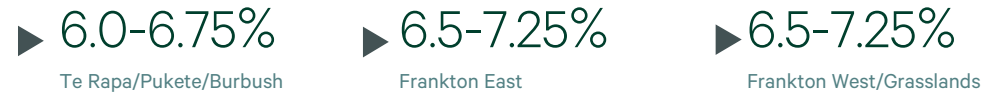
	Market direction	Demand
Office Tower (A Grade)	▶ Static	Weak
Office Tower (B Grade)	▶ Static	Weak
Office Tower (C Grade)	▼ Weakening	Weak
Low Rise CBD Fringe	▶ Static	Average

Industrial

Hamilton

Industrial continues to be the strongest sector, however yields have still increased over the last 12-18 months, particularly for larger sized assets. Investors are more conscious of key investment criteria such as tenant covenant, lease terms and the quality of the development. There has been strong rental growth which may be levelling out currently.

NET YIELDS

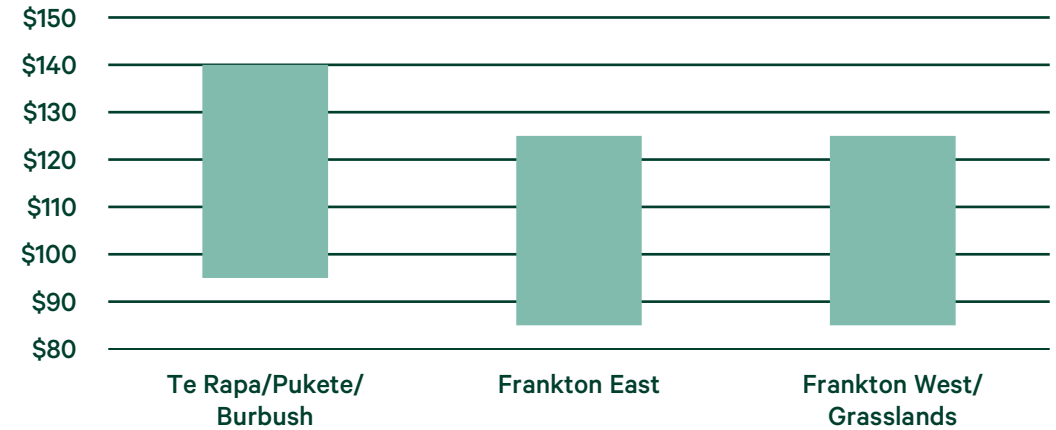


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OCCUPIER MARKET

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

FIGURE 1: 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

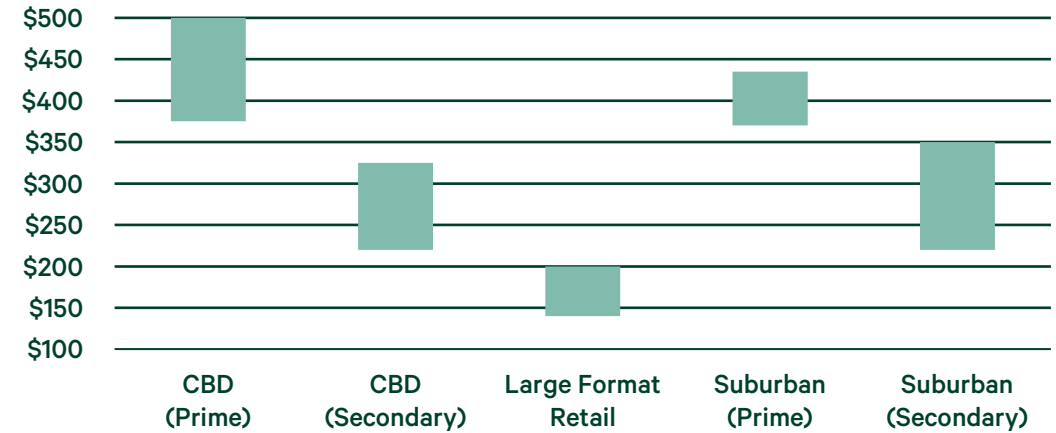
Retail remains subdued with limited sales transactions over the last 12 months and low levels of stock coming to market. Suburban retail continues to perform more strongly in comparison to assets within the CBD.

NET YIELDS



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FIGURE 1: Net Rents



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	▼ Weakening	Weak
Suburban (Prime)	▶ Static	Average
Suburban (Secondary)	▶ Static	Average