

# Xero's Napier office part of wider trend

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New office developments in Ahuriri and Havelock North are preferred to working in Hastings and central Napier, a new property report says.

The latest commercial property report from property strategists Turley & Co gives an overview of the industrial, retail and office commercial property sectors in Hawke's Bay over the second half of 2017.

Turley & Co says "vibrancy" in Ahuriri and Havelock North is driving development in the suburbs.

A new Tech Collective development, anchored by Now and Xero, is the latest development in Napier's suburb of Ahuriri attracting tenants over the city's central business district.

"The quayside suburb [Ahuriri] is attracting government agencies and various professional services, and has over decades progressively transformed from an inner-harbour industrial heartland," Turley & Co says.

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The Tech Collective is a development by Wallace Development, which opened another Tech Collective in Havelock North in

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Turley & Co report

August. Another in Hastings' central business district will open soon.

The report says collaborative workspaces are a "trending alternative" to traditionally tightly-partitioned cubicles. The collaborative workspaces tended to be cheaper for businesses with "less real estate employed per person".

"Considerable development" has taken place in Hawke's Bay's office sector over the past three to four years.

"Most market activity is generated by tenants seeking to upgrade, or is led by seismic considerations."

"Market reshuffling accounts for most activity."

Yet the Hawke's Bay office sector is still in oversupply, despite an increase in demand in 2017,



Xero's provincial branch in Ahuriri can house up to 100 workers. SUPPLIED

according to the report. Napier City Council's civic and library buildings' seismic assessments were rated 10 per cent and 15 per cent of new building standard respectively.

This has resulted in the council temporarily moving to three separate office buildings while it plans for a long-term situation.

The Civic building is unlikely to be strengthened and a hotel is touted for the site, Turley & Co says.

While Ahuriri and Havelock North are gaining office develop-

ments, the popularity of Whakatu for the industrial sector has prospered.

Throughout Hawke's Bay industrial land remains tightly held but some new developments have come to the market.

The \$26 million Whakatu Arterial Link, which is under construction, is expected to elevate the industrial suburb between Napier and Hastings further.

The retail property market occupancy is as positive as it has been for several years, the report says.

Statistics New Zealand recently reported retail sales in Hawke's Bay are growing faster than any other region of New Zealand.

Statistics NZ's Retail Trade Survey for each of the 16 regions for the three months ending in September, found retail sales for Hawke's Bay rose by \$51 million compared to the previous year, an 8.5 per cent rise.

Kmart has not yet committed to a proposed new store near Mitre 10 in Napier's Prebensen Drive, Turley & Co says.

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