

Industrial Indicators[©] Report | Q3-4 2019 | Report 30

Industrial Property Indicators for Napier, Hastings and Havelock North

Refer to separate same date reports: *Macro, Retail and Office.*

Industrial Category	Rental Range Gross TOC (\$/m ²)	Forecast Rental Growth Next 24 Months (%)	Yield Range (%)	Forecast Yield Change Next 24 Months (%)
Prime	\$70 - \$100	0 to +10%	6.0-8.0%	-0.5 to 0.5%
Secondary	\$25 - \$70	0 to +10%	8.0-10.0%	0.0 to 1.0%
Vacancy	Industrial	5% - 10% estimate Micro-locality considerations and quality dependant Overall ~7% approx.		
Inducements	Newly-built Existing	1 to 3 months rent free equivalent 3 to 6 months rent free equivalent Depending on premises, term and tenant		



The Milk Kitchen, Whakatu | Photo TCL

Hawke's Bay Industrial Property Highlights Q3-4 2019

- Prime industrial property investments remain keenly contested
- Investors often favour industrial properties for construction simplicity (usually lower future capex)
- Havelock North and Ahuriri ongoing diminishing industrial use v. increases for Whakatu, Irongate, Elwood Road and Omaha Road Hastings
- 63 ha of Omaha Rd newly zoned industrial land 2018 – 181 ha for Hastings including Irongate – mostly unserviced raw land
- Bare industrial land is supply copious at Irongate, Elwood Road, Waitangi Road Napier and elsewhere
- Whakatu is increasingly popular since the \$26m Arterial Link opened in 2019 (centrally situated between Napier-Hastings)
- The Hawke's Bay Airport new accessway has opened up another industrial option (long planned and leasehold)
- Existing industrial premises vacancy has mostly moderated 2017-19
- Rent value divergence for new v. existing industrial is pronounced and more widely differentiated since the 1990s
- The Heinz Watties Distribution Centre changed hands for \$29.1m in 2019

More Information

Turley & Co press – www.turley.co.nz/press/latest including Industrial Focus Report – www.turley.co.nz/2018/03/15/industrial-focus-report-march-2018 More recent market metrics reports – www.turley.co.nz/news-2/current

Contact Team Turley www.turley.co.nz/tcl-people/our-people for comprehensive commercial-industrial property information and metrics (rents, yields, land values transactions, etc). And developments tracking 2015-20. Refer overleaf.



Watties Distrib. Ctr, Hastings | Photo Erskin & Owen

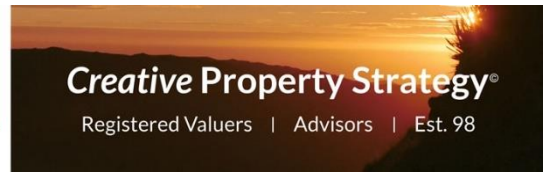


Sunfruit, Hastings | Photo TCL



1022 Manchester St, Hastings | Photo TCL

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Tim Whittaker Te Mata Peak Millennium Sunrise

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