

Office Indicators[®] Report | Q3-4 2019 | Report 30

Office Property Indicators for Napier, Hastings and Havelock North

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

Offices Category	Rental Range Gross TOC (\$/m ²)	Forecast Rental Growth Next 24 Months (%)	Yield Range (%)	Forecast Yield Change Next 24 Months (%)
Prime	\$200 - \$325	0% to +15%	6.0-8.0%	-0.5 to 0.5%
Secondary	\$85 - \$200	0% to +10%	8.0-10.0%	0.0 to 1.0%



Hastings Health Centre | Photo HHC

Vacancy	Prime Office Secondary Office	5% - 7% estimate 20% plus est. incl tertiary Many occupied office premises are underutilised
Inducements	Prime Office Secondary Office	2 to 3 months rent free equivalent 3 to 6 months rent free equivalent Depending on premises, term and tenant

Hawke's Bay Office Property Highlights Q3-4 2019

- Substantial Hastings Health Centre development was completed in 2019 (\$20m plus)
- Developers are generally offering very competitive new-build rents, with asset valuations maintained by firmer cap rates
- Some very high new premises rents apply (some with undisclosed inducements)
- Seismic performance is a relative value consideration – Napier City Civic and Library buildings disruption and absorption effects
- Napier office occupier's migration to Ahuriri – includes the Tech Collective – other tech hubs at Havelock North and Hastings established
- Havelock North is increasingly a significant office location alternative to Hastings – successfully for The Exchange and Joll Road and further developments proposed
- Hawke's Bays' economic boom is starting to pull the previously challenged existing buildings office market upward. Office rents for existing buildings are showing rent growth for the first time in over a decade.
- Hastings office market conditions improved by late 2018/19 given prior vacancy take-up (supply contraction), and CBD fringes vibrancy improvements including the new Business HQ quarter (Queen Street).

More Information

Turley & Co press – www.turley.co.nz/press/latest including – www.turley.co.nz/2020/02/25/napier-demolition-the-largest-in-living-memory-nzh-hbt 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.



CPO Building, Napier | Photo TCL



Farming House, Hastings | Photo TCL



Village Exchange, Havelock North | Photo TCL

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Tim Whittaker Te Mata Peak Millennium Sunrise

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