

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

Retail Property Indicators for Napier, Hastings and Havelock North

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

Retail Category	Rental Range Gross TOC (\$/m ²)	Forecast Rental Growth Next 24 Months (%)	Yield Range (%)	Forecast Yield Change Next 24 Months (%)
Prime	\$180 - \$550	-5 to +10%	4.5-6.0%	-0.5% to 0.5%
Secondary	\$75 - \$180	-10 to +5%	6.0-9.0%	0% to 1.0%

Vacancy	Mainstreet Retail	7.0% surveyed by TCL Oct 19 Micro-locality considerations and quality dependant
Inducements	Prime Retail	0 to 3 months rent free equivalent
	Secondary	3 to 6 months rent free equivalent Depending on premises, term and tenant



Taradale Mainstreet | Photo TCL

Hawke's Bay Retail Property Highlights Q3-4 2019

- Buoyant economic conditions have continued to assist physical retailer trading conditions that are more positive for Hawke's Bay than for more than a decade
- Heretaunga Street East is experiencing revival assisted by hospitality occupiers. Refer to press link below.
- HDC is planning CBD works and design initially proposed under its LTP (CBD works budget \$4.5m plus potentially land acquisitions) – a master plan is progressing
- HDC hospitality street dining build outs are in the design phase
- Hastings CBD fringe rent affordability provides added impetus for new retailers and hospitality start-ups
- CBD Napier's overhaul and intensification 2013-17 has tapered, occupancy remains tight for prime sites
- Havelock North's retail heart remains particularly strong with added supply leased (Village Exchange and Stage 1 Joll Rd)
- Large Format Retail oversupply eased substantially 2016/19
- Large Format Retail new developments include Kmart Napier at Prebensen Drive and Rebel Sport and Briscoes at Munroe Street – refer to Macro Indicators Report
- Investment yields/ cap rates for retail properties are historically low (relative values are high)

More Information

Turley & Co press – www.turley.co.nz/press/latest including – www.turley.co.nz/2019/11/26/could-hastings-have-an-eat-street-heretaunga-st-east-is-showing-all-the-signs Retail Focus Report November 2019 – www.turley.co.nz/2019/11/19/retail-focus-november-2019 Recent 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 for vacancy and developments tracking 2015-20. Refer overleaf.



Napier CBD | Photo TCL

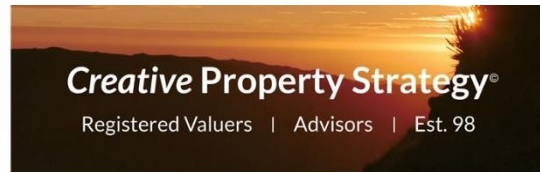


Hastings CBD | Photo TCL



Havelock North | Photo TCL

Our People www.turley.co.nz/tcl-people/our-people



Tim Whittaker Te Mata Peak Millennium Sunrise

Hawke's Bay-based premium quality valuation and *creative property strategy*® leading \$0.5b acquisitions-disposals NZ-wide for 22-years. Valuation litigation and commercial property specialist. Development and public land specialist. Property economy analysts and commentators. Turley & Co press page www.turley.co.nz/press/latest

The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purpose. To the extent that any information or recommendations in this publication constitute financial or property advice, they do not take into account any person's particular financial or property situation or goals. Turley & Co recommends that you seek advice specific to your circumstances from your financial advisor and independent property advisor. The contents of this publication are not for reliance. Projections may not hold. Neither Turley & Co nor any person involved in this publication accepts any liability for any loss or damage whatsoever that may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication. Contact Turley & Co for Registered Valuer and Registered Property Consultant property assistance/ advisory.