

Industrial Indicators[©] Report | Q1-2 2020 | Report 31

Industrial Property Indicators for Napier, Hastings and Havelock North

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

Industrial Category	Rental Range Gross TOC (\$/m ²)	Forecast Rental Growth Next 24 Months (%)	Yield Range (%)	Forecast Yield Change Next 24 Months (%)
Prime Secondary	\$70 - \$100 \$25 - \$70	0 to +5% -10 to 0%	6.0-8.0% 8.0-11.0%	0 to 0.5% 0.5 to 1.5%
Vacancy	Industrial	5% - 10% estimate Micro-locality considerations and quality dependant Overall ~7% approx.		



Tomoana Food Hub, Hastings | Photo Colliers

Refer to Turley & Co *Macro, Retail and Office* reports for these category indicators.

Contact Turley & Co for lease and investment sales details and cap rates data since 1984. And for Registered Valuer/ Registered Property Consultant valuation or property strategy assistance www.turley.co.nz/tcl-people/our-people

Hawke's Bay Industrial Property Highlights Q1-2 2020

- Ziwi recently announced a \$70m state-of-the-art petfood factory at Awatoto (including factory plant) www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12345377
- Tomoana Food Hub sale completed in February 2020 at \$41m reflecting 6.25% www.turley.co.nz/2020/06/05/hawkes-bays-tomoana-41m-industrial-sale and the Heinz Watties Distribution Centre changed hands in 2019 for \$29.1m
- Food Innovation Hub (Foodeast) at Tomoana proposal announced www.scoop.co.nz/stories/AK2007/S00623/conditional-land-deal-for-foodeast-signed.htm
- Investment yields/ cap rates for industrial properties were by early 2020 historically low (relative values high)
- Existing industrial premises vacancy had mostly moderated 2017-20
- Rent value divergence for new v. existing industrial was pronounced and more widely differentiated since the 1990s
- Havelock North and Ahuriri witnessed ongoing diminishing industrial use v. increases for Whakatu, Awatoto, Irongate, Elwood Road and Omaha Road Hastings
- Whakatu is increasingly popular since the \$26m Arterial Link opened in 2019 and land is now scarce (central location)
- Napier Port recently announced an Inland Port at Whakatu following Turley & Co land acquisition www.turley.co.nz/2020/07/01/whakatu-inland-port-tcl-land-acquisition
- 63 ha of Omaha Rd newly zoned industrial land 2018 – 181 ha for Hastings including Irongate – mostly unserviced raw land
- Bare industrial land supply remained at Irongate, Elwood Road, Waitangi Road Napier and elsewhere – increasing take-up to early 2020
- The Hawke's Bay Airport new road access provides another industrial option (long planned and potentially leasehold)
- COVID-19 challenges for industrial property are expected to be more moderate than for retail and office property

Refer to our Macro report for Hawke's Bay industrial developments further reporting.



Watties Distrib. Ctr, Hastings | Photo Erskin & Owen



Sunfruit, Hastings | Photo TCL



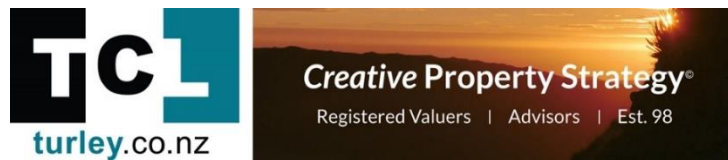
The Milk Kitchen, Whakatu | Photo TCL

More Information

- Turley & Co news and reports www.turley.co.nz/news-2/current
- Economic indicators www.turley.co.nz/indicators
- Articles www.turley.co.nz/articles
- Press www.turley.co.nz/press/latest
- LinkedIn www.linkedin.com/company/tcl-turley-co-ltd

Contact Team Turley www.turley.co.nz/tcl-people/our-people for specific commercial-industrial property and development land information, and further metrics (rents, yields, land values transactions, etc), and Hawke's Bay developments tracking 2015-20.

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



Tim Whittaker Te Mata Peak Millennium Sunrise

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