

# Hawke's Bay Abuzz with Development Projects

Chris Hutching for NBR | NZ Property Investor | 8 August 2013

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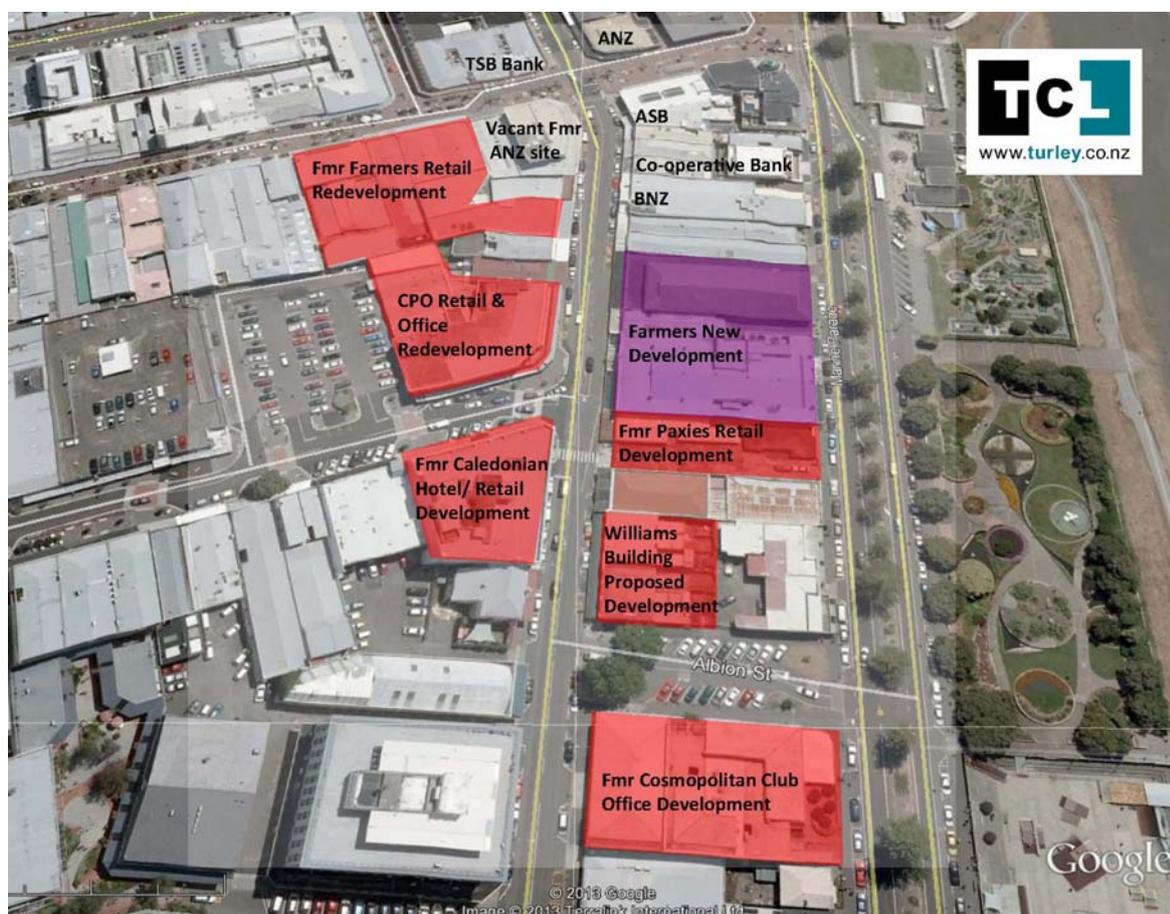


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Hawke's Bay valuer Pat Turley is predicting a turnaround in commercial property fortunes in 2014.

He also reports a flurry of developments either recently completed or under way in Napier and Hastings. "There remains quite intense competition for office tenants who are in the box seat. That seems set to continue at least well into 2015-16."

The activity in Hastings includes new developments for Freedom Furniture and MSD offices, plus the former Power Board Building and former Mitre 10 Mega redevelopments, as well as new offices in Karamu Rd.

In Omahu Rd there are new industrial developments for NZ Frost Fans and in Manchester St for McLaren Stainless and others.

Developments in Napier over 2010-13 include office redevelopments in Station St and the former Cosmopolitan Club site, the Napier's City Museum project, a new Farmers development and revamp of the former Paxies shops, with new retail spaces for the former Caledonian Hotel.

Over the road is a proposed Central Post Office retail-office redevelopment.

In Hastings St the Williams building between Paxies and Cosy Club redevelopments is also earmarked for retail development. It was acquired by Wallace Development Company in April 2012.

There was "ample" CBD and fringe office supply in Napier-Hastings, including the new MSD in Hastings occupied this year, a Karamu Rd, Hastings, redevelopment that is part occupied, the redevelopment of the Hastings Power Board building that is under way, the well advanced Napier Cosmopolitan Club site redevelopment, an Ahuriri Napier development in Waghorne St under way, a part-occupied retail office building in Puketapu Rd, Taradale, a Napier retail-office redevelopment under way and the proposed Hastings St Williams Building.

The Tamatea Pak'n'Save supermarket site is also earmarked for a comprehensive retail-commercial redevelopment.

At Napier Airport, there are new industrial developments for ABB, while in Severn St, Napier, other industrial premises were recently completed or are underway.

Mr Turley says good-quality property investments continue to be keenly sought after and these property values are generally improved.

But rents in other premises remain under downward pressure.

Most land values are well down on their peak of four years ago and for the most part continue to moderate.

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