

Office Indicators[©] | Q3-4 2020 and Q1 2021 | Issue 32

Office Property Indicators for Napier, Hastings and Havelock North

Refer to coinciding reports: *Macro, Retail and Industrial Indicators*.

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 +10%	5.0-7.0%	0 to 0.5%
Secondary	\$85 - \$200	0 to +5%	7.0-10.0%	0.5 to 1.5%
Vacancy	Prime Office Secondary Office	5% - 7% estimate 20% plus est. incl tertiary Many occupied office premises are underutilised		



Hastings Health Centre | Photo HHC

Refer to coinciding Turley & Co *Macro, Retail and Industrial* reports www.turley.co.nz/news-2/current. And economic indicators www.turley.co.nz/indicators

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

Hawke's Bay Office Property Highlights Q3-4 2020 and Q1 2021

- Co-working spaces and WFH effects anecdotally apply for Hawke's Bay offices
- Seismic performance continues to be a relative value consideration
- Competitive new-build rents continue to be underpinned by asset valuations at firmer cap rates
- Some very high new premises rents apply with undisclosed inducements
- Hastings office market conditions by 2019/20 were improved given prior vacancy take-up, and CBD fringes vibrancy improvements
- Continuing offices trends at Ahuriri and Havelock North (Joll Road)
- Business HQ quarter (Queen Street) and former HBT (Tribune) building redevelopment is now occupied
- Heretaunga House abandonment for seismic reasons has removed supply
- Former Hastings Health Centre premises reworked and being marketed to lease as offices
- Napier continues to witness office occupiers migration to Ahuriri and for Hastings, to Havelock North
- Napier CBD civic plaza planning is underway by NCC with Turley & Co workshop attendance
- MSD new Napier building (~3,200m² offices) with Crown tenants to vacate 1980s space Dalton/Vautier
- Investment yields/ cap rates for office properties were by early 2020 historically low and lower now (relative values high)

Turley & Co's *Macro* report lists Hawke's Bay office developments www.turley.co.nz/news-2/current.



CPO Building, Napier | T&Co Photo



Farming House, Hastings | T&Co Photo



Village Exchange, Havelock North | T&Co Photo

Refer to more overleaf ...

More Information

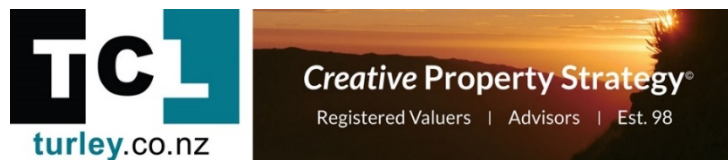
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