

Industrial Property Indicators[®] | Q1-2 2021 | Issue 33

Industrial Property Indicators for Napier, Hastings and Havelock North

Refer to coinciding 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	\$90 - \$120	+5 to +10%	4.5-6.5%	0 to 0.5%
Secondary	\$35 - \$90	+5 to +10%	6.5-8.5%	0.5 to 1.0%

Vacancy	Industrial	5% - 10% estimate Micro-locality considerations and quality dependant Overall ~7% approx.
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Rockit Irongate | The Profit Magazine

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

Contact Turley & Co for property metrics 1984-2021 and for Registered Valuer/ Registered Property Consultant assistance www.turley.co.nz/tcl-people/our-people

Hawke's Bay Industrial Property Highlights Q1-2 2021

- Investment yields/ cap rates for industrial properties were by early 2020 historically low and lower now (relative values high), although may have peaked about February 2021
- The Milk Kitchen at Whakatu sold for \$7.18m in April 2021 – cap rate 4.9% and lease term certain 6.7 years
- Hawke's Bay industrial land values have been increasing and in particular for Napier given relative scarcity
- The Hawke's Bay Airport new Watchman Road 10 ha Aero Park development opens up another industrial occupiers' option <https://www.nzherald.co.nz/hawkes-bay-today/news/hawkes-bay-airport-looking-to-develop-ahuriri-aeropark-as-travel-trade-and-tourism-hub/V54N257NKFSZ4ELKFRAIVL4VMY/>
- Bare industrial land supply for Hawke's Bay is considerable www.turley.co.nz/2020/10/20/industrial-focus-research-hawkes-bay-october-2020
- Food Innovation Hub (Foodeast) development at Tomoana to begin in September 2021 <https://www.nzherald.co.nz/hawkes-bay-today/news/building-of-hawkes-bay-food-innovation-hub-to-start-in-september/6KKG4MZ5ZJ6TID7THNVTOYFDOBQ/>
- Ziwu in 2020 announced a \$70m state-of-the-art petfood factory at Awatoto (including factory plant) – now underway www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12345377
- Existing industrial premises vacancy has moderated plus considerable new building
- Rent value divergence for new and existing industrial building stock is widely differentiated
- Havelock North and Ahuriri reduced industrial use with increases at Whakatu, Awatoto, Irongate, Omahu Rd and Elwood Road
- Centrally situated Whakatu is increasingly popular since the \$26m Arterial Link opened in 2019 with land now scarce

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



Watties Distrib. Ctr, Hastings | Erskin & Owen Photo



Sunfruit, Hastings | TCL Photo



Lineage Logistics, Hastings | Bayleys Photo

Refer to more overleaf...

More Information

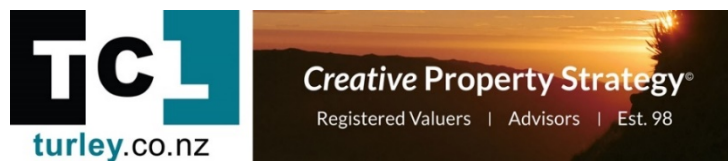
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Tim Whittaker Te Mata Peak Millennium Sunrise

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