

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

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%	4.75-6.5%	0 to 0.75%
Secondary	\$85 - \$200	0 to +5%	6.5-9.0%	0.5 to 1.5%

Vacancy	Prime Office Secondary Office	5% estimate 15% plus est. incl tertiary Some occupied offices 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 property metrics 1984-2021 and for Registered Valuer/ Registered Property Consultant assistance www.turley.co.nz/tcl-people/our-people

Hawke's Bay Office Property Highlights Q1-2 2021

- Investment yields/ cap rates for office properties were by early 2020 historically low and lower now (relative values high), although may have peaked about February 2021
- Westpac relocating to former Hastings Health Centre premises (old CPO)
- IMS building Hastings sold to Custom Case Nursing that will be moving from Napier
- Public Trust Hastings sold Aug 21 for \$1.55m at 4.8% with tenancy 5 years to run
- Hastings office market conditions improved given prior vacancy take-up, and CBD fringes vibrancy improvements
- Business HQ quarter (Queen Street) and former HBT (Tribune) building redevelopment occupied
- Heretaunga House abandonment for seismic reasons has removed supply
- Napier CBD civic plaza planning and spatial planning advancing
- MSD new Napier building almost complete (~3,200m² offices) with Crown tenants to vacate 1980s space Dalton/Vautier
- Seismic performance continues to be an office market influence and relative value consideration
- Some very high new premises rents apply with undisclosed inducements
- Continuing offices trends at Ahuriri and further building Havelock North (Joll Road)
- Napier continues to witness office occupiers migration to Ahuriri, and for Hastings migration to Havelock North

Turley & Co's *Macro* report collates 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

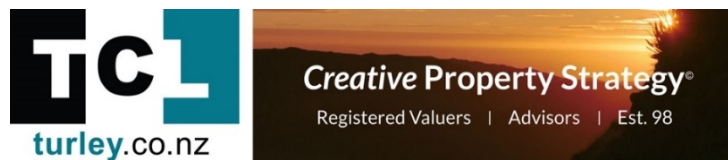
- Turley & Co news and reports www.turley.co.nz/news-2/current
- Economic indicators HB and NZ www.turley.co.nz/indicators
- Press www.turley.co.nz/press/latest
- Articles www.turley.co.nz/articles



Follow Turley & Co on LinkedIn www.linkedin.com/company/tcl-turley-co-ltd

Contact us www.turley.co.nz/tcl-people/our-people for specific commercial-industrial property and development land information, and other metrics (rents, yields, land values transactions, etc), property strategy and valuation advisory.

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 23-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 and may be incorrect. 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 and advisory.