

Office Property Indicators[©] | Q3-4 2021 and Q1 2022 | Issue 34

Office Property Indicators for Napier, Hastings and Havelock North

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

Offices Category	Rental Range Gross TOC Overall (\$/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%	0.25 to 0.75%
Secondary	\$90 - \$200	-5 to +5%	6.5-9.0%	0.5 to 1.5%

Vacancy	Prime Office Secondary Office	3% estimate 10% plus est. incl tertiary Some occupied offices are underutilised
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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 1984-2022 and for Registered Valuer/ Registered Property Consultant advisory www.turley.co.nz/tcl-people/our-people

Hawke's Bay Office Property Highlights Q3-4 2021 and Q1 2022

- Investment yields/ cap rates for office properties were historically low in 2021-22 although valuation factors may have peaked. *Refer to Macro report.*
- Westpac will be relocating to former Hastings Health Centre premises (old CPO).
- Public Trust Hastings sold Aug 21 for \$1.55m at 4.8% with tenancy 5 years to run.
- HBDHB Queen St W offices sold Dec-21 for \$1.45m at 4.83% with a new 8-year lease.
- Te Awanga combined retail and offices development is underway, with three units set to be complete by April 2022.
- 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 redevelopments occupied.
- Heretaunga House abandonment for seismic reasons has removed supply – to be demolished and future use of site uncertain.
- Napier CBD civic plaza planning and spatial planning advancing.
- MSD new Napier building complete (~3,200 sqm offices) with Crown tenants now vacated 1980s Dalton/Vautier space.
- Seismic performance continues to be an office market influence and relative value consideration.
- Office property effects still uncertain given remote working/ working from home likely to continue.
- Some very high new premises face rents have applied albeit with undisclosed inducements.
- 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



Joll Road Stage 1, Havelock North | T&Co Photo



MSD new Napier building | T&Co Photo

Refer to more overleaf ...

More Information

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- Economic indicators HB and NZ www.turley.co.nz/indicators
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