

## Macro Indicators<sup>©</sup> Report v2 | Q1-2 2019 | Report 29

### Macro + Predictions + Property Market Indicators

Refer to separate same date reports: *Retail, Office and Industrial*.

#### Key Observations | Hawke's Bay & New Zealand – refer to full report for predictions

- Hawke's Bays' economic conditions remain exceptionally buoyant. Confidence is high driven by a coincidence of fortunes across most sectors that lead the region's economy, underpinned by persistently low interest rates.
- Hawke's Bay property values have escalated impressively, although are not as hyped as Auckland and elsewhere. The commercial-industrial property investment market for most regional/ smaller centres of New Zealand remain strong.
- Government change effects for commercial property for Hawke's Bay and other regions, includes regional investment stimulus, and Hawke's Bay Regional Council activity augers well.
- We anticipate continuance of good rates economic growth in the near term for Hawke's Bay. NZ growth is projected to be more modest in 2019/20. Global growth is slowing alongside disinflation.
- The US initiated a trade war, Brexit outcomes and other uncertainties could have ripple effects for NZ and Hawke's Bay.
- Visy Titanium Park Hamilton Airport spectacular industrial sale at reputedly ~\$70m ~5% yield (building 36,320m<sup>2</sup>).

#### Sample NZ Cap Rates – more in full report

Tenant	Location	Price \$M	Date	Yield
Z Service Station	Auckland	\$5.95M	May-19	4.62%
Viridian Glass	Palmerston North	\$2.10M	Apr-19	4.86%
Allied Pickfords	Tauranga	\$4.50M	Sep-18	5.82%
McLaren Stainless	Hastings	\$6.30M	Mar-19	6.03%
The Warehouse	Hastings	\$19.76M	Dec-18	6.13%
Countdown	Dunedin	\$19.33M	Nov-18	6.34%
Vitaco Health	Auckland	\$27.50M	Sep-18	6.43%
Buddle Findlay House	Christchurch	\$17.10M	Sep-18	7.19%



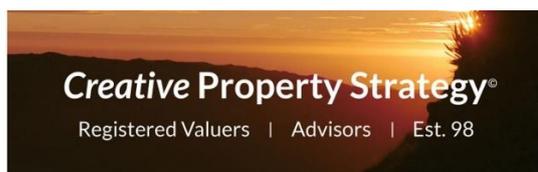
McLaren Stainless, Hastings | 6.03% Mar 19 | CBRE

#### Full Reports Access – ask us

Please email Turley & Co [people@turley.co.nz](mailto:people@turley.co.nz) for Q1-2 2019 current full reports: *Macro, Retail, Office and Industrial*. The full reports cite **65 transactions**.

Prior period full reports [www.turley.co.nz/2h18-property-market-reports-private](http://www.turley.co.nz/2h18-property-market-reports-private) and [www.turley.co.nz/news-2/current](http://www.turley.co.nz/news-2/current)

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