

Office Indicators[©] Report | Q1-2 2019 | Report 29

Office Property Indicators for Napier | Hastings | Havelock North

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

| 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 +15% | 6.0-8.0% | -0.5 to 0.5% |
| Secondary | \$85 - \$200 | 0% to +10% | 8.0-10.0% | 0.0 to 1.0% |



Village Exchange Upper Floor Offices | Photo TCL

Refer to Full Report for vacancy and inducements. Refer to Turley & Co for TOC definition and exclusions.

Hawke's Bay Office Property Quick Summary – refer to full report

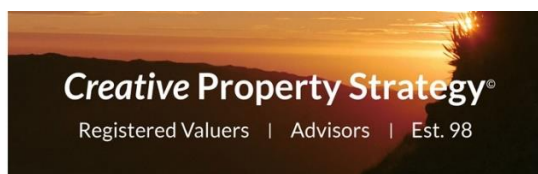
- Substantial Hastings Health Centre development was completed in 2019
- Developers offering very competitive new-build rents, with asset valuations maintained by firmer cap rates
- Napier office occupiers migration to Ahuriri – includes the Tech Collective – other tech hubs Havelock North established and planned for Hastings
- Havelock North is increasingly a significant office location alternative to Hastings – successfully for The Exchange with further developments underway and proposed
- State sector office demand contained since 2008 may expand 2019-20 given Government change (although currently not obvious)
- Hawke's Bays' economic boom is starting to pull the previously challenged existing buildings office market in an upward direction. Office rents for existing buildings are showing notable growth for the first time in a decade
- Hastings office market conditions improved by late 2018/19 given prior vacancy take-up (supply contraction), and CBD fringes vibrancy improvements including near the relatively new Business HQ (Queen Street)

Full Reports Access – ask us

Please email Turley & Co 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 and www.turley.co.nz/news-2/current

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