

Commercial Property

N E W Z E A L A N D

Informed news and commentary for property professionals

Issue 344: 30 March 2022

Commercial Property NZ is an independent subscription newsletter published 24 times annually.

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Annual email subscription
\$240 plus GST

Multiple subscription rates
available: please ask!

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ISSN 2253-3818

Website: www.sigma.co.nz

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A fashionable trend emerges in Auckland

Auckland International Airport is embarking on a major new retail development within the airport precinct, with what is planned as the country's largest purpose-built fashion outlet centre.

The \$200 million-plus development will offer around 25,000m² of retail space, with a mix of premium and designer brands - including international brands not readily available in New Zealand, and most of which will be offered at discounted prices.

The southern end of the former Aviation Golf Club is being prepared for construction of the building platform, along with the installation of roads, 1400 carparks and utility services.

Mark Thomson, Auckland Airport's General Manager Property and Commercial tags the development as "a major milestone for a project that we've been dreaming about for some time ..."

He says outlet centres are no longer places for fashion retailers to get rid of excess or factory seconds – "they have evolved into leading shopping destinations in their own right".

"Our vision is to create a landmark outlet shopping centre offering a unique retail and dining experience and mix of high quality international brands, with the bonus of easy transport connections right on its doorstep."

Thomson says the centre will create more than 500 jobs across 100-plus stores, including a high quality food and beverage precinct, making it an attractive destination in its own right.

It's expected to open in 2024.

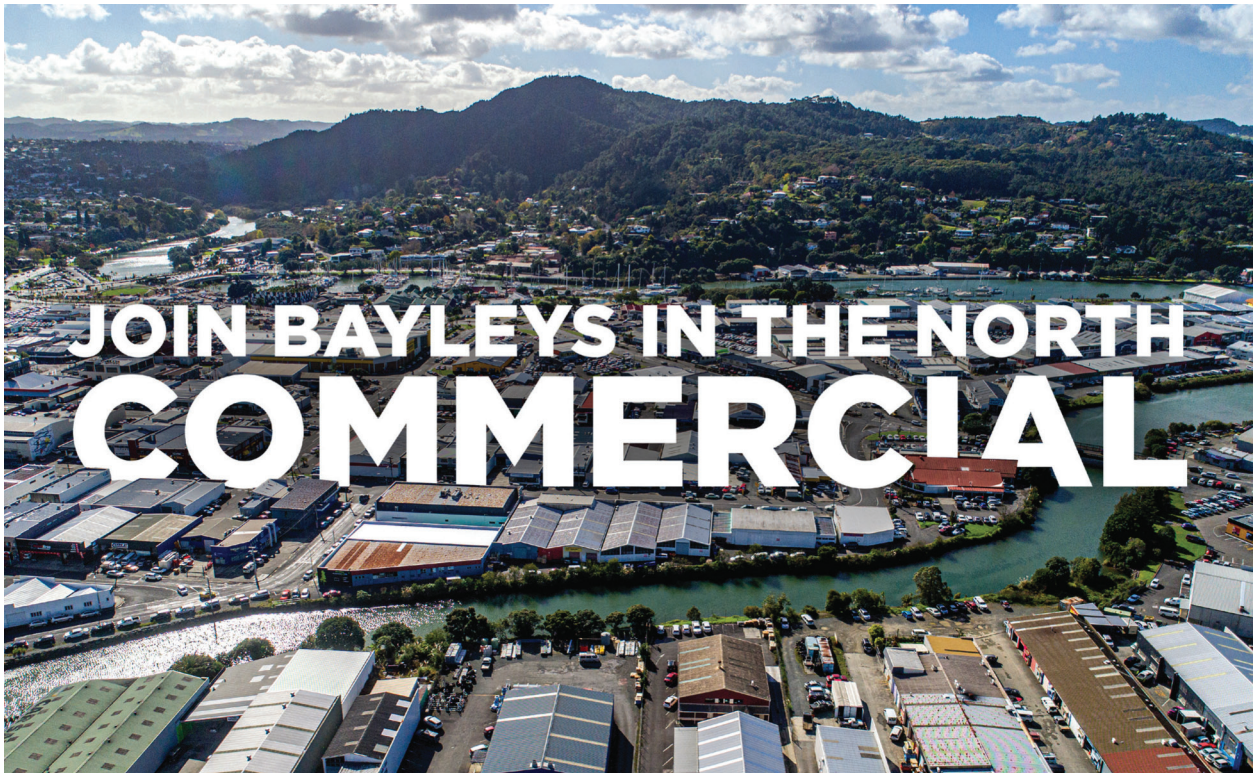
"Outlet centres that are located near airports overseas have proven to be an extremely robust retail asset class," Thomson says.

"Auckland Airport is New Zealand's gateway and with the international border about to reopen, we are confident the development is going to provide an exciting addition to the airport traveller experience."

Colliers has been appointed as leasing agents. Chief Executive, Mark Synnott, says the response from the market has already been extremely strong, with leasing interest from brands looking for purpose-built outlet centre developments that will deliver quality space.

"There's nothing like it in New Zealand and it's the type of premium development centre that international brands are looking for," he adds.

"Outlet centres are really well established overseas near airports, and one of the key attractions is accessibility and ease of parking. Most Aucklanders can reach the airport within 30 minutes and everyone knows where it is, something that is very appealing to brands that cater for the outlet shopping market." □



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A new look in central Takapuna

Plans for a massive mixed-use redevelopment that will change the face of central Takapuna have been revealed; actual construction is expected to start late next year.

The \$400 million project is a partnership between property development and investment company, Willis Bond, and Auckland Council controlled organisation Eke Panuku Development Auckland.

To be known as Takapuna Central, the development over five sites is opposite the long-established Shore City shopping centre and will surround the planned Anzac Square.

The development will be staged across the sites between 40 Anzac Street and 30-34 Hurstmere Road. The first stage, a 2760m² site fronting Anzac Street and adjacent to Potters Park, will become Takapuna Central Apartments, with 115 premium apartments designed to suit a range of different lifestyles.

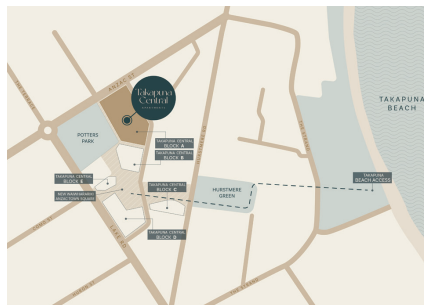
Willis Bond expects to launch Takapuna Central Apartments to market later this year with a range of one, two, and three-bedroom apartments and penthouses, with provision for resident parking in the building.

They are also taking expressions of interest for retail, office and hospitality space that are currently in early design stages.

This new development is the second urban regeneration partnership between the two organisations following their collaboration in Wynyard Quarter.

The apartments will be designed and constructed by the same team that developed the Wynyard Central project in Wynyard Quarter - architects Architectus and builders LT McGuinness. Willis Bond is targeting a Homestar 7 rating for sustainable design for the development.

Willis Bond Managing Director, Mark McGuinness, says the Development Agreement with Eke Panuku is "effectively a partnership designed to deliver high-quality buildings with cohesive urban design at front of mind". □



Some old ways still find favour

A new report suggests the country's property industry has stepped-up its investment in technology in response to Covid-19 and embraced new systems and processes at a faster rate than its Australian counterparts.

That said, six in 10 respondents to a survey conducted by the Property Council of New Zealand and software company Yardi, still depend on spreadsheets to assess the performance of their portfolios.

The survey of a senior group from across the sector sets a data baseline for what is expected to be an annual investigation into attitudes and actions influencing property technology.

"Property is New Zealand's largest industry, generating 15% of our economic activity, 9% of jobs and contributing more than \$41.2 billion to GDP," says Property Council New Zealand Chief Executive, Leonie Freeman.

"But until now, we've lacked access to information that sheds light on the market saturation and acceleration of the digital tools that drive value ..."

Almost two thirds (64%) of survey respondents said technology would play a pivotal role in reshaping their real estate portfolios in the next three years, while 95% said the disruption of Covid-19 had driven adoption of digital technology.

More than two thirds (68%) are now reported using Cloud-based productivity suites.

Eighty-six per cent of respondents thought New Zealand trailed the rest of the world for tech adoption – despite being further advanced than other markets in many areas: as an example, 77% of Kiwi property companies use a specialist accounting and finance system, compared with just 22% in Australia.

Freeman says Kiwis are always looking to work smarter ... "being small, lean and agile means we can pivot quickly towards new ideas and innovations".

Yardi Director, Bernie Devine, comments that the pandemic had taught New Zealand's property leaders "to prepare for ongoing unpredictability with new systems and processes that simplify complexity and enable flexibility".

Survey respondents noted business process automation (41%), big data analytics (27%) and artificial intelligence (18%) as the three technologies most likely to be adopted over the next three years.

“This survey gives property industry leaders a clear sense of where they stand and exposes areas for investment and focus,” Devine adds.

“Property leaders have emerged from the crisis with a new understanding of the role of the technology and we can expect investment to grow dramatically in the next few years.

Freeman adds that the report sets a baseline which demonstrates the property industry is proactive and positive about technology and adoption. “Technology is now at the core of every successful property business.” □

In brief

■ Fletcher Distribution Limited is seeking Commerce Commission approval to acquire six ITM stores, and a frame and truss manufacturing plant from Tumu Merchants Limited. The stores are in Gisborne, Napier, Hastings, Havelock North, Dannevirke and Masterton and the manufacturing plant in Hastings.

Both companies supply building materials and related goods and services to trade and retail customers.

FDL is a wholly-owned subsidiary of Fletcher Building Limited and owns the PlaceMakers network of hardware stores throughout the country and also operates frame and truss manufacturing plants across New Zealand. □

■ Fable Hotels & Resorts has added another property to its 5-star portfolio with the addition of Canterbury’s Terrace Downs Resort, which opened earlier in the month. An hour’s drive from Christchurch,



the resort features an 18-hole golf course, clubhouse, restaurant, conference and event facilities, activity centre and 25 luxury one, two or three bedroom Villas.

CPG Group Operations Manager, Ronnie Ronalde, says it’s the third property in the South Island under the Fable brand. □

■ Tainui Group Holdings – the commercial arm of Waikato-Tainui - has released details of its new brand identity, which chief executive, Chris Joblin, says reflects the strong growth the business is experiencing, including current projects such as the Ruakura Superhub “and in the future along the Hamilton to Auckland corridor”. □



■ Hamilton hospitality businesses have been offered financial assistance to keep the doors open during the Omicron outbreak, with the city council approving a 50% reduction in fees for food safety ‘verifications’ that take place before the end of June; these help operators meet the requirements around issues such as training, food storage, hygiene and other safety requirements.

Mayor Paula Southgate says this will put around \$60,000 back in the pockets of local businesses.

The council is already providing 50% rent relief to its tenants in the sector and waiving fees and charges for outdoor dining permits. □

■ Investment fund manager and syndicator, First Light Capital, has added a Hamilton office building to its portfolio. Located at 233 Collingwood St and tenanted by New Zealand Insurance, WorkSafe NZ, and Bayleys Real Estate; it’s been acquired for \$14 million (pictured below). The 1720m² property is on a 2152m² corner site that has 49 carparks. □

■ Bayleys reports that its first Total Property commercial auction in Auckland for the year saw 16 properties sold under the hammer for a total in excess of \$50 million with an 80% clearance rate. In Hamilton nine properties were sold for \$22.1 million – a 75% clearance. □

Recent deals

Compiled by the CPNZ editorial team

AUCTIONS

Auckland North

► Unit 1, 18 Link Drive, Wairau Valley, 280m² unit in bulk retail precinct sold at auction at \$1.136 million on 5.63% yield; renewed 3 yr lease in place to a furniture retailer, tenant since 2009 (Trevor Duffin/Michael Nees, Bayleys North Shore)

► 114 Kitchener Road, Milford, 600m² commercial premises on 311m² Town Centre-zoned site, sold at auction at \$2.45 million on 5.37% yield; lease in place to a health & fitness club for 20 yrs (Stephen Scott, Bayleys Auckland, Ranjan Unka, Bayleys North Shore)

Auckland Central

► 28 Thomas Peacock Place, St Johns, 356m² industrial unit (warehousing/offices/storage yard and parking) sold vacant at auction at \$2 million (William Gubb/Greg Hall, Bayleys South Auckland)

► 103 Barrack Road, Mt Wellington, block of shops with 6 tenancies on 936m² site, sold at auction at \$4.42 million on 3.6% yield (Logan Roach/Gareth Fraser, Colliers)

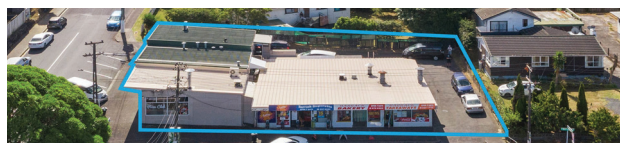
► 361 Church St, Penrose, 809m² site high-profile



SOLD at auction at \$1.136 million – Unit 1, 18 Link Drive, Wairau Valley



SOLD at auction at \$2.45 million – 114 Kitchener Road, Milford



SOLD at auction at \$3.42 million – block of Mt Wellington shops



SOLD at auction at \$1.76 million – 361 Church St, Penrose



SOLD at auction at \$1.36 million – 10-16 Station Road, Otahuhu

809m² site sold at auction at \$1.76 million (Ben Cockram/James Dickey, Colliers)

► Units 10 & 11, Sugartree development, 147 Nelson St, Auckland, two vacant gr fl commercial units, 69m² and 100m², sold respectively at auction at \$256,000 and \$282,000 (Dean Budd/Damien Bullick, Bayleys Auckland)

► 10-16 Station Road, Otahuhu, 391m² premises with four retail tenancies and warehouse on 567m² site, sold at auction at \$1.36 million on 3.92% yield; leases in place to restaurant/takeaway outlets and a butcher (Nicolas Ching/Jams Chan, Bayleys Auckland, Janak Darji, Bayleys South Auckland)

Auckland South

► 49A Springs Road, East Tamaki, 623m², 2-level premises with warehousing/showroom/offices, sold vacant at auction at \$2.295 million (Shane Snijder/Gino Perano/Nelson Raines, Bayleys South Auckland)

► 32 Rennie Drive, Mangere, 778m² warehouse on 1500m² site sold at auction at \$2.955 million on 3.25% yield (Tom Peterson/Paul Jarvie/Brad Johnston, Colliers)

Recent deals *continued*

► Unit 12, 630 Great South Road, Papatoetoe, 236m² warehouse with 2 carparks, sold vacant at auction at \$987,000 (Elliott Worsley/Karl Price/Nick Bayley, Bayleys South Auckland)

► 293 Kitchener Road, Pukekohe, 2.0252 ha land, consented for 18-lot residential subdivision, sold at auction at \$8.115 million (Shane Snijder/Peter Sullivan, Bayleys South Auckland, Kristina Liu, Bayleys Papakura)

Putaruru

► 38 Tirau St, Putaruru, 163m², 2-level mixed-use premises on 177m² site, sold at auction at \$505,000 on 7.97% yield; medical accommodation leased to a dental practice, self contained 2BR flat leased to a residential tenant (Willem Brown, Bayleys Hamilton)

Hamilton

► 35 Pembroke St, Hamilton, 208m² medical premises on 630m² site with 8 carparks, sold at auction at \$2.8 million on 4.35% yield; lease in place to Pacific Radiology to 2026 with 6+6+6 yr RoR (Alex Ten Hove/Luke Ten Hove, Bayleys Hamilton)

Te Awamutu

► 540 Wallace Terrace, Te Awamutu, 8.9973ha undeveloped land in Future Residential zone with

potential for approx 120 lots sold at auction at \$5.525 million (Alex Ten Hove/Luke Ten Hove, Bayleys Hamilton)

Rotorua

► 100 & 106 View Road, Mangakakahi, 200m² office block on largely vacant 2721m² industrially-zoned site, sold vacant at auction at \$1.75 million (Mark Slade/Damien Keenan, Bayleys Rotorua)

New Plymouth

► 77 Elliot Street, New Plymouth, 170m² mixed-use property on 629m² site, sold at auction at \$900,000; returning \$32,000 pa from an established medical tenant plus separate 1BR dwelling on lease to 2029 (Iain Taylor, Bayleys Taranaki, Jordan Davis, Bayleys Whanganui, Mitchell Boddy, Bayleys Palmerston North)

SALES

Auckland North

► Unit 1, 4 Munga Road, Silverdale, 106m² industrial unit with 1 carparks, sold

vacant at \$305,000 (Richard Moors/Christopher Moore, Bayleys North Shore)

► Unit F2, Interplex Business Park, 14-22 Triton Drive, Albany, 256m² 1st fl offices with five carparks, sold vacant at \$937,500 (Jane McKee/Tonia Robertson, Bayleys North Shore)

► Unit A3, Interplex Business Park, 63 Apollo Drive, Albany, 473m² office unit and 14 carparks, sold at \$2.37 million on 6.1% yield; 4 yr lease with RoR in place to a multinational tenant (Jane McKee/Tonia Robertson, Bayleys North Shore)

► Unit B, 79 Ellice Road, Wairau Valley, 916m² warehouse/office property sold at \$3.335 million on 4.47% yield; leased to a long-term tenant mid-way through 5 yr term with RoR (Jack Tuson/Matt Prentice, Colliers)

► Unit C, 79 Ellice Road, Wairau Valley, 378m² warehouse/office unit with 10 carparks sold at \$1.58 million on 3.87% yield; long-term tenant on 6 yr lease

(Jack Tuson/Matt Prentice (Colliers))

Auckland West

► 20 Kawakawa Place, Westgate, three new industrial units (warehousing/office/showroom over two floors) total 1210m², sold together at \$5.9 million on 4.15% yield (Stuart Bodes, Bayleys Auckland)

Auckland Central

► 9A Kirk St, Grey Lynn, 224m² 1st fl office space with 3 carparks, sold vacant at \$1.31 million (James Were/Ben Wallace/Phil Haydock, Bayleys Auckland)

► 50 & 52 Cook St, Auckland, 1732m² residential development site with consent for 15-level apartment building, sold at \$10.5 million (Owen Ding/James Chan, Bayleys Auckland)

► Unit 10, Steelworks complex, 13 Coles Ave, Mt Eden, 229m² gr fl office and mezzanine sold vacant to an owner-occupier at \$1.43 million (James Were/Phil Haydock, Bayleys Auckland)

Napier

► Units G01 and 101, 70 Tennyson St, Napier, 289m² commercial premises over two floors, sold at \$1.8 million on 5.49% yield; tenancies in place to national beauty business



SOLD by tender at \$1.5 million – 215 Main St, Pahiatua

Recent deals *continued*

Caci, Ecoefficient Solutions
NZ and florist Bloom
Bouquets (Mark Evans,
Bayleys Napier)

Pahiatua

► 215 Main St, Pahiatua,
828m² on 2909m² site
sold by tender by Greytown
District Trust Lands Trustee
to a national investor at \$1.5
million; 2 yr lease in place
to Farmlands at \$86,500
pa, Opex 7800 pa (Chris
Gollins/Olly Gollins, Gollins
Commercial)

Masterton

► Lot 7, The Poplars,
Ngaumutawa Rd, Masterton,
2027m² land sold by Luna
Holdings Ltd to a local
investor at \$631,000 (Chris
Gollins/Olly Gollins, Gollins
Commercial)

Greytown

► 48 Main St, Greytown,
760m² property on 2340m²
site, sold by tender by Arbor
Holdings Ltd to a national
investor at \$1.3 million
(Chris Gollins/Olly Gollins,
Gollins Commercial)

Hutt Valley

► 161-175 Randwick
Road, Lower Hutt, 509m²
retail property sold by New
Zealand Galvanising Ltd to
a local investor at \$839,000
(Kevin Dee, Gollins
Commercial)



SOLD by tender at \$1.3 million – 48 Main Street, Greytown



**SOLD by tender at \$839,000 –
161-175 Randwick Road, Lower Hutt**



**SOLD at \$573,600 –
industrial property at 12 Union St, Petone**



**SOLD at \$13.5 million – expansive site at
3518 State Highway 1, Riverlands, Marlborough**

► Units 18 and 20, 80
Eastern Hutt Road, Lower
Hutt, 296m² office space
sold by Jabez Developments
Ltd to Datamax Solutions Ltd
at \$420,000 (Gary Hansen,
JLL Wellington)

► Unit 8/5 Wakefield St,
Alicetown, 281m² mixed-
use property sold by S & V
Scheckter to T W Green &
S Caylor at \$480,000 (Gary
Hansen/Baha Mabruk, JLL
Wellington)

► 12 Union St, Petone,
128m² industrial property
with 3 carparks, sold by
tender by a private trust
at \$573,600 (Kevin Dee,
Gollins Commercial)

Nelson

► Arrow Motel, 24 Golf
Road, Tahunanui, 610m²
motel buildings and
manager's accommodation
on 1487m² site, 14
carparks, sold at \$1.642
million on 5.76% yield;
lease in place to 2046 (Gill
Ireland, Bayleys Nelson)

Marlborough

► 3518 State Highway 1,
Riverlands, 32.78ha site,
returning \$450,000 pa from
established vineyard (Mike
Poff/Grant Thorpe/Harrison
Martin/Zak Thorpe, Bayleys
Blenheim)

Recent **deals** *continued*

Christchurch

► Lot 1101, Iport Business Park, Hoskyns Rd, Rolleston, 6114m² bare industrial land sold at \$1,801,470 (Nick O'Styke/Harry Peeters, Bayleys Christchurch)

Timaru

► 12 Laughton St, Washdyke, 1352m² industrial property with 1200m² high-stud warehousing, 152m² offices and amenities on 8034m² site, sold vacant at \$2.175 million (Mark Parry, Bayleys Timaru)

LEASES

Hastings

► 101 Heretaunga St East, Hastings, 259m² retail premises with one carpark, leased by Raymond Road Trustees Ltd & Clive Grange Trustee Ltd to D&Z Great Wall Ltd on 2+2+2+2 yr term at \$36,000 pa, Opex \$9000 pa (Gary Wise, Gollins Commercial)

Porirua

► 15 Makaro St, Porirua, 1190m² industrial property

leased by The Woolstore Ten Ltd to High Performance Milling Ltd on 2 yr term at \$44,651 pa (Gary Hansen, JLL Wellington)

Wellington

► 12/24 Southampton Road, Miramar, 13m² office premises leased by Shock Ltd to Digitella Ltd at \$10,400 pa (Baha Mabruk, JLL Wellington)

► 222 Willis St, Te Aro, 517m² retail premises leased by Talent Quality Ltd to Capital Fitness Ltd on 10

yr term at \$178,365 pa (Jon Williams, JLL Wellington)

► Unit C, 58-60 Adelaide Road, Mt Cook, 125m² mixed-use premises leased by Steamboat Nominees Ltd to C J Dominic on 2 yr term at \$19,000 pa (Baha Mabruk, JLL Wellington)

► LJ1.11, 233 Lambton Quay, Wellington, 27.7m² retail premises leased by Bank Arcade Holdings Ltd to M Grigg on 3yr term at \$19,944 pa (Jim Wana, JLL Wellington) □

Your commercial deals can be listed here ... email the details to cpnz@sigma.co.nz

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