

# WELLINGTON INDUSTRIAL COLLIERS ESSENTIALS | 1H 2021



Vacancy rates increased from record lows over 2020 rising to 2.4% from the 2019 total of 0.9%. Despite the easing in conditions, vacancy continues to sit well below the 10-year average of 4.4%. Any further increases in vacancy, if any, are likely to be minimal given the rebound in tenant demand apparent over the second half of 2020.



The development sector's response to the extended period of tight market conditions across the region gathered momentum in 2020. Building consents for an additional 56,225 sqm of industrial floorspace were approved, the highest figure recorded by Stats NZ since 2010. The value of new consents reached a new record level of \$114,813,500. Lower Hutt generated the highest proportion of the new floorspace approved, accounting for just under 47 per cent of the total.



The low interest rate environment has resulted in heightened demand for industrial investment assets with the limited number of premises released to market generating high levels of competition from property funds, syndicators and high net worth individuals. Owner occupiers have also been active in the market. Demand for assets has driven yield compression which is likely to continue over 2021.



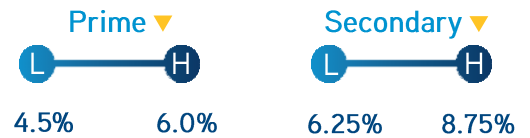
Having plateaued over quarter two, mild rental growth re-emerged over the second half of 2020 - the result of the rebound in tenant demand in the face of already tight market conditions. With these dynamics likely to persist over the course of 2021, further rental growth is anticipated with new benchmarks to be set by new high-quality developments.



## AVERAGE WAREHOUSE GROSS FACE RENTS (\$/SQM)



## AVERAGE YIELDS



## AVERAGE GROSS CAPITAL VALUES\* (\$/SQM)



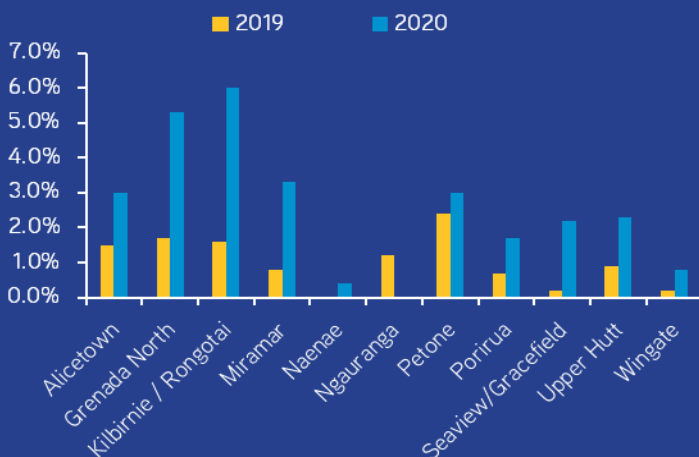
## VACANCY RATES



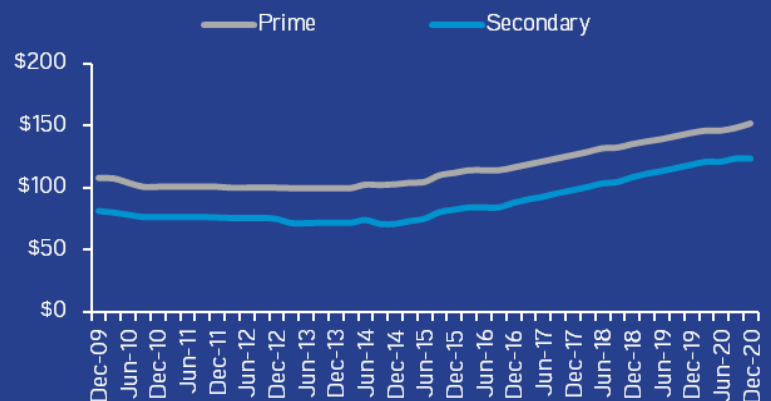
▲ ▼ ◀ ▶ Annual change

Data based on Dec 2020. Face rents, yields and capital values are based on averages across all precincts. Financial figures exclude buildings in the development pipeline.

## WELLINGTON INDUSTRIAL VACANCY - BY PRECINCT



## WELLINGTON INDUSTRIAL WAREHOUSE AVERAGE GROSS FACE RENTS



# MARKET INDICATORS BY PRECINCT



## NOTABLE TRANSACTIONS



**180-202 HUTT ROAD,  
KAIWHARAWHARA**  
\$23,500,000



**32 JAMAICA DRIVE,  
GRENADA NORTH**  
\$14,750,000



**26-32 HAUTONGA STREET,  
PETONE**  
\$7,000,000

## FOR MORE INFORMATION:

**Chris Dibble**  
National Director  
Colliers Partnership, Research & Communications

**Ian Little**  
Associate Director  
Research

**Tim Julian**  
Associate Director  
Industrial

**Jeremy Simpson**  
Director  
Valuation & Advisory Services

**Adrian Goh**  
Analyst  
Research

Colliers International  
Level 27, SAP Tower  
151 Queen Street, Auckland  
+649 3581888

