

AUCKLAND METROPOLITAN OFFICE COLLIERS ESSENTIALS | 1H 2019



Market Snapshot



The overall metropolitan office vacancy rate increased to 6.4% in March 2019, compared to 6.0% a year ago. However, vacancy for prime buildings decreased from 5.4% to 4.8%.



There is just under 40,000 sqm of office space under construction in the Auckland metropolitan market, representing 2.3% of current total stock.



The average prime metropolitan office net face rent increased by 3.6% in the last year. The average prime investment yield firmed by 56 basis points. This has led to the average prime capital value rising by 12.5%.



Competition remains high for metropolitan office properties, driving up prices. There was a 2% increase in total sales value in 2018 compared to 2017 despite total sales volumes decreasing by 13% over the same period.



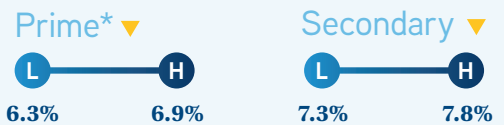
Prime average yields across metropolitan Auckland range between 6.3% and 6.9%, however, there are a number of properties selling for sub-6% yields, depending on location, tenant covenant and price range. Due to low interest rates and high levels of competition, we expect yields to remain firm.



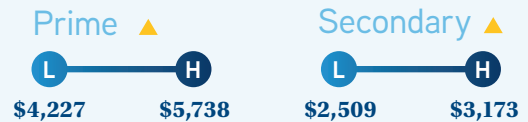
AVERAGE NET FACE RENTS (\$/m²)



AVERAGE YIELDS



AVERAGE NET CAPITAL VALUE* (\$/m²)



VACANCY RATES

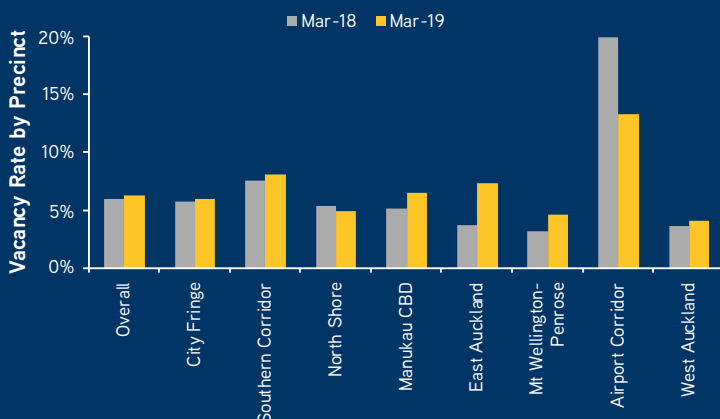


NEW SUPPLY

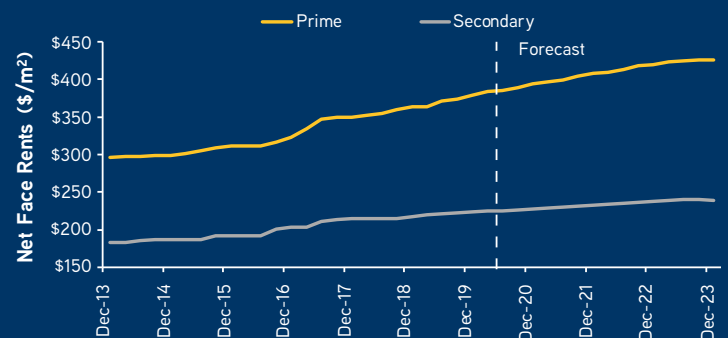


Data based on March 2019. Face rents, yields and capital values are based on averages across all precincts and does not represent the minimum or maximum rates being achieved. Financial indicators exclude buildings in the development pipeline. *Prime is an average of new and existing A-grade premises.

Auckland Metropolitan Vacancy



Auckland City Fringe Office Rentals



Source: Colliers International Research

Market Indicators by Precinct



55 CORINTHIAN DRIVE, ALBANY
UNDER CONSTRUCTION
APEC PROPERTY DEVELOPMENT



74 ST GEORGES BAY ROAD, PARNELL
UNDER CONSTRUCTION
MANSONS TCLM



33 BROADWAY, NEWMARKET
COMPLETED
MANSONS TCLM

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