

CHRISTCHURCH OFFICE

COLLIERS ESSENTIALS | 2H 2018



Market Snapshot - 12 Month Comparison



There has been a sharp decline in CBD office development over the past year. The peak of development activity in 2015 of approximately 142,500 sqm is just 9,500 sqm in 2018.



Suburban relocations, internal CBD churn and smaller tenants leasing activity will erode tenant options despite an aggregate 20% vacancy rate.



Assisting tenant growth is the more accommodative net face rents available that typically range between \$350 and \$370 per sqm, or net effective rents of \$280 and \$320 after including incentives.



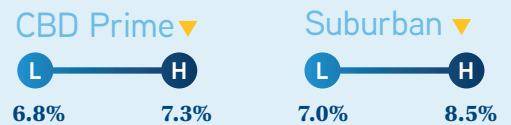
Investment demand will remain solid from locals, North Island and overseas purchasers, keeping yields firmly at current levels for the next 12 months.



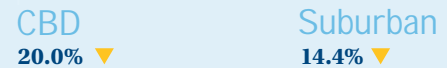
AVERAGE NET FACE RENTS (\$/m²)



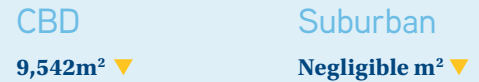
AVERAGE YIELDS



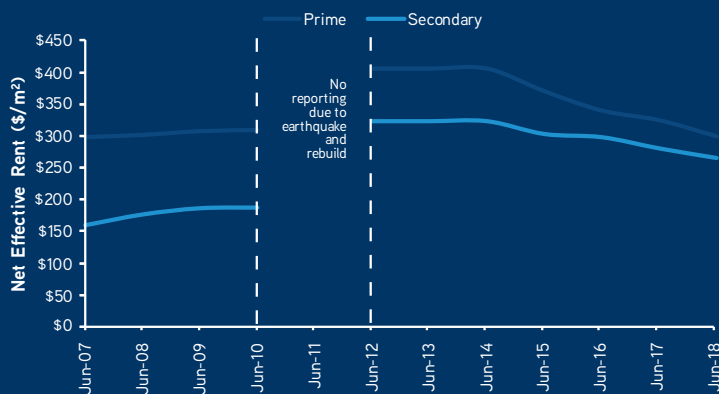
VACANCY



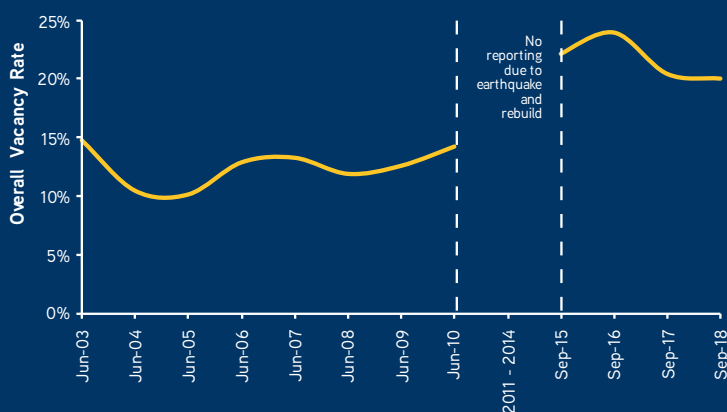
SUPPLY - UNDER CONSTRUCTION



Christchurch CBD Office Average Net Rents



Christchurch CBD Office Vacancy



Source: Colliers International Research

Financial data based on June 2018 and physical data based on September 2018. Face rents and yields 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.



OPUS HOUSE,
12 MOORHOUSE AVENUE
SOLD \$37,700,000 | 7.30% YIELD
PURCHASER | PRIVATE INVESTOR



TAVENDALE & PARTNERS BUILDING,
329 DURHAM STREET
SOLD \$17,799,500 | 6.10% YIELD
PURCHASER | PRIVATE OVERSEAS INVESTOR

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