

WELLINGTON CBD OFFICE

COLLIERS ESSENTIALS | 2H 2018



Market Snapshot - 12 Month Comparison



Office space in Wellington's CBD remains tight even with the completion of two new prime office buildings (25,180 sqm) and two major office refurbishments (16,430 sqm).



New gross rental benchmarks are being achieved with limited tenant incentives due to a strong occupier demand environment.



Yields have firmed a further 25 bps compared to a year ago. Seismic issues remain a focus for any occupier and investor in Wellington.



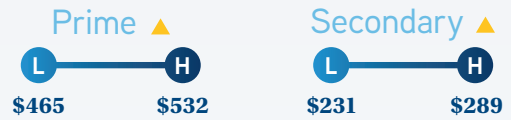
Precinct Properties have announced two more buildings at the Bowen Campus adding around 22,000 sqm to the development pipeline. Expected completion is for late 2021.



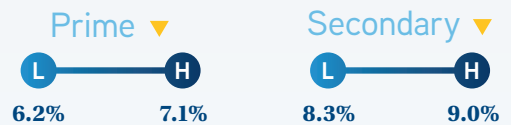
Offshore investor Credit Suisse purchased the HSBC Tower at 195 Lambton Quay for \$102.5 million. This was the second office asset over \$100 million to sell to an offshore purchaser in 2018.



AVERAGE GROSS FACE RENTS (\$/m²)



AVERAGE YIELDS



AVERAGE CAPITAL VALUES* (\$/m²)



VACANCY

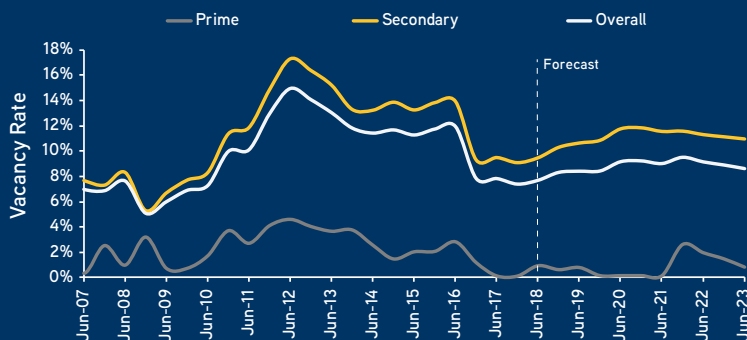


SUPPLY



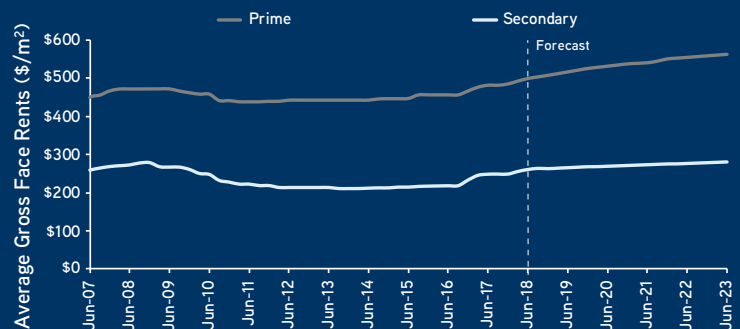
Data based on June 2018. Face rents, yields and capital values are based on averages across all precincts. Figures exclude buildings in the development pipeline. *Based on gross face rents.

Wellington CBD Office Vacancy Rate



Source: Colliers International Research

Wellington CBD Office Average Gross Rental



Whilst all care has been taken to provide reasonably accurate information within this report, Colliers International cannot guarantee the validity of all data and information utilised in preparing this research. Accordingly, Colliers International New Zealand limited, do not make any representation of warranty, expressed or implied, as to the accuracy or completeness of the content contained herein and no legal liability is to be assumed or implied with respect thereto.

© All content is Copyright Colliers International New Zealand Limited 2018 (Licensed REAA 2008) and may not be reproduced without expressed permission.



Market Indicators by Precinct

Thorndon	
Prime	Secondary
\$455 ▲	\$288 ▲
6.63% ▼	8.63% ▼
0.00% ◀▶	2.48% ▼

Core	
Prime	Secondary
\$588 ▲	\$341 ▲
6.25% ▼	7.88% ▼
1.47% ▲	8.52% ▲

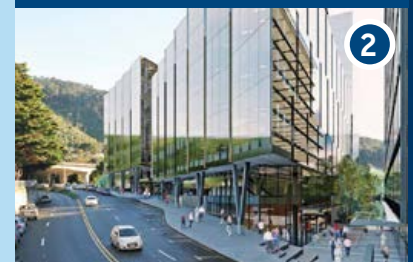
CBD Fringe	
Prime	Secondary
\$453 ▲	\$223 ▲
7.00% ▼	8.94% ▼
0.72% ▼	7.33% ▼

Te Aro
Overall
\$189 ▲
9.31% ▼
15.63% ▼

Key	Prime Grade: Average of Premium & A-Grade	
	Secondary Grade: Average of B-Grade & Lower	
	Average Office Gross Face Rent (\$/m ²)	Annual Change
	Average Market Yield (%)	Annual Change
Vacancy Rate (%)	Annual Change	



BOWEN CAMPUS, 34-38 BOWEN STREET, BOWEN CAMPUS, UNDER CONSTRUCTION | 38,400M² | Q1 2019 | PRECINCT PROPERTIES



BOWEN CAMPUS, 40-44 BOWEN STREET, BOWEN CAMPUS, UNDER CONSTRUCTION | 22,083M² | Q4 2021 | PRECINCT PROPERTIES



DELOITTE HOUSE, 20 CUSTOMHOUSE QUAY, COMPLETED | 17,000M² | Q2 2018 | NEWCREST AND WILTON CAPITAL

FOR MORE INFORMATION:

Chris Dibble
Director
Research & Communications

Richard Findlay
Managing Director
Commercial Sales & Leasing

Emily Duncan
Research Analyst

Colliers International
Level 27, SAP Tower
151 Queen St, Auckland
+64 9 358 1888

Jim Pinson
Director
Commercial Leasing

Elena Christodoulou
Research Analyst

Josh Lee
Research Analyst & Coordinator

