

# NORTH SHORE METROPOLITAN OFFICE COLLIERS ESSENTIALS | 1H 2019



## Market Snapshot



Occupier demand remains buoyant with the prime vacancy rate for North Shore office space decreasing to 2.8% in March 2019, compared to 6.4% a year ago. Vacancy for secondary buildings increased marginally from 5.2% to 5.6%.



Development is underway on 55 Corinthian Drive, Albany that will add over 6,000sqm to North Shore's total office supply. The development represents 1.6% of the total supply in the North Shore.



Competition for office space investments remain high. Average prime yields firmed by 20 basis points from 6.5% a year ago to 6.2% in June 2019.



Average net face prime rents increased by 3.6% from \$278 per sqm a year ago to \$288 per sqm in June 2019. New-build premises will often achieve rents above \$400 per sqm.



Major infrastructure developments underway in the North Shore will provide strong fundamentals for occupier and investor demand.



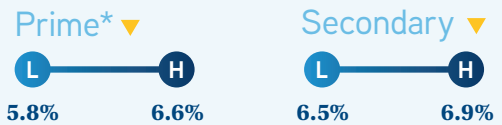
Office transaction activity increased by 40% from \$129 million in 2017 to \$181 million in 2018. Notable recent transactions include 33 Corinthian Drive, 62-64 Anzac Street and 5 the Warehouse Way.



### AVERAGE NET FACE RENTS (\$/m<sup>2</sup>)



### AVERAGE YIELDS



### AVERAGE NET CAPITAL VALUE\* (\$/m<sup>2</sup>)



### VACANCY\*\*

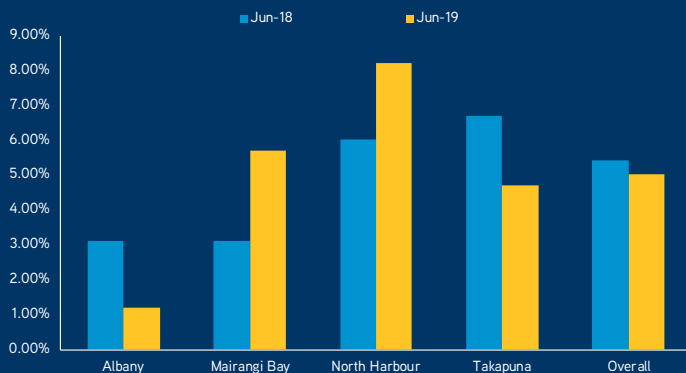


### NEW SUPPLY



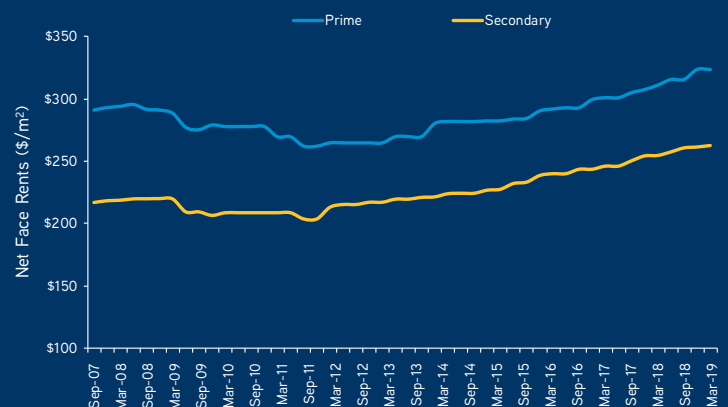
Data based on June 2019. Face rents, yields and capital values are based on averages across all North Shore precincts and does not represent the minimum or maximum rates being achieved. Financial indicators exclude buildings in the development pipeline. \*Prime is an average of new and existing A-grade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

## North Shore Metropolitan Overall Vacancy by Precinct

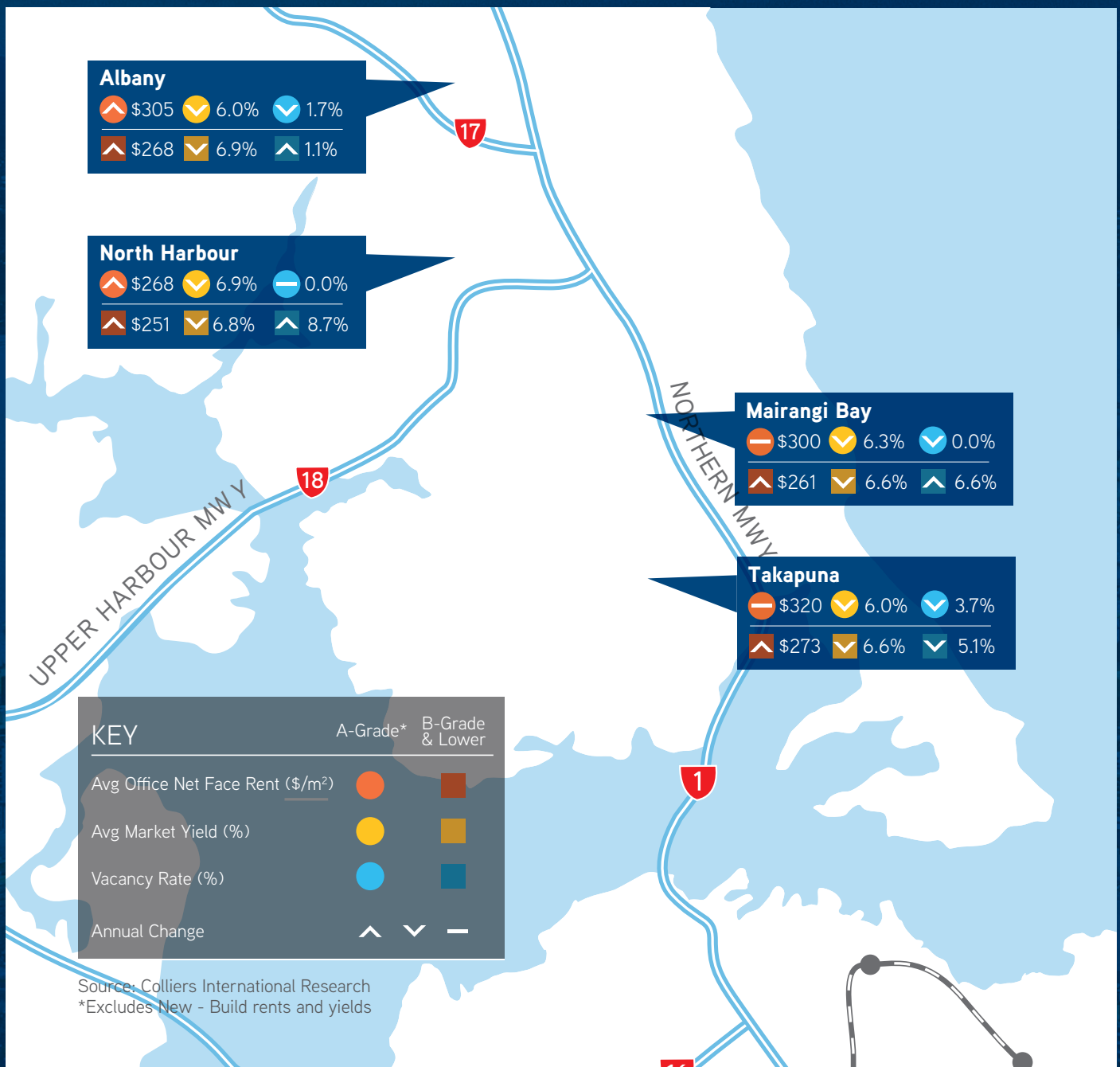


Source: Colliers International Research

## North Shore City Office Rentals



# Market Indicators by Precinct



**55 CORINTHIAN DRIVE, ALBANY**  
UNDER CONSTRUCTION  
APEC PROPERTY DEVELOPMENT



**3-5 ORACLE DRIVE**  
UNDER CONSTRUCTION  
MATVIN GROUP



**BUILDING TWO,**  
**84 DON MCKINNON DRIVE, ALBANY**  
PROPOSED

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