

Property View

Quality industrial properties
and business park projects.

2016

Welcome

Connecting people and property, perfectly.

Our annual Industrial Property View for 2016 presents a selection of high quality industrial projects for occupation and investment in both Auckland and Canterbury. There are also a number of properties from the established Australian markets.

The industrial market continues to outperform and interest in this sector has never been higher. Our research reflects the depth of the market and the increasing focus and importance of this asset class. David Arlidge and Campbell Taylor, our respective industrial directors, also provide updates in both regions.

Knight Frank continues to grow in New Zealand and our third office was recently opened in the Auckland CBD. Our private, locally owned business ensures we are able to provide the best service for clients while leveraging the global strength of what is the world's largest privately-

owned real estate services brand. It simply sets Knight Frank apart – where the goal is not to be the biggest, but to provide a high quality service to its clients, at its core.

The 2016 Industrial Property View continues to enjoy support from those organisations which focus on delivering good quality developments. We hope you enjoy this edition.



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Build it and the tenants will come.

It's the year of industrial development as the market responds to unprecedented low vacancy and a surge in occupier demand.

The supply of new industrial buildings in Auckland will top 250,000 square metres by the end of 2016, a trend we are likely to see through 2017 as well. The majority of this new development is centred in South Auckland and is being completed by the major industrial developers. The positive flow on effect is the easing of the extremely low vacancy rates as occupiers leave behind vacant buildings to move into their new facilities. With overall industrial vacancy at sub 2% and prime vacancy at a staggering 0.5%, the market needs this supply to allow firms to grow, employ and invest.

New Zealand's low interest rate environment and strong business growth has seen the continued demand by firms looking to own their own properties, particularly in the under \$5 million market. Local investors have continued their preference for industrial property, looking to reposition capital into a market that shows no sign of letting up, prepared to buy at low yields with a view to seeing growth in both rental and capital return.

For occupiers looking to lease or buy, the extremely low vacancy rates limit options and extend the time spent to find the "right" property. The process needs to start at least 18 months out from expiry to ensure the best outcomes can be achieved.

Investors are extremely active; buying, selling and repositioning capital into newer premises and disposing of older investment stock. Smart investors are willing to accept initial low yields and short term leases in the comfort the market will lift the returns and tenants will renew. There is no or little discount for risk in this market.

This year's Property View profiles a number of speculative developments and existing buildings either coming available or available now for occupation. We also have a few investment opportunities listed as well.

Please feel free to get in touch with one of the team and let us know how we can assist you with your industrial property requirements.

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“ It's the year of industrial development as the market responds to unprecedented low vacancy. **David Arlidge**”



Industrial Market Overview

The Auckland industrial market has been very positive heading into 2016 as the unprecedented demand from both occupiers and investors has caused constraints in the market.

Vacancy rates are continuing to decline to record lows as new supply has struggled to keep up with demand with development being slow for the past 24 months. As a result the rental market has heated up with industrial rentals rising sharply over the past 12 months as occupiers are struggling to find space. The high occupier demand, low interest rates, strong investor confidence and competition between occupiers and investors has caused sale prices to rise and yields to contract to record levels. The market is showing little signs of slowing with 2016 looking to be a record year.

Strong Demand Exceeds Supply

Occupier demand continues to grow as the construction, manufacturing and distribution sectors remain buoyant given the strong economic climate and business confidence. Occupiers are continually searching for higher quality and larger premises with supply unable to keep up with the increased demand. This has caused vacancy rates to fall to record low levels across the board with current vacancy levels in Mount Wellington, Penrose and Onehunga showing the biggest decline currently below 2%, whilst vacancy within East Tamaki has remained low currently below 3%.

Developers who have land banked essentially control new supply and are seeing the benefit of their actions from increasing land prices and an increased buyer pool of investors seeking out modern buildings with strong tenant covenants. The lack of industrial zoned land available for development has caused prices to increase to upwards of \$400 per square metre in the popular South Auckland localities increasing to over

\$500 per square metre for centralised localities. The increasing cost of land coupled with increased construction and labour costs is causing pressure on the margins for a number of developers causing further pressure on supply.

As the land in the popular suburbs continues to be increasingly scarce, there has been an increase in the number of occupiers and developers purchasing land further abroad from the popular localities in order to meet their size and cost requirements. An example is the new industrial area along Oruarangi Road, adjacent to Auckland Airport which is becoming increasingly popular with occupiers given the large site sizes and close proximity to Auckland Airport. Land values in the area continue to rise; Knight Frank has recently sold a 1.04 hectare site at 576 Oruarangi Road, Mangere for \$380 per square metre. Comparing this with the price that would have been achievable 18 months ago in the vicinity of \$250 - \$300 per square metre, it is evident land value prices are growing at a rapid rate. Knight Frank forecasts land value growth will continue through 2016.

Current Stock and Building Consents

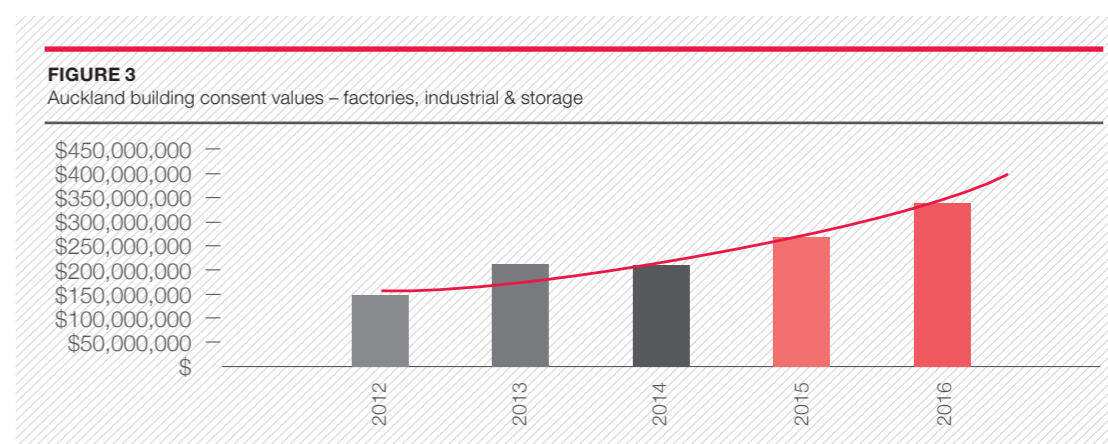
The following charts outline the total number of properties and total floor area per suburb. For the South Auckland Industrial areas, East Tamaki leads the way with 32% of the total number of industrial properties and caters for 27% of the total floor area.

East Tamaki is also the home to the Goodman owned Highbrook Business Park which commenced construction in 2004 and has been very successful. Set over 107 hectares, it delivers prime commercial and industrial design and build leaseback space options.

The upward trend for industrial building consent values has continued with Q3 2015 – Q2 2016 seeing 149 applications totalling nearly \$340 million dollars. The building consents from the last 12 months show that just over 330,000 square metres of new industrial stock will be introduced to the market in the coming 12 months. There has been a consistent trend of increasing building consent numbers over the past 24 months as the new supply struggles to keep up with demand. The increasing trend in new supply is likely to continue over the next 12 months as a number of the heavyweight developers such as Goodman, Southpark, James Kirkpatrick Group Limited and AIAL look to take advantage of the strong occupier demand with new design and builds. The indications are the increased new supply will assist in easing the current shortage as the buildings become available in 2017.

Industrial Rents Surge

The strong occupier demand coupled with the shortage in supply has caused South Auckland Industrial rents to surge across the board. Rental levels of prime and secondary grade properties have increased over the past 12 months, with new design and



builds in the central localities leading the way. Knight Frank is aware of prime industrial buildings reaching levels of upwards of \$125 per square metre for warehouse space and \$230 per square metre for offices. We anticipate the trend likely to continue throughout 2016 whilst vacancy rates remain at an all-time low. The secondary industrial market is receiving the overflow benefits from the lack of prime stock available. With strong demand for prime quality space, coupled with the shortage of supply and the resultant increase in rentals, some occupiers are looking to secondary stock and carrying out purpose built fitouts and alterations. The result being that rental levels and demand for secondary stock has increased greatly over the past 12 months with rental rates in the main South Auckland Precincts ranging from \$85-\$100 per square metre over the warehouse.

Landlords are becoming more

aggressive in their approach to letting up premises compared to 24-36 months ago. The low vacancy rates have meant incentives have all but disappeared from the market place where they were typically present after the GFC. The length of lease terms have also increased with occupiers being required to sign up to longer lease terms in order to secure premises given the increasing competition. This coupled with the lack of alternative premises to move to at expiry has well and truly made it a landlords market. The increase in rentals here also meant tenants have to stomach sizeable rental increases as market review dates fall due. Knight Frank has seen evidence of rental levels increasing at a rate of over 5% per annum in the past 12 months. We anticipate this trend to continue throughout 2016; however with the new supply coming online in 2017 we expect the inflationary pressure to slow.



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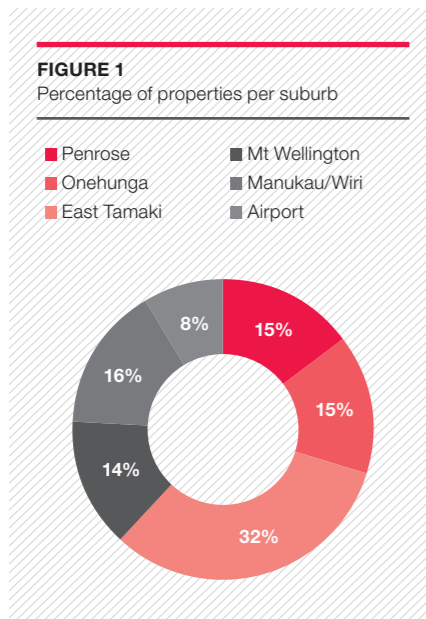


FIGURE 2
2016 vacancy % outlook

Suburb	July 2016 Vacancy %
Penrose/Onehunga	1.9%
East Tamaki	2.7%
Mount Wellington	1.2%
Manukau/Wiri	2.4%
Airport Corridor	1.9%

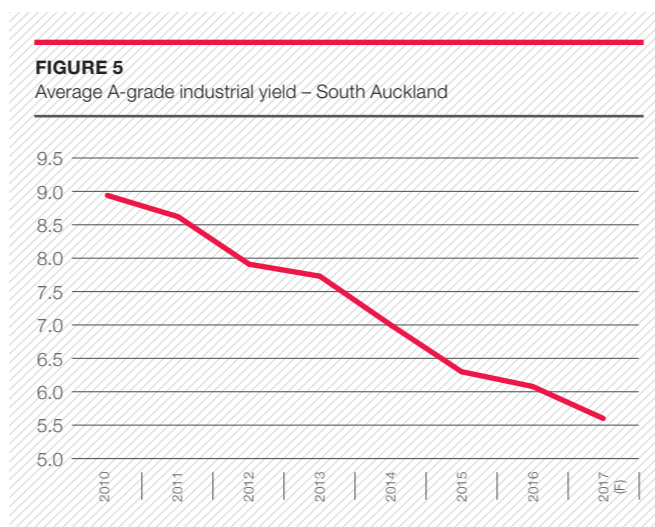
Industrial Yields Continue to Contract

Sale prices are continuing to increase at a faster rate than rents, causing yields to contract. Prime industrial yields have fallen to record lows with Knight Frank seeing yield continuing to fall with increasing numbers of sales transacting at sub 6%. An example is a building that Knight Frank has recently sold at 66 Cryers Road, East Tamaki which sold for \$11,333,000 in May 2016 for 5.90% which illustrates the demand for modern-high quality investments and the contraction of yields.

The shortage of stock has seen owner occupiers compete with investors in order to secure premises which is further driving up sale prices and contracting yields. Over the past 12 months the average prime industrial yield sat just under 6.40%. Yields for prime industrial properties have fallen by 25 - 50 basis points over the past 12

months with typical yields ranging from 5.50% - 6.50% for Prime offerings.

Low interest rates and the strength of the growing economy continue to motivate investors and syndicators who are chasing a competitive yield. The shortage of properties being marketed for sale has driven a highly competitive market place and firming of yields. Knight Frank is forecasting that this trend will remain consistent through 2016 with further contraction of yields and the average prime industrial yield to fall below 6%.



In Conclusion

The overall outlook on the New Zealand economy is positive in many respects and prospects are looking good for this to continue into 2017. Record low interest rates and a definitive shortage in supply of quality stock and available land, will continue to contract yields and place upwards pressure on rentals. Demand for prime offerings will remain positive with overflow benefits being realised by the secondary market. We expect the market to remain in positive territory for the short to medium-term, although indications are pointing towards the market nearing its cyclical peak.

FIGURE 4
South Auckland – prime industrial \$sqm rates

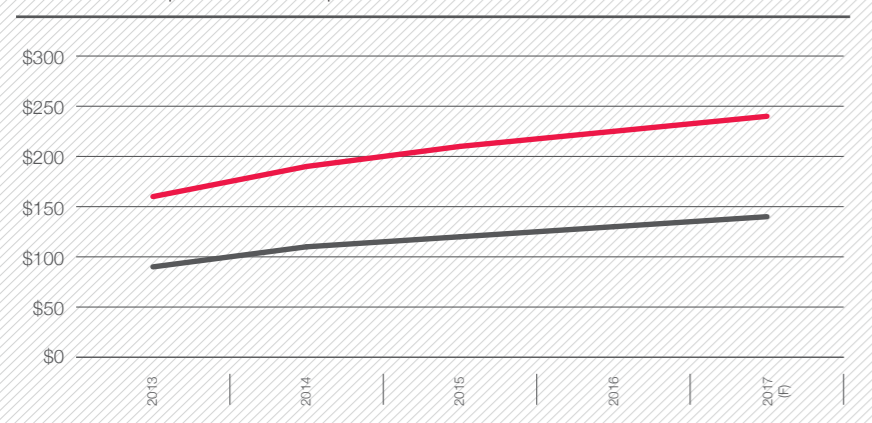


FIGURE 6
Industrial sales & investment yields

Address	Suburb	Sale Price	Floor Area	Yield	Sale Date	Prime/Secondary
Lorien Pl	East Tamaki	\$1,100,000	600	Vacant	Jun-16	Secondary
Lorien Pl	Manukau	\$2,500,000	1,390	6.00%	Nov-15	Secondary
Hill St	Onehunga	\$4,471,000	1,044	Undisclosed	Jul-16	Secondary
Stonedon Dr	East Tamaki	\$4,850,000	3,480	Vacant	Jul-15	Prime
Harbour Ridge Dr	Wiri	\$8,200,000	2,675	5.88%	Aug-15	Prime
Neilson St	Onehunga	\$8,833,333	6,309	7.49%	Jun-15	Prime
Echelon Pl	East Tamaki	\$8,500,000	4,153	Vacant	May-16	Prime
Cryers Rd	East Tamaki	\$11,333,000	6,000	5.9%	May-16	Prime
Carbine Rd	Mt Wellington	\$11,638,000	5,527	6.00%	Sep-15	Secondary
Jarvis Way	East Tamaki	\$13,000,000	1,735	5.50%	Oct-15	Prime
Church St	Penrose	\$16,500,000	8,388	6.85%	Feb-16	Secondary

Market Predictions

- Strong demand suggests the industrial market will remain buoyant into 2017
- Increasing pressure on B-Grade industrial rents and yields from Prime demand overflow
- Yields will continue to contract throughout 2016
- Increased demand from owner occupiers as low cost of funds make purchasing more affordable than renting
- As increased supply becomes available in 2017 rental inflationary pressure will slow

FIGURE 7
Market analysis

	Warehouse		Office		Market Yield		Land Value	
	Prime	Secondary	Prime	Secondary	Prime	Secondary	< 1 ha	> 1 ha
Penrose/Onehunga	\$115-\$130	\$85-\$105	\$200-\$250	\$175-\$195	5.50%-6.25%	6.75%-7.50%	\$550-\$600	\$450-\$550
East Tamaki	\$105-\$120	\$85-\$100	\$190-\$240	\$160-\$185	5.75%-6.50%	7.00%-7.75%	\$500-\$600	\$400-\$450
Mount Wellington	\$115-\$130	\$85-\$106	\$200-\$250	\$175-\$195	5.50%-6.25%	6.75%-7.50%	\$550-\$600	\$450-\$550
Manukau/Wiri	\$105-\$120	\$85-\$95	\$180-\$220	\$155-\$175	5.75%-6.50%	7.00%-7.75%	\$400-\$525	\$350-\$450
Airport	\$105-\$120	\$85-\$100	\$190-\$220	\$160-\$185	5.75%-6.50%	7.25%-8.00%	\$400-\$525	\$400-\$450
Avondale	\$105-\$120	\$75-\$95	\$200-\$225	\$130-\$170	6.00%-6.75%	6.75%-8.00%	\$500-\$600	\$400-\$500

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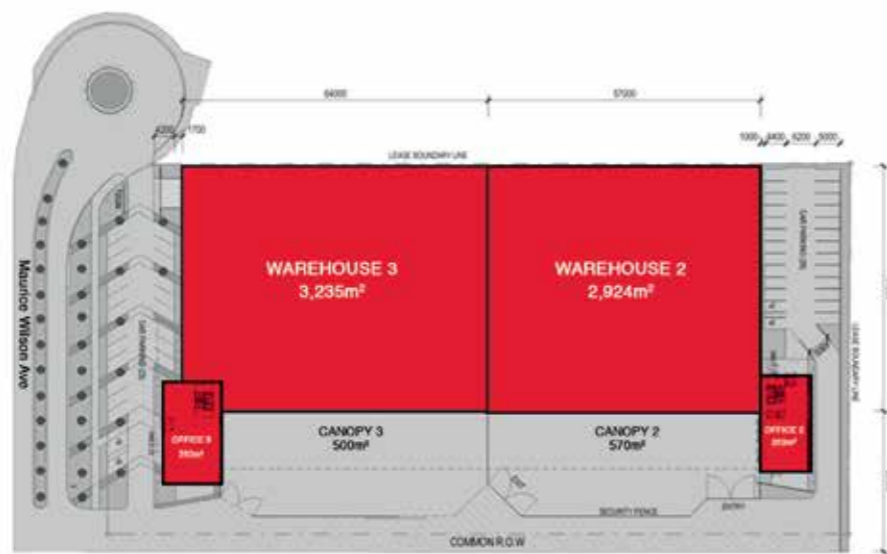


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AUCKLAND

AUCKLAND

15 Maurice Wilson Avenue

THE LANDING, AIRPORT PRECINCT

Auckland Airports latest speculative development on The Landing in Maurice Wilson Avenue. Join DHL, Fuji Xerox and Mercedes in this stunning business park environment. Take advantage of all the amenities Auckland Airport has to offer being close to shops, restaurants and hotels.

The development offers two quality warehousing facilities of between 3000 and 3,200 sqm. Both feature secure drive through yards, large loading canopies and smart efficient office space. The nine metre stud height allows for efficient racking systems and huge cubic efficiency. The yards allow room for container handling and safe truck movements.

Available mid 2017.

PROPERTY DETAILS

Warehouse	3,235 sqm or 2,924 sqm
Office	250 sqm or 200 sqm
Canopy	560 sqm or 570 sqm

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15 Timberly Road

AIRPORT PRECINCT

The paint's dry, the roller doors are in, now it's ready to occupy. Only two of the four units remain in this outstanding development by Auckland Airport. Choose between 2,000 sqm and 2,500 sqm plus adjoining office. Both units offer massive cubic capacity provided by the 9.4 metre stud height and column free construction. Smart use of roller door canopies allow year round weather protection and efficient office space all adds up to provide excellent value and efficiency for the occupier.

PROPERTY DETAILS

Warehouse	2,446 sqm or 1,929 sqm
Office	315 sqm or 190 sqm
Canopy	708 sqm or 514 sqm

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Boundary is an indicative representation only.



The Landing

AIRPORT PRECINCT

The Landing is New Zealand's leading business park that caters to logistics, technology and light industrial sectors. It offers world class facilities set amongst a stunningly landscaped environment.

With over 100 hectares of comprehensively planned development land The Landing is already home to a number of the world's largest 3PL and logistics companies including Hellman Worldwide Logistics, Toll and DHL. Recent additions to The Landing Business Park have included Fonterra, Coca Cola Amatil and Fuji Xerox.

PROPERTY DETAILS

Warehouse	2,000 sqm - 30,000 sqm
Office	To suit
Canopy	Large breezeway canopies to suit
Yard	Container de-vanning, storage to suit

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27 Verissimo Drive

AIRPORT PRECINCT

As existing stock continues to tighten at the Airport, this property provides a logistics tenant with a ready to use facility now.

Designed for storage / distribution tenants, this site has excellent truck and container access with a secure yard for storage. The building is packed with features including T5 energy efficient lighting, ESFR sprinkler system, high floor loading and a massive maximum stud height of 13.7 metres.

Located near key arterial routes and Auckland International Airport, in the heart of the logistics district.

PROPERTY DETAILS

Warehouse	5,000 sqm
Office/Showroom	518 sqm
Canopy	1,142 sqm

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65 Hugo Johnston Drive

PENROSE

This quality head office and warehouse located in central Penrose offers large office floor plates and an impressive high stud warehouse. The office is split over two levels with a smart existing fitout ready for a new occupier to adapt if required. The warehouse stud height ranges from 7.5 metres to 8.5 metres at the knee. A large yard area allows excellent container drop area and loading space.

Available March 2017.

PROPERTY DETAILS

High stud warehouse	5,048 sqm
Ground floor office	730.83 sqm
First floor office	648.84 sqm

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10 Autumn Place

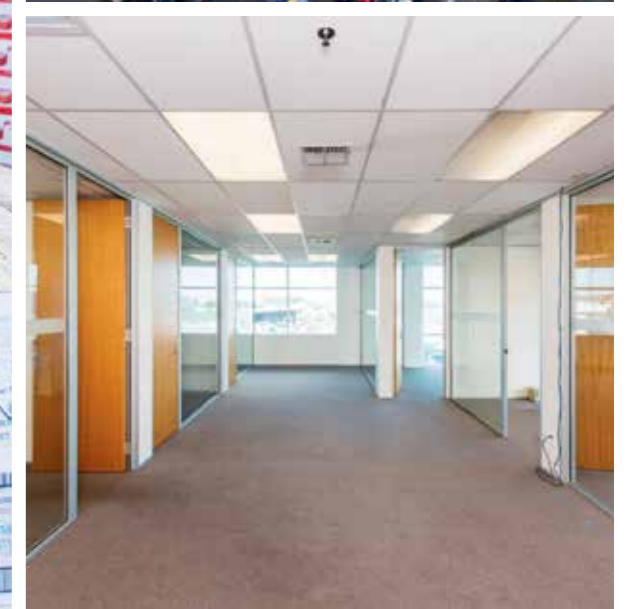
PENROSE

Excellent logistics and distribution facility offering efficient storage with a maximum internal stud height of 11 metres. The warehouse has multiple roller doors, cart dock access and has heavy floor loading capacity, it is also fully sprinklered.

The site has substantial yard areas for efficient truck and container operations. Autumn Place is superbly positioned in the industrial Penrose Precinct, close to the major motorway systems and MetroPort Auckland. Available March 2017.

PROPERTY DETAILS

Warehouse	4,970 sqm
Office/Showroom	566.5 sqm
Yard	3,959 sqm
Canopy	201 sqm



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80-84 Hugo Johnston Drive

PENROSE

This centrally positioned site is serviced by excellent road infrastructure and close to MetroPort Auckland. The property is comprised of three industrial buildings; 80 Hugo Johnston Drive, 4 and 6 Autumn Place. There is internal access between all three buildings plus full drive around capability to dual street frontages.

A generous operational yard with canopy areas from the main warehouse make this an efficient and cost effective operational facility. There are various options here, please call to discuss. Available March 2017.

PROPERTY DETAILS

Warehouse	4,500 sqm plus
Canopy	491 sqm
Office/Amenities	432 sqm
Full drive round	

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12 Southpark Place

PENROSE

Distribution facility positioned in a central convenient location and surrounded by high quality national and international companies.

The high stud warehouse has multiple roller doors accessing a generous yard area allowing for efficient truck and container operations. An additional yard area provides for storage and generous carparking.

The complex has dual street access points and is located close to MetroPort Auckland and SH1. Available February 2017.

PROPERTY DETAILS

Warehouse	3,810 sqm
Office/Showroom	478 sqm
Site	8,734 sqm
Carparks	51

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269 Mount Smart Road

PENROSE

Immaculately presented road front building on one of Penrose's busiest arterials provides great exposure and a unique opportunity for brand and corporate profile not to be missed.

The commercial showroom with supporting office and warehouse has been extensively refurbished to a like new standard throughout. Ideal for a trade retail business requiring easy access from the showroom to the warehouse.

PROPERTY DETAILS

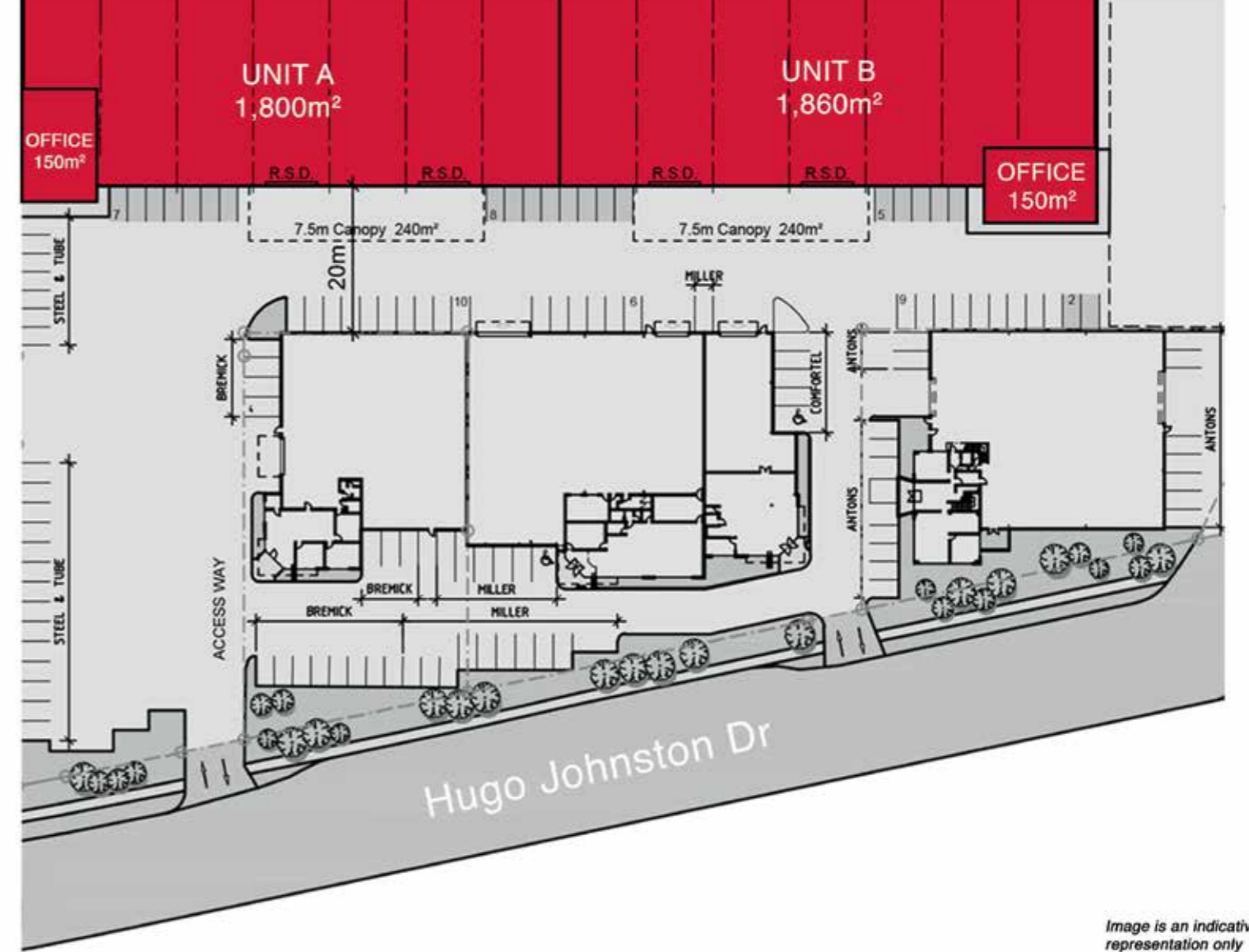
Showroom	227 sqm
Office	255 sqm
Warehouse	200 sqm
Carparks	16

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108-136 Hugo Johnston Drive

PENROSE

Two new industrial units to be built on Hugo Johnston Drive each comprising 1,800 sqm high stud warehouse with dual roller door access.

The units can be combined into one larger building of 3,660 sqm with four roller doors. Completion mid 2017, each unit has 150 sqm of corporate office space and good onsite carparking.

The drive through complex has dual street access allowing efficient truck movements and is suitable for container operations.

Positioned on a popular street containing a number of national and international companies. The site is located with direct access to the proposed East-West Connection.

PROPERTY DETAILS

Warehouse	Unit A - 1,800 sqm	Unit B - 1,860 sqm
Office	Unit A - 150 sqm	Unit B - 150 sqm
Canopy	Unit A - 240 sqm	Unit B - 240 sqm

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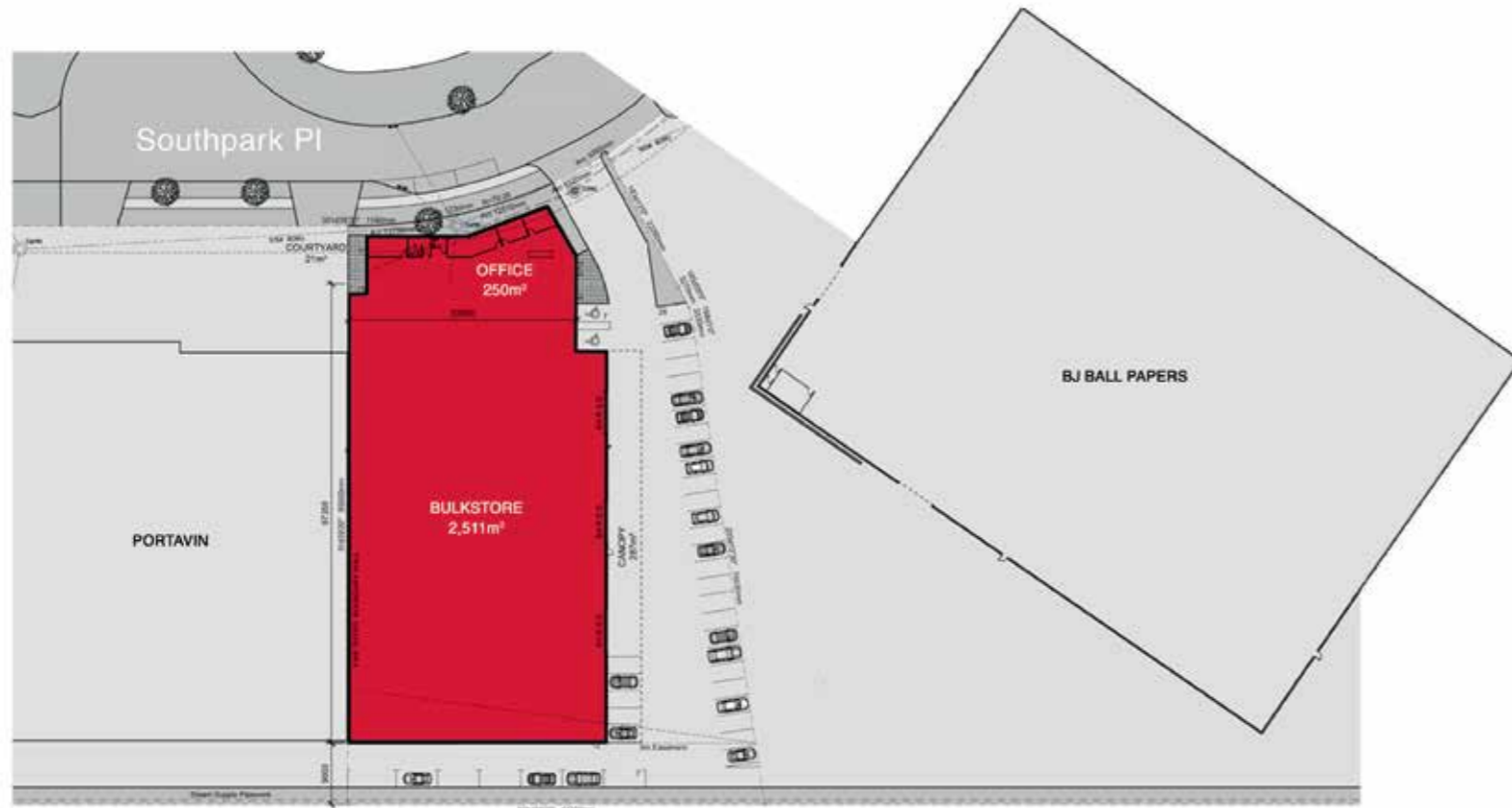


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10 Southpark Place

PENROSE

A 4,790 sqm development site for construction of a new build to comprise clearspan, high stud warehousing and high quality corporate office. It can also incorporate canopy and yard area suitable for container and truck operations.

There is flexibility to design a building to meet your specific requirements.

Located just off Hugo Johnston Drive, the site is positioned close to MetroPort Auckland, key arterials and all motorway networks.

PROPERTY DETAILS

Warehouse	From 2,500 sqm
Office	From 250 sqm
Canopy	To suit
Site	4,790 sqm

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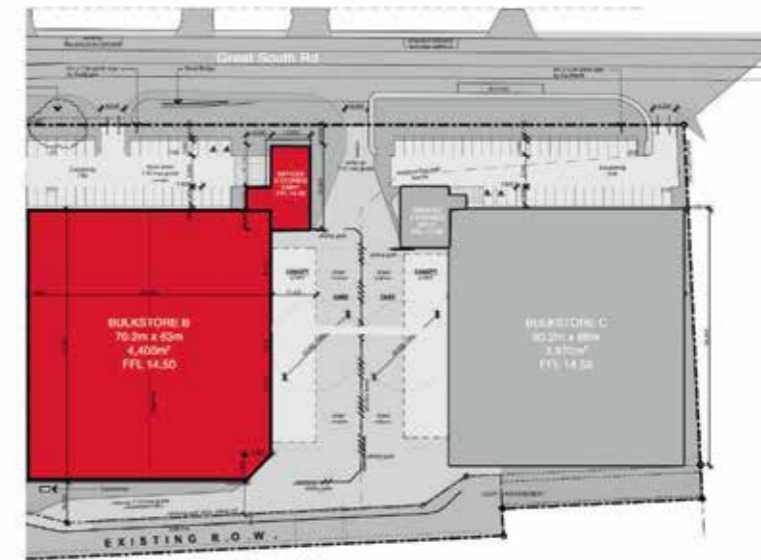


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829 Great South Road

MOUNT WELLINGTON

Available mid 2017, this state of the art distribution facility features a 10 metre stud height, column free clearspan warehouse and drive through canopy for all weather inventory handling and staging.

The premium quality office has road frontage ideal for a ground floor showroom component.

The complex has dual access onto Great South Road and from Bell Avenue. The site is strategically located in the greater Auckland area with excellent access to the key motorway systems and will benefit from the proposed East-West Connection.

PROPERTY DETAILS

Warehouse	4,400 sqm
Office	550 sqm
Canopy	570 sqm
Carparks	38
Site	8,772 sqm

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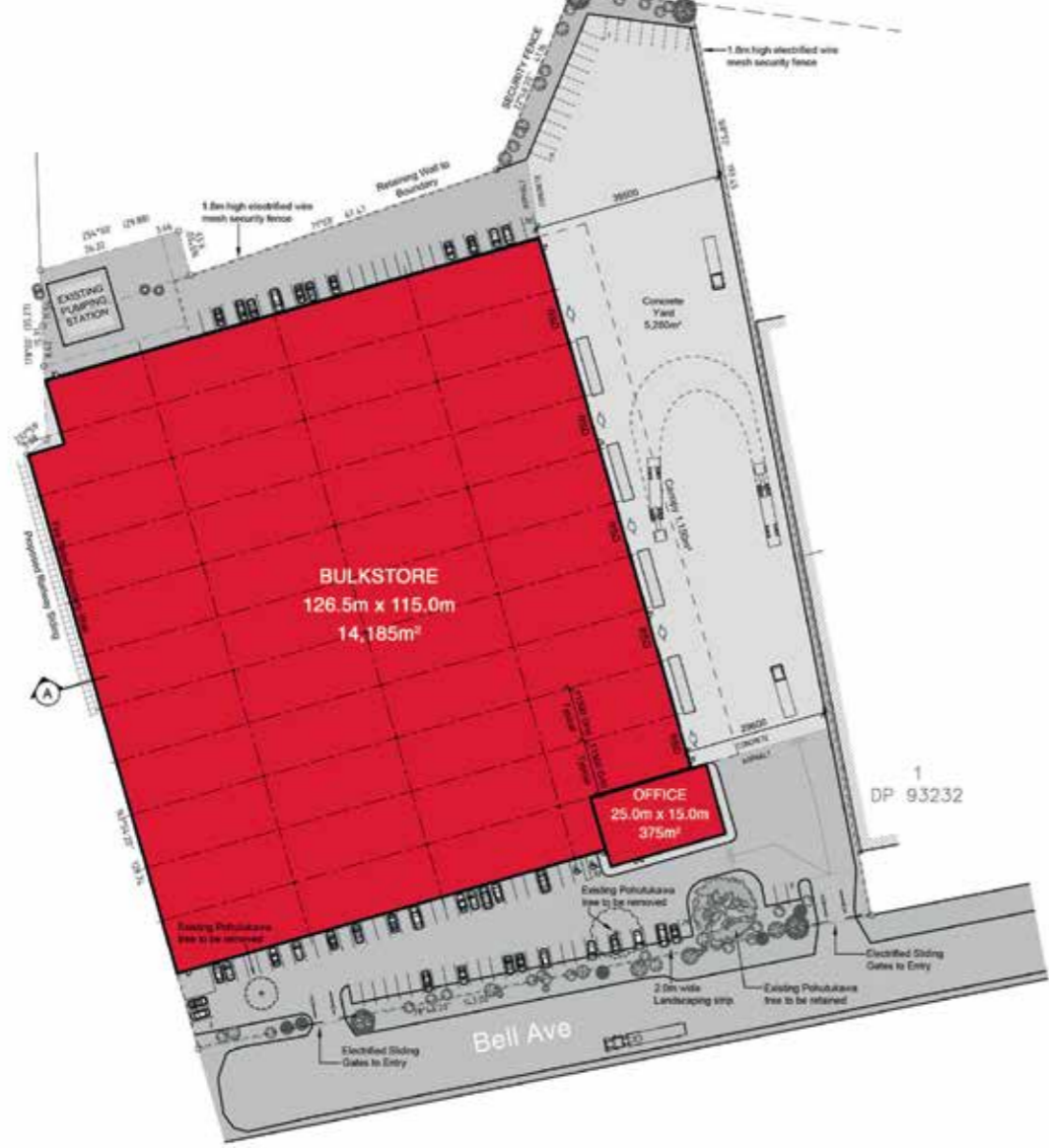


Image is an indicative representation only

15-21 Bell Avenue

MOUNT WELLINGTON

Substantial 2.5 hectare site ideal for a logistics, distribution or manufacturing user to establish a new Auckland facility centrally located in the greater Auckland region.

The site has the option of its own rail siding and can accommodate a high stud warehouse facility in excess of 10,000 sqm. Any potential building can be designed to include large canopy and yard areas, high quality office space and onsite carparking.

The location has easy access onto Great South Road and is positioned minutes away from the Mt Wellington SH1 interchange and MetroPort Auckland.

PROPERTY DETAILS

Warehouse	From 10,000 sqm
Office	Designed to user requirements
Canopy	Designed to user requirements
Yard	Designed to user requirements

FOR LEASE

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393 Church Street

THE GATE INDUSTRY PARK, PENROSE

Brand new warehouse with fantastic prominent signage placement and well located in close proximity to SH1 and SH20. Surrounded by multi-national businesses such as Recall, Winstone Wallboards, Coda, Asaleo Care NZ Limited, BOC and Rapak.

Available April 2017.

PROPERTY DETAILS

Warehouse	4,530 sqm
Offices	402 sqm (over two floors)
Canopy	546 sqm
Yard	1,455 sqm
Carparks	29 onsite

FOR LEASE

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18 Pukekiwiri Place, Highbrook

HIGHBROOK BUSINESS PARK, EAST TAMAKI

Encompassing 107 meticulously planned hectares, Highbrook incorporates a business town, retail hub and commercial services. Surrounded by blue chip multi-national businesses such as DHL, Stanley Black and Decker, Ford, Big Chill and Panasonic.

Brand new property featuring high stud warehouse, a large canopy, concrete yards and open plan, air-conditioned offices.

Available April 2017.

PROPERTY DETAILS

Warehouse	7,050 sqm
Office	450 sqm (over two floors)
Canopy	1,030 sqm
Yard	1,280 sqm
Carparks	77 onsite

FOR LEASE

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Units E & F, 38 Highbrook Drive

HIGHBROOK BUSINESS PARK, EAST TAMAKI

Encompassing 107 meticulously planned hectares, Highbrook incorporates a business town, retail hub and commercial services. Flexibility is key to Highbrook's success; its unprecedented scale and unique features allowing companies to build their business, their way.

Available now.

PROPERTY DETAILS

Warehouse	1,000 sqm - 2,000 sqm (can be split)
Office	350 sqm - 708 sqm
Canopy	223 sqm
Carparks	Up to 35 onsite

FOR LEASE

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417-421 East Tamaki Road

EAST TAMAKI

UNDER CONSTRUCTION. STAGE 1 SOLD OUT!

High quality industrial estate under construction now and due for completion mid 2017. This gated development is located with close access to key arterial routes including Te Irirangi Drive, Harris Road and Highbrook SH1 motorway on ramps. Close to a high demographic catchment, first class amenities and the tightly held industrial region of East Tamaki, ownership is often sought and hardly available. Don't miss this opportunity. Joint Sole Agency.

PROPERTY DETAILS

Unit A 02, 03	85 sqm warehouse	\$445,000 + GST (if any)
Unit B 02, 03	107 sqm warehouse	\$540,000 + GST (if any)
Unit C	SOLD OUT	
Unit D 04	296 sqm warehouse plus office/mezzanine	\$1,350,000 + GST (if any)

FOR SALE

KnightFrank.co.nz/12028

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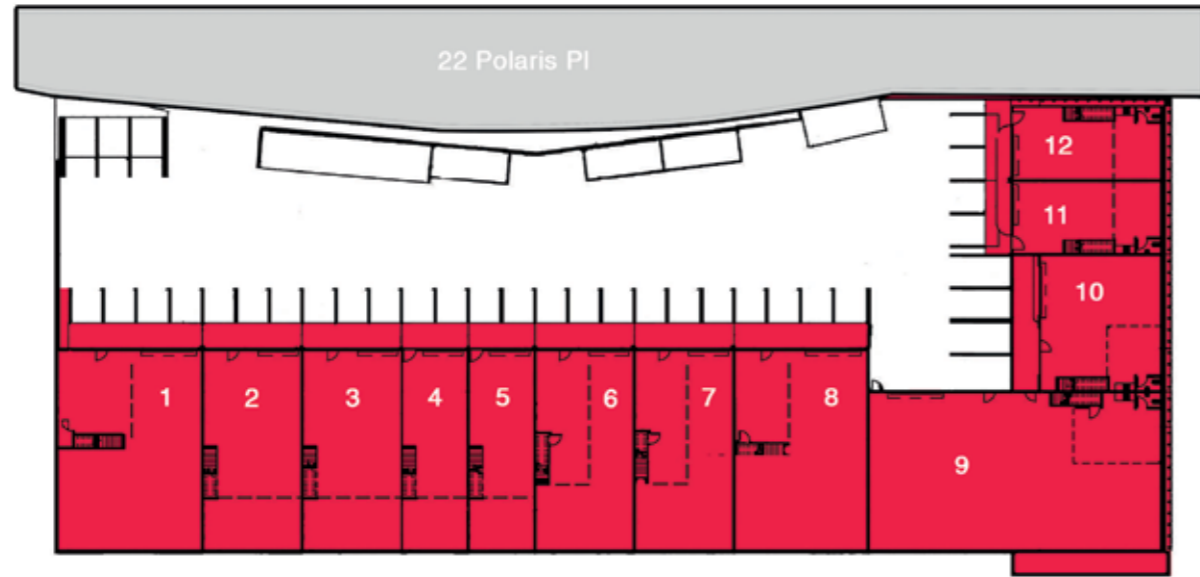


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22 Polaris Place

TWENTY2 CENTRAL, EAST TAMAKI

12 freehold industrial units with eight metre stud height, exclusive parking and container area in central East Tamaki. Dual access site with electronic fencing, each unit in this secure complex has its own kitchenette and toilet. Just three turns from Highbrook Business Park, close access to SH1 on-ramps and backing onto Flat Bush - New Zealand's fastest growing residential catchment. Construction is about to begin and completed in April / May 2017. Sole Agency.

PROPERTY DETAILS

Warehouse/Mezzanine 109 sqm - 333 sqm

FOR SALE OR LEASE

Sale from \$381,500 + GST (if any)
 Lease from \$22,890 + GST & OPEX
 KnightFrank.co.nz/13495

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Boundary is an indicative representation only



48B Cryers Road

EAST TAMAKI

Premium quality building that offers tenants close access to Highbrook motorway onramp and key arterials. Situated on a quiet cul-de-sac off Cryers Road just minutes from SH1, this property has dual access and good container storage in the heart of East Tamaki.

The property features a warehouse with a 10 metre plus stud height, massive canopy and modern single level offices. Top quality and location without the expense.

PROPERTY DETAILS

Warehouse 840 sqm
 Office 140 sqm

FOR LEASE

KnightFrank.co.nz/13318

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Artistic impression

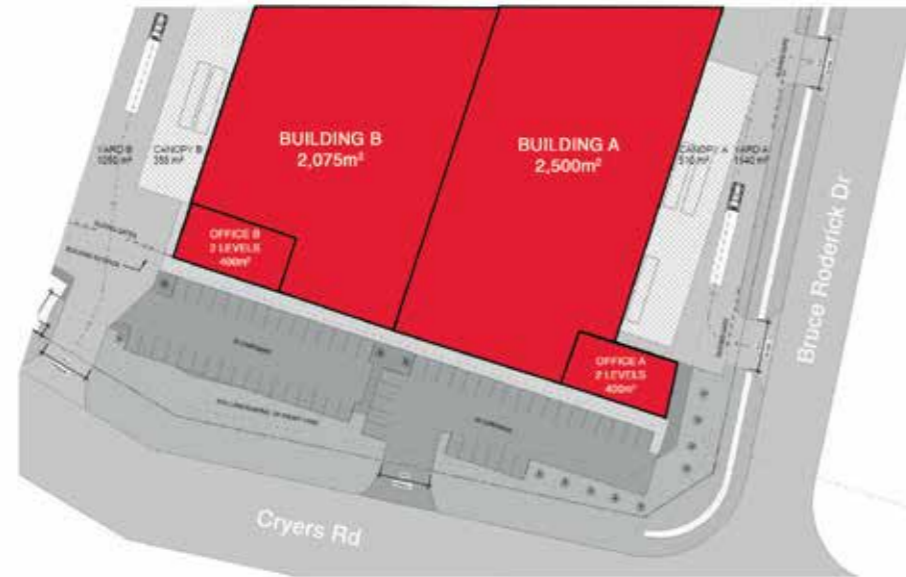


Image is an indicative representation only

Cnr Cryers Road & Bruce Roderick Drive

EAST TAMAKI

Last remaining site in this subdivision. This site offers excellent profile in the heart of East Tamaki, one turn from Highbrook Drive and close proximity to the State Highway One intersection. This site provides various size options with a brand new high stud industrial building located next to international tenants including Iron Mountain, Daikin, Komatsu and Steel and Tube.

Premium sites like this are in short supply. These design build options provide exposure with dual access, container area and excellent yard. Layout and sizes can be catered to suit your business.

PROPERTY DETAILS

Warehouse	2,000 sqm - 4,500 sqm
Office	400 sqm - 800 sqm
Canopy	350 sqm - 800 sqm

FOR LEASE

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Boundary is an indicative representation only

11 Springs Road

EAST TAMAKI

A rare opportunity to secure this iconic East Tamaki industrial property. Located minutes away from SH1 and a high demographic labour pool, this versatile offering could be your next corporate and logistics headquarters. Currently set up as a bottling, storage and distribution plant, you can take advantage of the existing layout or use the high stud warehouse, canopies, extensive yard and full drive round to suit your specific needs. The tenancies can be split.

Total land area 50,245 sqm and total existing floor area 19,563 sqm. Available October 2017 - get in touch today to discuss further.

PROPERTY DETAILS

High stud warehouse	Total 11,235 sqm or option 1 - 5,768 sqm, option 2 - 5,467 sqm
Canopy	Total 1,620 sqm or option 1 - 970 sqm, option 2 - 650 sqm
Yard	Up to 12,600 sqm
Office	Various options
Production warehouse	4,876 sqm

FOR LEASE

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320 Ti Rakau Drive

EAST TAMAKI

Located in the heart of East Tamaki and close to the Harris Road and Ti Rakau Drive intersection. Easy access to SH1. This very affordable high stud bulk store can be split into two independent warehouse facilities both with a 7-9 metre stud height. Given the stud height and potential cubic capacity, this has to be the best value bulk storage deal in town.

PROPERTY DETAILS

Warehouse 1	5,109.6 sqm
Warehouse 2	7,157.7 sqm

FOR LEASE

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70 Kerrs Road

WIRI

This investment opportunity is for a Dilworth Perpetual Lease of a 40,000 sqm block on Kerrs Rd, a major arterial between Great South Road and Wiri Station Road which serves many industrial and commercial properties along with yet to be developed land.

This site has over 18,000 sqm of buildings with 14 of a total of 15 lettable spaces occupied, providing an annual income after ground rent of over \$800,000.

The current rent exceeds 15% return and even after ground rent review it is anticipated to remain over 10%.

FOR SALE

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100 Plunket Avenue

M20 BUSINESS PARK, MANUKAU

M20 has over 11 businesses including Frucor, Ingram Micro, Kmart, Bridgestone and Kimberly Clark. In an ideal location situated in the heart of Manukau's industrial precinct, M20 Business Park is strategically positioned close to key arterial routes and motorways.

This property offers excellent exposure onto Plunket Avenue and features modern high stud warehouse and large canopy. Available November 2016.

PROPERTY DETAILS

Warehouse	3,442 sqm
Office	531 sqm
Canopy	402 sqm
Yard	1,565 sqm
Carparks	30 plus onsite

FOR LEASE

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70 Plunket Avenue

M20 BUSINESS PARK, MANUKAU

This brand new warehouse at 70 Plunket Avenue is strategically located near SH20, SH1 and Auckland Airport. Excellent amenities including onsite café and an abundance of other goods and services including childcare at nearby Manukau Supa Centre and Westfield shopping centre.

Available now.

PROPERTY DETAILS

Warehouse	3,250 sqm
Office	300 sqm
Canopy	423 sqm
Yard	1,187 sqm
Carparks	26 onsite

FOR LEASE

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Artistic impression



Artistic impression

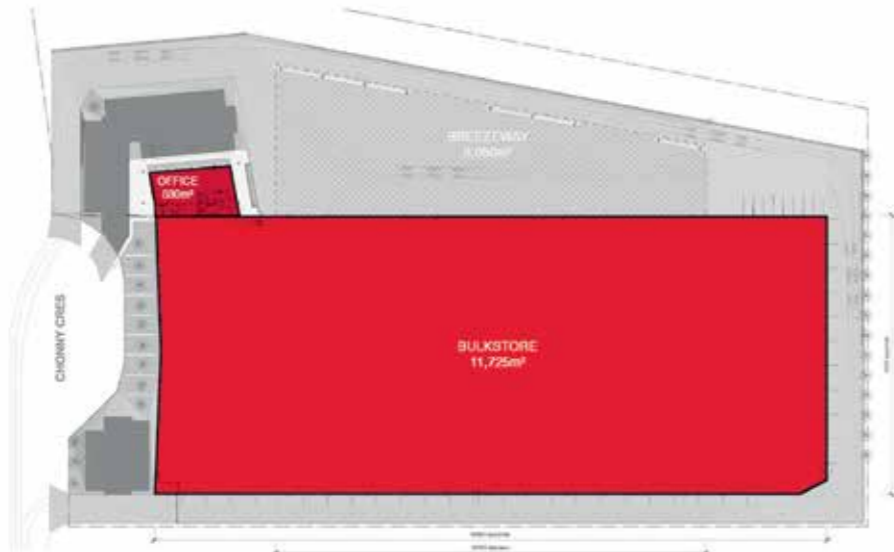


Image is an indicative representation only



Image is an indicative representation only

AUCKLAND

AUCKLAND

15-21 Chonny Crescent

WIRI

Construction will be completed November 2016 on this brand new and impressive distribution facility.

The site offers excellent transport flow with a large operational area, large breezeway canopy and drive around capability. The clearspan high stud warehouse has a maximum stud height of 13.7 metres and an ESFR sprinkler system.

There is high quality corporate level office over two floors and plentiful secure onsite parking.

The location is ideal for an occupier to service the greater Auckland area and New Zealand, with easy access to Wiri Freight Hub, the motorway systems and Auckland International Airport.

PROPERTY DETAILS

Warehouse	11,725 sqm
Office/Showroom	530 sqm
Covered breezeway	3,050 sqm

FOR LEASE

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30 Ash Road

WIRI

This site is located in one of Auckland's fastest growing commercial zones and benefits from easy access to the motorways and Wiri Freight Hub.

Building A is an exciting re-development of an existing warehouse which will have the high stud warehouse access a large covered breezeway via multiple roller doors. It will be complemented by a new, high quality single level office block.

Building B is a brand new industrial standalone facility that will be completed early 2017. The high stud, clear span warehouse will comprise full height tilt slab construction with high floor loadings.

PROPERTY DETAILS

Warehouse	Building A - 11,220 sqm	Building B - 2,600 sqm
Office/Showroom	Building A - 225 sqm	Building B - 252 sqm
Canopy	Building A - 3,560 sqm	Building B - 293 sqm

FOR LEASE

KnightFrank.co.nz/11817

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Auckland CBD Office



Knight Frank expands presence to Auckland's CBD.

Knight Frank New Zealand has expanded its presence to a prime location in Auckland's CBD with a new office now operating at 34 Shortland Street. This is Knight Frank's third office in New Zealand as part of its expansion programme.

The design brief focused on delivering a high level of service to clients, as well as providing the team with a contemporary and first class working environment. The space has a strong front-of-office focus on client engagement, and a real emphasis on flexible and innovative technology, moving to a completely wireless and cloud based environment.

34 Shortland Street is owned by global investment firm Morgan Stanley, who acquired the property as part of its \$91.2 million Auckland CBD portfolio earlier this year, in a deal facilitated by Layne Harwood, Country Head. Knight Frank was also appointed property manager of the Morgan Stanley portfolio.

The key service lines operating from the new office are:

- Executive Team: Linda Coleman and Layne Harwood
- Capital Markets: Gary Noland
- Office Agency and Corporate Services: Ihemba Mbamba
- Asset Management: Glenn Bercich

The Auckland CBD office will primarily focus on corporate activity and additional services will include valuation, research and investment sales. Knight Frank has secured some significant recruits in recent months to support this new office opening and is continuing to look for seasoned property professionals to join the team. Vacancies can be viewed at [KnightFrank.co.nz/recruitment](https://www.knightfrank.co.nz/recruitment)

Canterbury

Spring is in the air and with it an air of optimism.

While the last six months or so have been reasonably subdued in the industrial leasing market, the signs are all positive looking forward.

The dairy industry is now seeing a lift in auction prices and the banks are predicting \$6.00 plus per kg end of year payout to the farmers. This is a far rosier picture than three months ago and, while not at the halcyon levels of 18 months ago, it certainly takes huge pressure off the dairy farming sector and will allow them to start thinking about much needed maintenance and capital reinvestment. This then leads to increased confidence in the general industrial market and an increase in leasing and owner-occupier activity.

When this happens, the pressure will come on to the existing industrial stock and while our research shows a higher level of stock available than at the corresponding time last year, much of this stock is in smaller unit developments. There is a definite shortage across the market of 500 square metres plus units and forward planning is going to be essential to

allow time for construction of new buildings. The industrial investment market is very buoyant but also very tight, with little or no quality tenanted stock coming to the market. That which does come on, is selling quickly and through very competitive marketing campaigns. The yields reflect interest rates, and as such are in the 5.75% to 6.25% range for quality, well-tenanted industrial investment property, particularly in the sub \$2 million range.

Now would be an excellent time to review investment portfolios and consider strategies around each property: sell or hold?

The Knight Frank team is available to assist you in your decision making process and general review. Please feel free to call me or one of our brokers, or our Registered Valuation and Consultancy team, for assistance.

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“” The signs are all positive looking forward.
Campbell Taylor



Industrial Market Overview

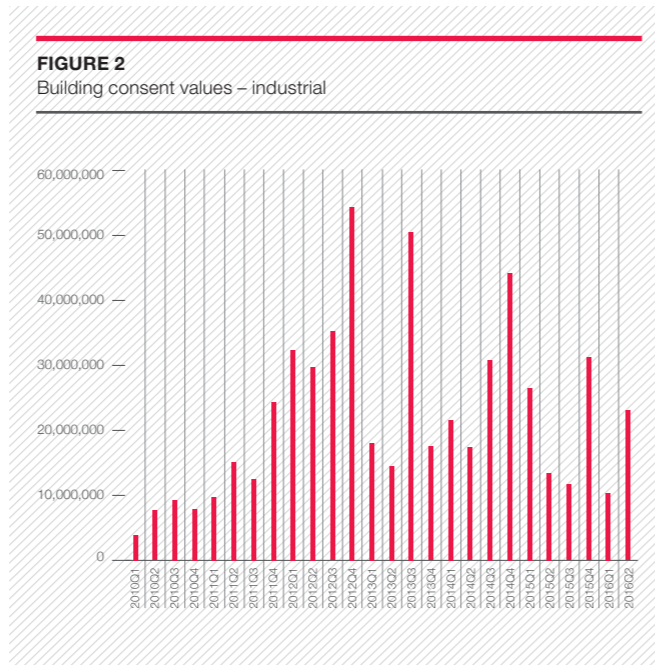
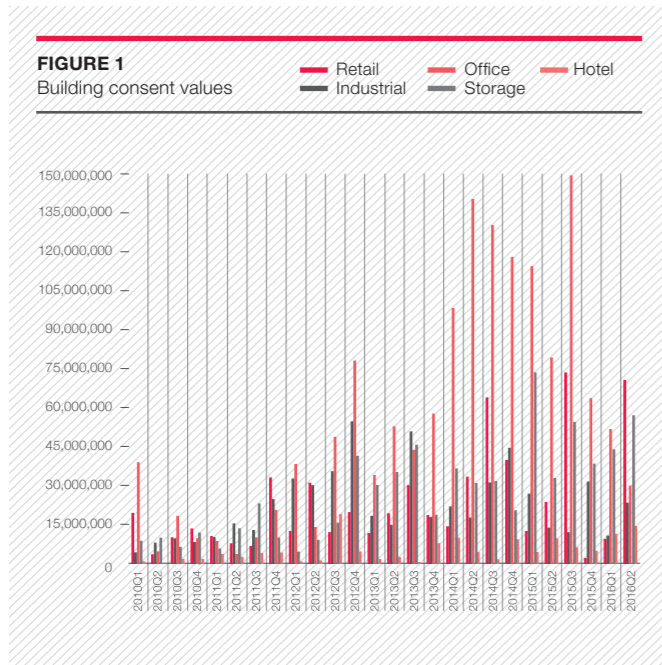
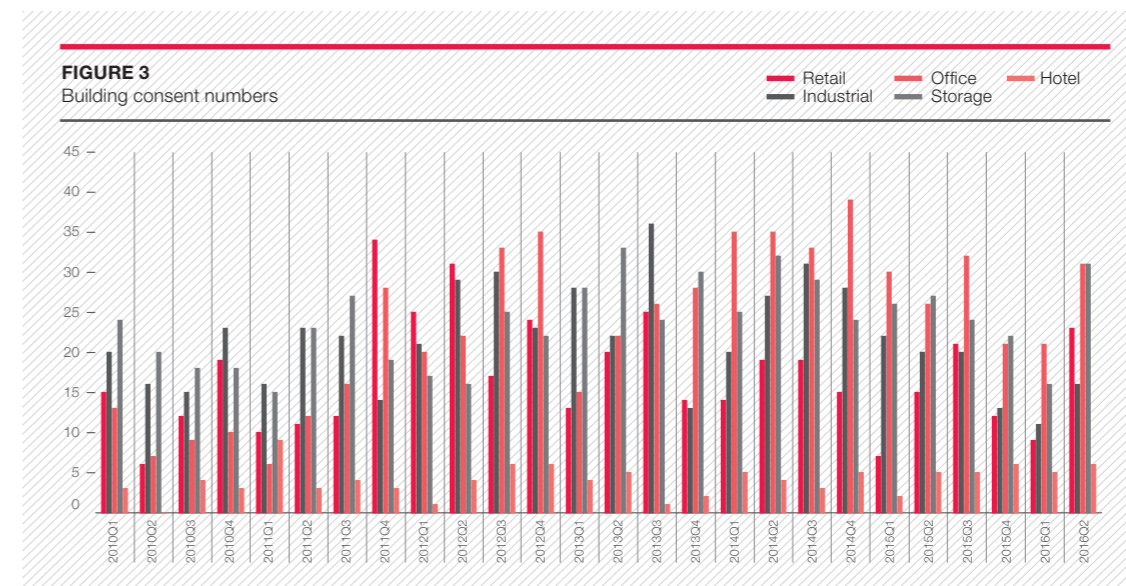
Trends in the Canterbury industrial property market for 2016:

- Building consent trends are down for industrial property post-earthquake peak but still stronger than pre-earthquake.
- Industrial sales activity is strong, investor demand remains high for quality, tenanted space, but sale volumes are averaging less per month now than in 2015. Some caution is creeping into the market with investors taking more time for due diligence and being more selective.
- Yields remain low in 2016, as do borrowing rates.
- Increase in amount of industrial property for lease.
- Rental levels are flattening as the demand vs supply equation has reversed with increased supply now.

Building Consent Activity

Building consent values have significantly increased since 2010 / 2011. Since the first quarter of 2011, building consent values for the industrial sector have ranged in value from \$9,792,000 to \$50,551,182 per quarter. Quarter two of 2016 saw an increase to \$23,075,650 from \$10,401,903 in quarter one 2016. This was also up from \$13,480,831 in quarter two 2015. Although consent values for industrial property are up in the latest quarter, the general consent trends reflect a market which is returning to business as usual after significant post-earthquake activity.

Building consent numbers have been on the rise from the year 2011 and have since remained relatively constant. The office sector has the highest number of consents per quarter on average, with industrial and storage sectors close behind. Since quarter one of 2012, the number of consents per quarter for industrial buildings has ranged from 11 to 36. The increase in industrial consent numbers to 16 in quarter two 2016, was the first increase since quarter three 2014. Although the latest quarter showed an increase, the general trend is heading down.



Tenant Demand

Occupier demand and rents.

We have seen an increased supply of newly built industrial buildings come to the market. In tandem, there has been a reversion to original use for warehouses and factories that had been converted for other uses, including offices, in the period of displacement after earthquakes. These factors are creating downward pressure on rental levels and we are seeing flattening in growth profiles.

FIGURE 4
Sample new leases in the rental market

Address	Suburb	Warehouse Rent (\$/sqm)	Area (sqm)	Term (yrs)	Transaction Type	Commencement Date
Paradyne Pl	Sockburn	\$85	2765	2	Review	Feb-16
Alloy St	Sockburn	\$100	185	3	New Lease	Mar-16
Senior Pl	Bromley	\$116	100	3	New Lease	Mar-16
Buchan St	Sydenham	\$100	128	2	New Lease	Mar-16
St Asaph St	Linwood	\$80	450	3	New Lease	Jun-16
Buchanans Rd	Hornby	\$90	370	3	New Lease	Jul-16
Moncur Pl	Riccarton	\$105	757	6	New Lease	Aug-16



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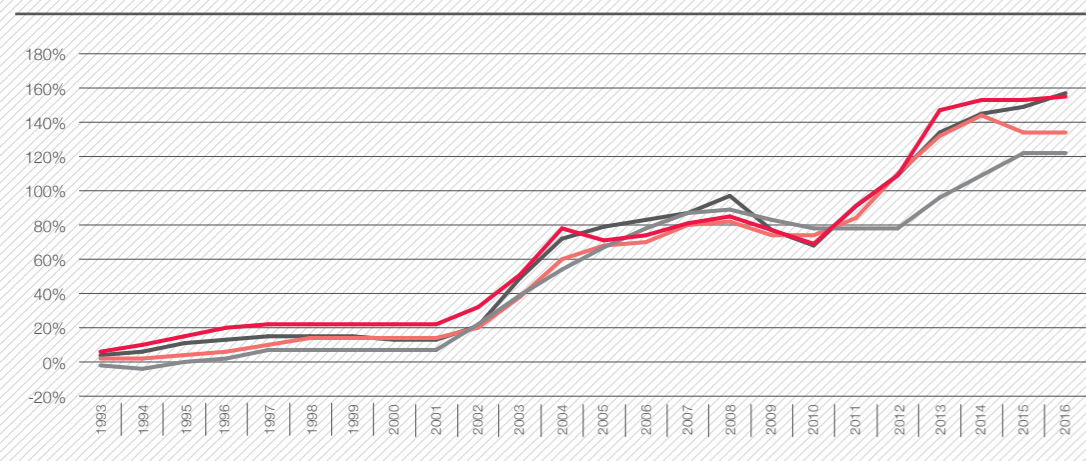
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Cumulative Growth % Christchurch Industrial Rentals

Knight Frank has monitored rental growth in the main industrial locations since 1993. Strong growth occurred through the early to mid-2000's, with some levelling off and dropping during the period just prior to the

earthquakes. Post-earthquakes, rents again increased at some pace. In 2016, prime rents for warehouse space ranged from \$100-\$125 per square metre, with secondary space ranging from \$75-\$100. This is relatively consistent with rates seen through 2014-15.

FIGURE 5
Cumulative rent growth % by location



Investor Demand

Sales and investment yields.

Sales activity over the last three years has been increasing as more newly built stock begins to come onto the market.

Prime industrial yields in 2015 ranged from 6.00% to 7.25%, with secondary yields ranging from 7.25% to 9.00%. In 2015 there was a consistent trend of low yields and we are again seeing this in 2016. There remains strong demand for good quality industrial investment property, particularly new builds at new building codes with strong tenancies in place.

FIGURE 6
Examples of analysed yields from recent transactions

Address	Area	Property Type	Price (\$)	Bld Area (sqm)	Core Mkt Yield	Date
Buchan St	Sydenham	Warehouse	\$456,000	216	6.14%	Feb-16
Dickens St	Addington	Warehouse	\$455,000	196	6.99%	Feb-16
Halswell Junction Rd	Hornby	Warehouse	\$700,000	246	7.15%	Feb-16
Taurus Pl	Bromley	Warehouse	\$386,000	210	7.25%	Mar-16
Waltham Pl	Sydenham	Warehouse	\$625,000	381	7.95%	Apr-16
Cass St	Sydenham	Warehouse	\$930,000	380	6.18%	Apr-16
Halswell Junction Rd	Hornby	Warehouse	\$255,200	1666	7.98%	Apr-16
Edmonton Rd	Hornby	Warehouse	\$1,700,000	900	6.86%	Apr-16
Halswell Junction Rd	Hornby	Warehouse	\$3,060,000	2510	8.16%	Feb-16

Number of Industrial Sales in Christchurch

The number of industrial sales has fluctuated year to year, with a spike in sales in the mid 2000's and a decline from 2007 to 2011. Sales have increased since the earthquake, with the number peaking at 270 in 2015, an average of 23 sales per month. In the 2016 year to date, we have seen 128 industrial properties sold, an average of 19 sales per month.

Cumulative Growth % Capital Values Christchurch Industrial Property

Cumulative growth of capital values in Christchurch underwent strong growth throughout the early and mid-2000's and levelled out in the late 2000's. Values again underwent an increase post-earthquakes; however the rate of increase has been slowing in 2015-16. The strongest areas of growth continue to be in the western suburbs of Hornby and Middleton, where new industrial subdivisions are developing.

FIGURE 7
Number of sales

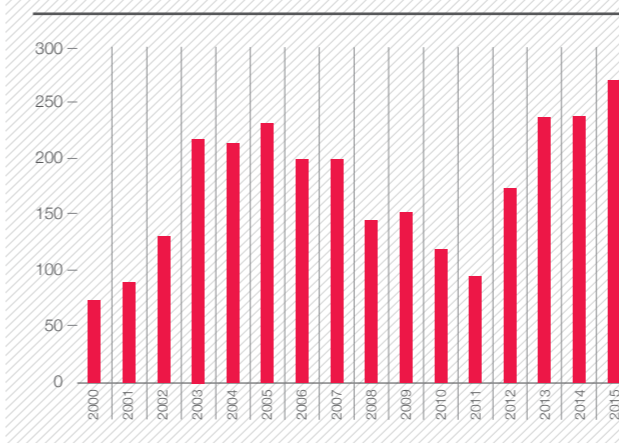
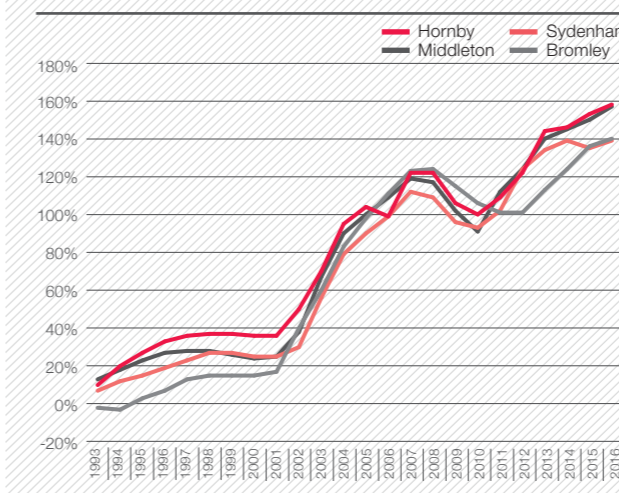


FIGURE 8
Cumulative growth % capital values Christchurch industrial property



Snapshot for Lease on the Market in the Main Industrial Locations (excluding Rolleston and Central City)

Knight Frank researched industrial property on the market for lease as at August 2016 and found approximately 351 properties actively being marketed, reflecting approximately 307,162 square metres of floor space. This compares with August 2015 when

we found 278 properties on the market for lease approximating 223,714 square metres of space. The increase in properties for lease is predominately due to a spike in new developments, such as Wigram Business Park and Hornby Quadrant and reflects premises under construction being completed and coming onto the market across the city. The graph shows where this space was available:

FIGURE 9
Area for lease

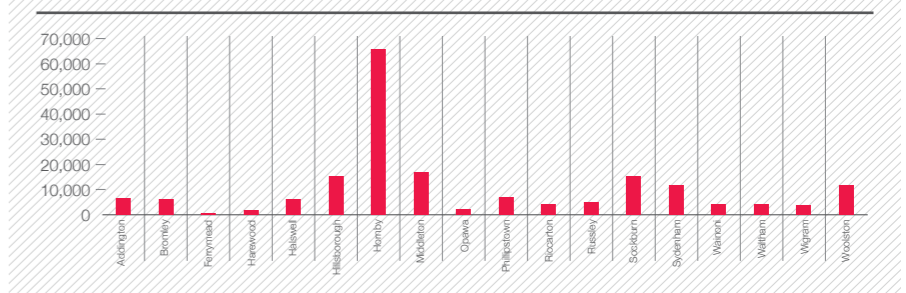
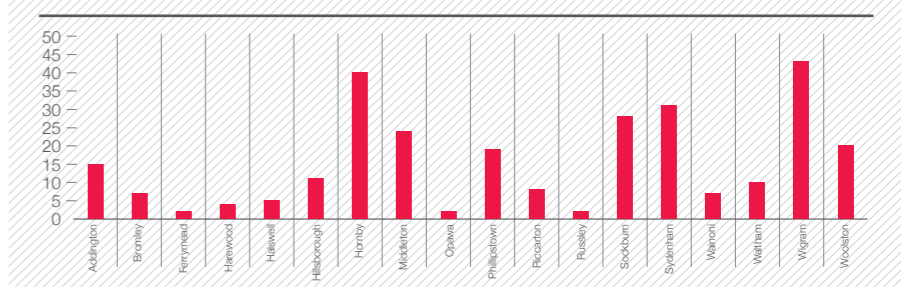


FIGURE 10
Numbers for lease



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Unit 2, 150 Cavendish Road

REDWOOD

Quality northern Christchurch location with easy access to the CBD, main arterials and Christchurch International Airport.

This prominent high stud warehouse building is north facing and available in two configuration options.

PROPERTY DETAILS

Warehouse	526 sqm
Office/Showroom	76 sqm - 147 sqm
Carparks	8-11

FOR LEASE

\$72,000 to \$85,000 + GST & OPEX
KnightFrank.co.nz/13246

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Unit 13, 150 Cavendish Road

REDWOOD

Quality, modern, high stud premises in popular northern Christchurch location.

Available immediately, this functional and attractive high stud warehouse premises is well located in quality Cavendish Business Park.

PROPERTY DETAILS

Warehouse	402 sqm
Office/Amenities	87 sqm
Carparks	7

FOR LEASE

\$63,000 + GST & OPEX
KnightFrank.co.nz/13052

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Artistic impression



Artistic impression

Christchurch International Airport

AIRPORT

The best location for business!

Located on State Highway One, only two minutes to the Terminal and 20 minutes to the CBD.

Shop, eat, play and stay with a full range of amenities on campus including:

- Countdown, Coffee Club, TANK, Sura Sushi
- Muffin Break, Little India, Mexicali Fresh
- Burger Fuel, Subway, Sura Teppanyaki
- JUCY Snooze, 280 beds completed Oct 2016
- Novotel Airport, 200 beds completed Dec 2017
- Sudima Hotel fully refurbished and trading now

FOR LEASE

KnightFrank.co.nz/11757

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Artistic impression

14 George Bellew Road

DAKOTA BUSINESS PARK, CHRISTCHURCH AIRPORT

- Located adjacent to State Highway One, 20 minutes to Christchurch City and two minutes to the Airport.
- Key features of this brand new property include eight metres to the knee and B Train drive through access.
- Competitive rental and flexible lease terms available. Occupy from January 2017.
- Additional design and build options available.

PROPERTY DETAILS

Warehouse	1,225 sqm @ \$110 psm
Office	103 sqm @ \$225 psm
Canopy	247 sqm @ \$50 psm
Carparks	20 @ \$12.50 pw ea
Yard	1,300 sqm

FOR LEASE

\$183,275 + GST & OPEX
KnightFrank.co.nz/11757

SAM STONE
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sam.stone@nz.knightfrank.com





22 Clarence Street

ADDINGTON

This building was recently built in 2011 to 100% NBS and features an eight metre stud clear span warehouse with drive through capability plus additional rear yard suitable for container movements. The offices feature open plan, partitioned offices plus boardroom and tea room. Turn key package available including racking, solar power, security system and office fitout. Available first quarter 2017.

PROPERTY DETAILS

Warehouse	1,354 sqm
Ground floor office	116 sqm
First floor office	103 sqm
Carparks	27

FOR LEASE

Price by negotiation
KnightFrank.co.nz/13448

SAM STONE
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99 Ferry Road

CITY CENTRE

Quality warehouse and showroom premises.

High profile Ferry Road location adjoining a busy corner and bulk retail stores.

Refurbished to a very high standard and strengthened to new building standard (100% NBS), this premises will surpass many new buildings on quality and presentation.

PROPERTY DETAILS

Warehouse	1,540 sqm
Showroom/Office	335 sqm
Carparks	16

FOR LEASE

\$249,000 + GST & OPEX
KnightFrank.co.nz/12069

CRAIG EDWARDS
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Artistic impression

8 Islington Avenue

ISLINGTON

This modern office and warehouse multi-unit offers a high quality, flexible work environment in a convenient location. Situated in the bustling Waterloo Business Park and with an overall floor area of 14,000 sqm and a nine metre stud height - this new offering will be available in December 2016. The 13 units are designed with complete flexibility with the option to adjust floor areas and layouts to suit your requirements.

Offices are fully equipped with kitchenettes, air conditioning, accessible facilities and high speed fibre. These units are across the road from Café 1808, next to a park, cycle ways and other amenities provided by Waterloo Business Park. Located just off Waterloo Road and close to Pound and Halswell Junction Roads results in a prime location for easy access and commuting.

PROPERTY DETAILS

Warehouse	400 sqm - 6,000 sqm
Office	Starting from 80 sqm
Carparks	Plenty of off-street available and concrete canopy areas for container drop off

FOR LEASE

Price by negotiation
KnightFrank.co.nz/13332

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Selwyn Business Park, Jones Road

ROLLESTON

Recently completed north facing warehouse / showroom premises with rear access roller doors. Located in Rolleston adjacent to the Izone industrial area.

Secure the opportunity to have your business in this fast developing Selwyn location now with these excellent value units.

PROPERTY DETAILS

Warehouse/Showroom	173 sqm
Mezzanine/Office	67.8 sqm
Carparks	5

FOR LEASE

\$30,000 + GST & OPEX
KnightFrank.co.nz/11885

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67 Kennaway Road

HILLSBOROUGH

Put your logo here! A fantastic opportunity to lease this new warehouse.

This building provides high stud (six metre) storage facilities completed with smart office space and excellent road access for heavy goods vehicles, with a sealed concrete yard.

The property is well situated within the Portlink Business Park on the eastern side of Christchurch close to the Port of Lyttelton.

PROPERTY DETAILS

High stud warehouse	1,640 sqm (6 metre stud)
Office	40 sqm

FOR LEASE

\$193,500 + GST & OPEX (negotiable)
KnightFrank.co.nz/11801

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55 Lunns Road

MIDDLETON

A rare opportunity has arisen to purchase or lease this substantial warehouse / distribution or engineering premises in Middleton. The property sits between two of Christchurch's major arterial routes Blenheim Road and the Christchurch Southern Motorway. The 2.3ha site consists of two large warehouse factory buildings and a standalone office block. Ample yard space and access ways allow for easy vehicle movements and container storage. Both warehouses are very high stud and have drive through capability.

Features include:

- 3,900 sqm to 8,900 sqm available
- Great value from \$80 psm plus GST and OPEX
- Multiple roller door access to warehouse
- Large power supply
- Gantry cranes (3 to 5 tonne)
- Large sealed yard areas

Multiple leasing options available with a proposed subdivision plan available on request.

FOR SALE OR LEASE

Price by negotiation
KnightFrank.co.nz/13379

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44 Mandeville Street

RICCARTON

Currently undergoing strengthening and refurbishment this versatile premises will appeal to a wide range of users. Strategically located in Riccarton this premises offers great access to the Christchurch ring road system and city bound arterials.

Features include:

- Large power supply
- 5 tonne gantry crane (certified)
- Security fenced yard area
- Six roller doors
- Multiple three phase power outlets

PROPERTY DETAILS

Warehouse	1,157 sqm (6.5m to knee)
Office	660 sqm (over two levels)
Yard	1,854 sqm (fully fenced)
Carparks	36 (off-street)

FOR LEASE

Price by negotiation
KnightFrank.co.nz/13291

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CAMPBELL TAYLOR
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96 Marshall Street

WOOLSTON

New industrial unit complex offering high volume space suitable for storage and light industrial activities. Permitted activities include storage, manufacturing and hobby uses - the ultimate multi-purpose investment.

Opportunities to add value with optional extras and additional fit out including plumbing and electrical services. Wide aisle access for trailer manoeuvring and truck access. 3.5 metre high roller doors with large internal volume, suitable for high vehicles and trailer boats. Electronic gates and CCTV security. Well-appointed amenities and onsite carparking.

Offering so much more than a traditional lock up, this complex provides highly flexible light industrial space suitable for a wide range of uses. Space efficiency and utilisation is optimised with potential for owners to add considerable value and customise space to their needs. An affordable entry level commercial property opportunity offering real value and investment opportunity.



Artistic impression

FOR SALE

Priced from \$110,000 to \$215,000 + GST (if any)

KnightFrank.co.nz/13383

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Unit B, 14 Nga Mahi Road

SOCKBURN

Available now is this modern unit on Nga Mahi Road, Sockburn. This versatile premises consists of ground floor office / showroom, first floor office and high stud warehouse.

The location offers great profile to Blenheim Road as well as fantastic access to the Christchurch ring road system and CBD arterials.

PROPERTY DETAILS

Warehouse	413 sqm
Showroom/Office	186 sqm
First floor office	182 sqm
Mezzanine	56 sqm

FOR LEASE

KnightFrank.co.nz/13177

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46 Norwich Quay

LYTTELTON

Recently refurbished and earthquake strengthened warehouse / office with secure outdoor storage in prominent Norwich Quay location. A selection of open plan offices with harbour views plus the usual facilities on the first floor above a 727 sqm warehouse with full height door access at each end.

Currently leased on a short term basis to the NZ Fire Service. Engineering report, scope of works and recent rental valuation available to purchasers. These opportunities don't come along every day so seize the chance and contact the sole agents to view.

PROPERTY DETAILS

Warehouse	727.88 sqm
Office	95.18 sqm
Ground floor amenities	21.37 sqm
Rear yard	260 sqm (approx.)
Total land area	1,011 sqm

FOR SALE

Price by negotiation
KnightFrank.co.nz/13164

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MURRAY MADGWICK
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1 Pilgrim Place

CITY CENTRE - SOUTH

Five high quality showroom / warehouse units due to commence construction and available for lease.

These centrally located, north facing units range in size from 565 sqm through to 1,800 sqm and each benefits from a share in 53 onsite carparks and dual access from Pilgrim Place and Gasson Street.

These premises will suit a variety of operations; entertainment, trade sales, importers and wholesalers etc.

Central location at Hornby rates.

PROPERTY DETAILS

Warehouse/Showroom 565 sqm - 1,800 sqm
Carparks 53

FOR LEASE

KnightFrank.co.nz/12036

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MYLES ADDINGTON
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Image is an indicative representation only

Waterloo Business Park - Stages 3 & 4

ISLINGTON

Building on the success and momentum created by earlier land releases, Waterloo Business Park is delighted to present their latest stages of prime commercial land to the market, just 10km from Christchurch Airport.

With construction nearing completion and titles expected in Q4 2016, stages three and four consist of 12.5ha of sought after development land predominantly located along Waterloo Business Park's Halswell Junction and Waterloo Road frontages.

The impending Halswell Junction Road realignment will significantly improve access to Waterloo Business Park, creating profile and visibility for those astute enough to locate their business at the heart of what will be some of the best road and highway connectivity in the region.

In addition, lots within stages three and four offer close proximity to the proposed iconic Islington Square retail precinct development and the 2.3ha of open park & recreational space known as Islington Green.

Don't miss this exciting opportunity to secure high-quality, high-profile commercial land at Waterloo Business Park, Christchurch's preeminent development for industry and business.

FOR SALE

Price by negotiation
KnightFrank.co.nz/1421987

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SAM STONE
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Unit 1, 2 William Lewis Drive

SOCKBURN

High profile, street front unit in brand new complex on Racecourse Road / Waterloo Road corner development. Dual street frontage - showroom access separate to warehouse access for safe operation.

Chattels include carpet, heatpumps and blinds with showroom flooring to suit your requirements.

Ready for you to move in now. Landlord happy to talk terms.

PROPERTY DETAILS

Office/Showroom	140 sqm
Warehouse	206 sqm
Carparks	7

FOR LEASE

KnightFrank.co.nz/11367

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Corporate Developer to Corporate Advisor

Gary Noland: National Director – Capital Markets for Knight Frank.

When did you join Knight Frank and what were you doing previously?

I commenced in May after 29 years in various private and corporate property development roles in New Zealand. My last position was head of development for John Sax's Southpark Corporation.

One of Southpark Group's major South Island projects was Waterloo Business Park – a master planned industrial estate in Hornby. How is this tracking?

The first three stages are now complete representing about 50% of the 110 hectare park. Waterloo is roughly the same size as Highbrook in Auckland – so it is very large. It has been extremely successful with around 90% of the first stages committed. This is a result of innovative design, a great location and a concept that allow owner-occupiers, separate developers and investment stock to be completed for Southpark and its joint venture partner.

In Auckland we are seeing a trend for larger developers retaining land to ensure they have an adequate pipeline. It is virtually impossible for owner-occupiers to purchase sites in the core locations. What is the outlook?

In respect of the larger users who have capacity and the desire to develop and own their own premises – particularly in the logistics sector – it is not currently possible to acquire land in the central isthmus. Most of this is controlled by Goodman, Auckland Airport, James Kirkpatrick and Southpark. These organisations are interested in design build only and this will continue. If you want a large shed, the odds are you will have to go to one of these organisations. The result has seen a move to the edges of Auckland; Silverdale in the north,

Hobsonville in the west and now Drury in the south. The Stevenson owned land is an example of this, where they are partnering an organisation that has in-house master planning expertise and where larger land blocks will be made available to owner-occupiers.

In the established areas of Penrose, Mt Wellington and Onehunga there are larger parcels of land that comprise buildings entering an obsolescence phase. Is this having an impact?

Increasingly so. There are a number of corporate investors and high net worths active in this market, securing larger developed sites with secondary or redundant buildings with a plan to hold for the next phase. While a number of these may have an industrial zoning, the Unitary Plan has opened up mixed-use opportunities and some of these sites will become suitable for residential use such as the Pilkington Road property in Panmure, purchased by Goodman.

What is driving the industrial market?

Quite simply, good economic fundamentals are the primary driver. Business expansion is pressurising vacancy and supply of land and new builds is not keeping up with demand. Combined with unprecedented investor interest, with yields on larger format investment stock now trading at a 5.5% cap, it makes for a very interesting market dynamic.

Where to next?

Both Auckland and Canterbury are experiencing similar trends. Third party logistics will continue to be a force. Connectivity – road and rail – is bringing new locations into play, while technology will bring more efficiency to operations and have an impact on building design.

What does your Capital Markets role at Knight Frank entail?

Essentially I am bringing complementary development expertise to the corporate investor market. While most groups today have excellent in-house teams, having a broad understanding of the wider development market helps us add value and bring opportunities – not all of which are obvious. In addition, I have a broad overview of the capital markets business in the shopping centre space, mixed-use, hospitality and residential. Layne Harwood, our Country Head, focuses on the core office markets.



Are you enjoying the change?

It is refreshing, dynamic and stimulating. The Knight Frank brand provides excellent insight, reach and relevant global expertise. It is a well-resourced business and has considerable experience across a variety of markets to support its clients.



Gary Noland
National Director - Capital Markets
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Australia



Australian industrial vacancy rates fall 8.3% over the past year.

Knight Frank Australia's latest industrial vacancy research, which analyses the Melbourne, Sydney, Brisbane and Perth industrial markets, has found that national industrial vacancy rates have fallen by 8.3% over the past year. Sydney is driving the result, with industrial vacancies down a staggering 39% over the year to April 2016. With a measurable flight to quality evident in Australia's industrial market over recent times, the following provide an example of properties available for lease in Sydney, Melbourne and Brisbane.

Knight Frank Australia has an energetic, connected team of property professionals who specialise in providing a strategic and multi-faceted

approach toward manufacturing, warehousing and logistics accommodation. Having completed in excess of 1,300 industrial transactions in Australia over the past 12 months alone, Knight Frank's Australian Industrial team can provide you with on-the-ground market intelligence and industry-leading advice. We have a considerable number of other quality opportunities for sale and lease through Australia and our operatives are more than happy to assist you with any information or property information you require.

Greg Russell
Head of Industrial, Australia
+61 7 3246 8804
greg.russell@au.knightfrank.com

“ Sydney is driving the result, with industrial vacancies down a staggering 39%.
Greg Russell





5 Exell Street

BANKSMEADOW, SYDNEY

On the Southern side of Exell Street close to the corner of Botany Road, the subject property is located within the Port Botany precinct within Banksmeadow NSW. The property is well serviced by public transport with a bus station within walking distance of the corner of Exell Street and Botany Road.

Features include:

- Freestanding facility
- Surrounded by cafés, restaurants and infrastructure
- High clearance warehouse up to 8.4 metres
- Four roller shutter access points
- Three phase power
- Easy truck access

PROPERTY DETAILS

Land area	5,750 sqm
Building area	2,186 sqm
Useable yard area	1,000 sqm

FOR SALE

KnightFrank.com.au/3029411

PETA ANTONIOU
+61 405 538 825
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JAMES REEVES
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9 Jura Street

HEATHERBRAE, NEWCASTLE

This building offers a top class refrigerated facility with recent refurbishments. Ideally situated between Sydney and Brisbane, the property is within the established Heatherbrae industrial area in NSW.

This cold storage warehouse facility has a substantial secure income until April 2017.

PROPERTY DETAILS

Gross building area	3,899 sqm (approx.)
Land area	11,910 sqm (approx.)
Total pallet capacity	2,650 pallets

FOR SALE OR LEASE

Price on application
KnightFrank.com.au/2548302

MICHAEL BOOM
+61 410 764 599
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JOSH FRANKLIN
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514 Boundary Road

RICHLANDS, BRISBANE

This ex-Toll Logistics facility is well located just off the Ipswich Motorway in the established Richlands industrial precinct. The property is afforded efficient access to the Ipswich and Centenary Motorway Interchange providing easy access to the Brisbane CBD, Logan and Pacific Motorways as well as major southern and western transport routes.

- Features include:
- Huge sliding doors 20 metres wide
 - Multiple rollers doors
 - Drive around and drive through access
 - Massive hardstand areas for container and trailer storage

PROPERTY DETAILS

Land area	2.9 ha
Building area	8,217 sqm
Roof height	10.5 metre max.

FOR LEASE

KnightFrank.com.au/2152374

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LACHLAN HATELEY
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41-51 Monash Drive

DANDENONG SOUTH, MELBOURNE

Knight Frank is pleased to offer 41-51 Monash Drive, Dandenong South for lease. Located in the M1 Industrial Estate, the area provides staff amenity, access to the major road networks, exposure for signage to Western Port Highway and high clearance warehousing perfect for logistics and distribution.

- Features include:
- 8 recessed loading docks
 - 6 on grade doors
 - Extensive hardstand area

PROPERTY DETAILS

Building area	15,830 sqm
Warehouse	15,001 sqm
Office & amenity	829 sqm
Loading canopy	1,660 sqm (drive through)

FOR SALE

KnightFrank.com.au/2981457

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GEORGE LINN
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DEBT FREE & INDEPENDENT

\$800M

WORLD TURNOVER
(EXCLUDING THE AMERICAS)

411 OFFICES

59 COUNTRIES



THE AMERICAS
5,540 PEOPLE
166 OFFICES
15 COUNTRIES

ARGENTINA / BRAZIL / CANADA
CHILE / COLOMBIA / COSTA RICA
DOMINICAN REPUBLIC / MEXICO
PERU / PUERTO RICO
THE CARIBBEAN / USA

UNITED KINGDOM
2,000 PEOPLE
84 OFFICES

CONTINENTAL EUROPE
1,020 PEOPLE
80 OFFICES
16 COUNTRIES

AUSTRIA / BELGIUM / CYPRUS
CZECH REPUBLIC / FRANCE / GERMANY
IRELAND / ITALY / MONACO
THE NETHERLANDS / POLAND / PORTUGAL
ROMANIA / RUSSIA / SPAIN / SWITZERLAND

THE MIDDLE EAST
50 PEOPLE
3 OFFICES
2 COUNTRIES

THE KINGDOM OF SAUDI ARABIA
THE UNITED ARAB EMIRATES

AFRICA
690 PEOPLE
23 OFFICES
10 COUNTRIES

BOTSWANA / KENYA / MALAWI
NIGERIA / RWANDA / SOUTH AFRICA
TANZANIA / UGANDA / ZAMBIA
ZIMBABWE

ASIA PACIFIC
4,970 PEOPLE
55 OFFICES
13 COUNTRIES

AUSTRALIA / CAMBODIA / CHINA
HONG KONG / INDIA / INDONESIA
JAPAN / MALAYSIA / NEW ZEALAND
SINGAPORE / SOUTH KOREA
TAIWAN / THAILAND

KNIGHT FRANK TRANSACTION SUMMARY

	US\$	£	€
Land and Building valued	1,340 billion	887 billion	1,211 billion
Commercial sales and purchases	44 billion	29 billion	39 billion
Residential sales and purchases	17 billion	11 billion	15 billion

	Sq M	Sq Ft
Commercial space let and acquired	25 million	268 million
Commercial space being marketed at the year end	33 million	351 million
Total space managed	49 million	528 million

Currency conversion as at 31 March 2016

Connecting people
and property, perfectly.

There's a human element in the world of property that is too easily overlooked.

At Knight Frank we build long-term relationships, which allow us to provide personalised, clear and considered advice on all areas of property in all key markets. We believe personal interaction is a crucial part of ensuring every client is matched to the property that suits their needs best – be it commercial or residential.

Operating in locations where our clients need us to be, we provide a worldwide service that's locally expert and globally connected.

We believe that inspired teams naturally provide excellent and dedicated client service. Therefore, we've created a workplace where opinions are respected, where everyone is invited to contribute to the success of our business and where they're rewarded for excellence. The result is that our people are more motivated, ensuring your experience with us is the best that it can be.

Knight Frank New Zealand can offer you best in class advice for all of your commercial property needs including: professional services, agency, asset management, valuation and advisory.

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