

CONFIDENCE abounds

FAR FROM PUTTING A DAMPENER ON PROPERTY DEALINGS, LOCKDOWNS HAVE SPURRED HIGH ACTIVITY IN THE COMMERCIAL AND INDUSTRIAL MARKET.

WHILE IT'S FRUSTRATING FOR Auckland businesses and residents to have their freedoms and movements still significantly compromised while the rest of the country is in a lesser state of alert, the latest COVID scenario was not completely unexpected given global precursors.

Our neighbours across the Tasman and our Bayleys colleagues in Fiji are also doing the heavy lifting due to Delta – it's just the way it is right now.

Health responses aside, in property terms, this year's lockdowns have played out very differently to those of 2020.

Last year, the property market effectively shut up shop for two months while everybody got their heads around the doomsday narrative and the implications of the unknown.

However, the bottom did not fall out of the market – in fact, if we'd known then what we know now, we could have relaxed a bit more during March and April 2020.



“UNLIKE CENTRAL BANK COUNTERPARTS IN AUSTRALIA, THE US AND EUROPE, NEW ZEALAND IS THE ONLY ONE SIGNALLING A RISE IN THE OFFICIAL CASH RATE”

RYAN JOHNSON,
NATIONAL DIRECTOR COMMERCIAL
AND INDUSTRIAL

The New Zealand economy rebounded more strongly than most countries, with employment currently at or above its maximum sustainable level, and consumer price inflation expectations remaining around two percent.

Unlike central bank counterparts in Australia, the US and Europe, New Zealand is the only one signalling a rise in the official cash rate, with the Reserve Bank of New Zealand next reviewing its monetary policy settings on October 6.

To date during 2021, the market has traded itself through the pandemic environment with a sense of certainty and confidence with multiple commercial and industrial properties transacting unconditionally during these latest lockdowns.

The momentum we ultimately gained in 2020 and during the first half of this year has carried over into the current round of restrictions, hence real estate deals are continuing with barely a hiccup.

Accelerated technological platforms have allowed online auctions to play out seamlessly and meant the necessary dottings and crossings of the finer details can be dealt to virtually.

Taking a snapshot of sales concluded in the period 1 April to 31 July and comparing this year's values and volumes with those of last year, is eye-opening.

During that four-month period in 2020, Bayleys did 595 deals with a total value of \$580 million.

Fast-forward to this year and with the market confident that as an asset class, commercial and industrial property was resilient and offered some of the highest returns on investment, Bayleys concluded 1,171 deals with a combined value of \$2.1 billion.

Bayleys' clients are forging ahead with their real estate strategies – whether that's recycling of property, deleveraging, or acquisition – and not letting something called Delta derail them.

It has been interesting to note several trends getting significant traction today.

One is the prevalence of environmental, social and governance (ESG) principles.

Led by institutional investors, the physical attributes of the built environment and the role this plays in responsible investment is bringing sustainability and health/well-being to the fore, overlaid with sound and conscious governance.

Another is the escalation and galvanisation of hybrid and flexible working models, with a more distributed and agile workforce clearly here to stay.

Then there's the dynamism of the industrial sector with e-commerce driving a surge in demand for warehousing, dark stores, last-mile fulfilment centres and other logistics-related property. It's hard to keep up

with the step-change we're witnessing in this arena.

Editorially in this edition of *Total Property*, we get some industry context from some of the leading operators in the coworking and shared space market, with a heads-up on how they are navigating the new market conditions.

Back to the numbers – this edition of *Total Property* offers 89 commercial and industrial property opportunities for your consideration.

Given the confidence and bullish enthusiasm we've been witnessing in the market of late, act quickly if any of the available property options on these pages meshes with your investment goals or would advance your business operation.

WHO ARE WE?

Bayleys is New Zealand's largest commercial and industrial real estate agency and is the only significant national real estate business in this sector of the market that is New Zealand owned and operated.

We operate in a family-founded and values based corporate environment that demands integrity, excellence and results. In today's changing world we continue to innovate and focus on strong working relationships to deliver results that exceed our clients' expectations.



Bayleys have developed a true global partnership with Knight Frank, through our acquisition of their local business and their representation globally. This gives our clients access to a globally-connected network spanning 60 markets. Our closest connections are to the Knight Frank Asia Pacific Group with 8,265 people in 154 offices all working collaboratively to find the right buyer for your property.

OUR INDUSTRY RECOGNITION



Agency Team of the Year NZ 2020 & 2017
As awarded by the Royal Institute of Chartered Surveyors (RICS) at the RICS Awards.

Industrial Agency Team of the Year NZ 2018
As awarded by the Royal Institute of Chartered Surveyors (RICS) at the 2018 Sales Awards.



Bayleys is proud to have been recognised at the REINZ Awards for Excellence in Real Estate.

- Large Commercial and Industrial Office of the Year (2018-2021)
- Commercial and Industrial Salesperson of the Year (2018-2019)
- Small Business Broking Office of the Year (2019)
- Best Multi-Media Marketing Campaign of the Year (2018 & 2020)

2,550
SALES AND LEASING
TRANSACTIONS

\$3.6B
OF PROPERTY SOLD
OR LEASED

230
COMMERCIAL SALES
AND LEASING AGENTS

*For the period 1st April 2020 - 31st March 2021.