

RISING ABOVE THE BOTTLENECKS

WITH THE COMMERCIAL AND INDUSTRIAL PROPERTY MARKET STILL PERFORMING WELL, THERE ARE SOME GRIDLOCKS BOTH IN AND AROUND THE SECTOR THAT ARE STALLING FURTHER GROWTH MEANING WORKAROUNDS ARE NEEDED.

THIS EDITION OF *TOTAL PROPERTY* deep dives into construction industry challenges, hiccups and innovations; looks at how the form and function of commercial property has changed due to pandemic learnings; and explores some of the evolving property hotspots resulting from the Auckland halo effect.

2021 is dishing up some interesting twist and turns.

As the pandemic's tentacles continue to reach far and wide and we all accept that disruption will be an inevitable part of life for the foreseeable future, there are some sobering realities coming to light – particularly in the construction sector.

Kinks in supply chains causing uncertainties around order fulfilments, a

dire shortage of some materials and a gaping chasm between the skilled labour pool that is needed to get the pipeline of work done and the available numbers of hands on the tools – makes for challenging times.

The recently launched Workforce Information Platform (WIP), a forecasting tool that displays national and regional gaps, and surpluses right across all facets of the construction and infrastructure labour market, highlights a disconnect between capacity, capability and demand.

However, while COVID-19 has undoubtedly played havoc with the fundamentals of getting planned work started, progressed or completed – it is not the only factor hindering growth in the residential, commercial and industrial sectors.

Frustrations are mounting in the wake of recent announcements by central and local Government that some key infrastructural projects have been put on the proverbial back-burner, or significantly down-scaled.

East Aucklanders who have been patiently waiting for the Eastern Busway initiative to be fully rolled out, are disappointed by Auckland Transport's decision to delay progress due to funding issues.

South Auckland's multibillion-dollar Mill Road project, which would provide an alternate road between Manukau and Drury, has been "rebalanced" after cost blowouts forced the Government to rethink its strategy.

It's a story playing out around the

country with Wellingtonians still waiting for Transmission Gully, and further delays confirmed for the Peka Peka to Ōtaki expressway north of the capital.

With construction costs escalating, vital transport infrastructural projects will never be cheaper, and the delays are frustrating for the private sector that's actively trying to plan, facilitate and complete major developments to cater to the country's growth dynamics.

Bottlenecks at a council-consent level, with delays in processing and granting approvals, are not helping the development situation, either.

Meanwhile, the Auckland halo effect is seeing exponential demand at all compass points of the super city and, as traditional boundaries continue to flex and push outwards, opportunity exists for new investment and development so removing any barriers to progress is vital.

Innovation is rife, as clever ways to optimise density and create new communities are balanced against



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RYAN JOHNSON,
NATIONAL DIRECTOR COMMERCIAL
AND INDUSTRIAL

the cost and logistics of bringing plans to life. What we do know is that the "build it and they will come" narrative has real weight in the commercial and industrial space, where available stock in the market is hotly contested.

There are also new challenges for commercial landlords and developers in addressing the health ramifications prompted by the pandemic. *Total Property* talks to industry sector leaders about the COVID gamechanger when it comes to the built environment.

All this – and, 68 new-to-the-market commercial and industrial property opportunities for sale.

Bayleys' multi-faceted team can part the traffic and create a way forward for your commercial and industrial property aspirations – just get in touch, we're waiting to hear from you.

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 (2018-2020)
- 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.