

# MEGA TRENDS *driving spends*

## THE GLOBAL AND DOMESTIC DRIVERS FUELLING THE BUOYANT COMMERCIAL PROPERTY MARKET IN NEW ZEALAND.

WELCOME TO THE THIRD EDITION of Bayleys' *Total Property* for 2021 where we feature 89 new commercial and industrial property opportunities for sale throughout the country.

The fact that momentum keeps building in the broader commercial property market continues to astonish investors and occupiers as they compete to secure a presence in the fiercely competitive sector.

Not even a global pandemic could derail it and while national industry-wide combined data shows 2021 transactions were down 16 percent on those in 2020, Bayleys' figures demonstrate a record calendar year across the commercial and industrial business.

COVID-19 slowed the market down for three months given the constrained environment we were forced to operate within in response to the virus, but in the 2020/2021 financial year, Bayleys had its biggest year ever with a record number of



**"BAYLEYS' FIGURES  
DEMONSTRATE A RECORD  
CALENDAR YEAR ACROSS  
THE COMMERCIAL AND  
INDUSTRIAL BUSINESS."**

RYAN JOHNSON,  
BAYLEYS' NATIONAL DIRECTOR  
COMMERCIAL AND INDUSTRIAL

transactions and sales value.

As we now transition into the next phase of the pandemic life cycle with vaccine rollouts and the hesitant reopening of certain international borders, the commercial and industrial property market will evolve – again.

The ability to flex and pivot has been shown to be the determinant of success throughout the business world and across all of its genres. Stand still, and you'll go nowhere.

Some trends that were already occurring in the property market were escalated by the pandemic conditions, while others have crept onto the radar incrementally to now take prominence.

There are three definitive mega trends overarching the commercial property sector in New Zealand right now.

ESG is one of these – the environmental, social and governance principles that determine the sustainability of companies or

investment projects and how this is increasingly driving decision making.

Off the back of the global climate change emergency, the corporate world is being challenged to embrace a lower carbon, more sustainable, and more resilient operational model – one where the environment, people and community are more important than ever.

ESG is a set of performance indicators used to assess a company or investment project to determine its sustainability. These three letters have changed the commercial real estate narrative, with investors, developers and occupiers all in the spotlight as to the part they can play.

Then there's the global urbanisation theme, played out via the intensification of land around the country, but particularly in core metropolitan nodes, as population growth and demand for housing reaches new heights.

It is purported that globally, around 50,000 people are moving to cities every day. In New Zealand, there's more and more focus on our key cities.'

Changes to council district plans and last year's National Policy Statement

on Urban Development are encouraging higher density residential developments, a build-to-rent model, and master-planned residential communities.

As seen in this edition of *Total Property*, 95 hectares of land on the fringe of Tauranga city has come to the market, offering a sought-after mixed-density development opportunity with scale. With the Bay of Plenty region experiencing huge population growth, this is arguably one of the best residential land development opportunities in the Golden Triangle.

The third trend relates to 30 years of decreasing interest rates in this country. The ramifications of changing monetary policy and fiscal stimulus have played out in the investment market where property has been cemented as a wealth creator.

But home affordability has become a social and political hot potato. Looking at price-to-income ratios, CoreLogic says houses are as unaffordable as they've been at any time for at least 17 years.

With the recent government announcement removing mortgage interest tax deductibility benefits for residential property investors, commercial property opportunities suddenly look even sweeter.

These three mega trends are covered in more detail between the covers of *Total Property*.

Across Bayleys' numerous business lines, activity and enquiry is not slowing down – so please get in touch if any of the opportunities for sale here strike a chord and mesh with your property goals.

## 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)

**2,492**  
SALES AND LEASING  
TRANSACTIONS

**\$2.8B**  
OF PROPERTY SOLD  
OR LEASED

**230**  
COMMERCIAL SALES  
AND LEASING AGENTS

\*For the period 1st April 2019 - 31st March 2020.