New Zealand | Industrial | 2014

HIGHLIGHTS

Industrial's golden run continues

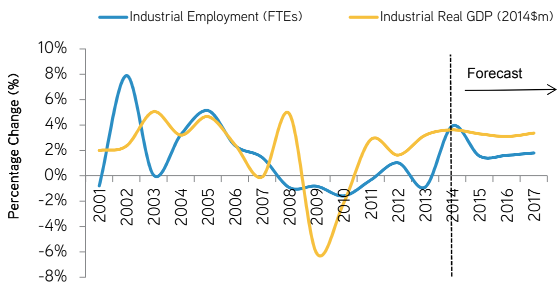
Positive signs ahead point to another golden run for the industrial sector, with little signs of a slowdown. Demand is the best it has been in decades and this is an attractive feature for an investment market hungry for good quality investment opportunities. The positive attention the industrial sector is receiving stacks up against a backdrop of strong economic activity. The only foreseeable headwind for further expansion will be access to the type of vacant industrial land that allows development of the premises desired by tenants. In some areas of New Zealand, particularly in pockets of Auckland where the highest proportion of industrial activity is recorded, this resource is becoming scarce.

Key Findings

- New Zealand's economic expansion is fuelling the latest run in the industrial sector's strong performance. Vacancy rates in Auckland, Wellington and Christchurch have been declining for the last two years. Regional markets are also showing positive signs of leasing activity, but the best sites and premises are receiving most of the attention.
- Auckland continues to undertake the lion's share of development activity, however, land supply remains a constraint. For occupational pressure to ease in a market experiencing the strongest demand in two decades, more development is needed.
- Some landlords may look to reduce incentives and extend lease terms rather than increase rents, but for many tenants rental increases will be inescapable over the next few years.
- There is more than 3030 hectares of vacant industrial land in the regions of Auckland, Bay of Plenty, Waikato, Wellington, Canterbury and Otago. However, some areas have an oversupply and some an undersupply. Some large tracts of land are unavailable for private development or ownership, or the land is not the right size, shape or contour. This is in some cases restricting the development of modern industrial development that tenants are increasingly demanding.
- More solid results are expected in 2015 from a sector forging ahead. The need for industrial space will rise in line with economic activity. Tenants should prepare for annual average rent rises between 1.0% and 3.0% and more in the prime sector. Landlords will look to extend lease terms as well. This will stir further positive investment conditions, but only for the right stock which ticks the boxes on covenant, quality, configuration, location and seismic strength.

KEY INDICATORS	12 MONTH CHANGE	12 MONTH FORECAST
OVERALL PERFORMANCE	↑	↔ ↑
NEW SUPPLY	↑	↔ ↑
VACANCY	↓	↔
RENTS	↔ ↑	↔ ↑
INCENTIVES	↔ ↓	↔ ↓
CAPITAL VALUES	↑	↔ ↑
YIELDS	↓	↔ ↓

New Zealand industrial sector economy



Source: BERL and Colliers International Research

New Zealand Industrial Market Indicators Q4 2014

Precinct	Vacancy Rate (%)	Net Prime Rents ($/m²)				Net Secondary Rents ($/m²)				Prime Capital Value* ($/m²)		Secondary Capital Value* ($/m²)		Prime Market Yields (%)		Secondary Market Yields (%)	
	OVERALL	OFFICE		WAREHOUSE		OFFICE		WAREHOUSE									
AUCKLAND	**Aug-14**	**LOW**	**HIGH**	**LOW**	**HIGH**	**LOW**	**HIGH**	**LOW**	**HIGH**	**LOW**	**HIGH**	**LOW**	**HIGH**	**LOW**	**HIGH**	**LOW**	**HIGH**
Airport Corridor	2.7%	200	230	100	105	130	170	70	85	1600	2000	935	1360	6.50%	7.50%	7.50%	8.75%
East Tamaki	2.4%	200	240	100	115	140	180	80	95	1715	2155	1080	1545	6.50%	7.00%	7.25%	8.50%
Manukau/Wiri	3.6%	200	230	100	110	140	170	70	85	1655	2060	960	1405	6.50%	7.25%	7.25%	8.75%
Mt Wellington	3.2%	200	245	100	120	150	185	80	100	1715	2230	1075	1615	6.50%	7.00%	7.25%	8.75%
Penrose/Onehunga	3.3%	200	235	100	120	150	190	80	100	1715	2200	1075	1630	6.50%	7.00%	7.25%	8.75%
Rosebank/Avondale	2.5%	200	235	100	115	120	160	70	95	1655	2060	915	1490	6.75%	7.25%	7.25%	8.75%
New Lynn	3.6%	190	230	100	115	150	180	70	85	1575	1970	985	1300	7.00%	7.50%	8.00%	8.75%
Henderson	2.3%	190	230	100	115	150	180	70	85	1575	1970	955	1300	7.00%	7.50%	8.00%	9.00%
Mairangi Bay	2.3%	205	250	105	120	170	200	100	110	1785	2245	1425	1830	6.50%	7.00%	7.00%	8.00%
North Harbour	2.9%	200	245	100	120	150	190	95	110	1715	2320	1325	1800	6.25%	7.00%	7.00%	8.00%
Wairau Valley	2.3%	180	200	100	110	130	160	80	100	1655	2050	1060	1600	6.25%	7.00%	7.00%	8.50%
WELLINGTON	**Nov-14**																
Seaview	5.6%	110	140	80	100	65	90	40	65	1010	1440	410	780	7.50%	8.50%	9.00%	11.00%
Grenada	4.3%	100	135	70	90	70	95	50	65	870	1320	515	835	7.50%	8.75%	8.50%	10.50%
Miramar/Rongotai	4.5%	85	105	55	75	65	80	35	50	625	1015	375	590	8.00%	9.75%	9.50%	11.00%
Ngauranga	5.5%	115	145	85	105	85	120	60	80	1070	1615	650	1035	7.00%	8.50%	8.50%	10.00%
Petone/Alicetown	4.1%	105	135	75	95	95	120	65	80	955	1470	675	1035	7.00%	8.50%	8.50%	10.50%
Porirua	2.9%	100	120	75	85	65	80	45	50	890	1225	445	620	7.50%	9.00%	9.00%	11.00%
Naenae/Wingate	4.4%	95	125	65	85	55	65	25	45	790	1165	280	545	8.00%	9.00%	9.00%	11.00%
Upper Hutt	11.7%	85	105	50	70	50	65	25	45	600	965	260	515	8.00%	9.50%	9.50%	11.50%
CHRISTCHURCH	**Sep-14**																
Hornby/Islington	1.6%	170	220	90	120	135	175	70	90	1370	2075	950	1380	6.75%	7.75%	7.75%	8.75%
Middleton/Sockburn	2.2%	170	220	90	120	135	175	70	90	1370	2075	950	1380	6.75%	7.75%	7.75%	8.75%
Sydenham	6.5%	170	250	90	125	135	175	70	90	1370	2220	950	1380	6.75%	7.75%	7.75%	8.75%
Riccarton/Addington	-	170	250	90	125	135	175	70	95	1370	2220	950	1430	6.75%	7.75%	7.75%	8.75%
Bromley	-	140	170	75	95	95	125	50	70	880	1375	470	855	8.00%	10.00%	9.50%	12.50%
Woolston	-	170	220	90	120	125	165	65	85	1370	2075	855	1265	6.75%	7.75%	8.00%	9.00%
HAMILTON																	
Hamilton	-	140	170	75	100	90	120	50	70	1100	1690	645	1000	6.75%	8.00%	8.00%	9.00%
TAURANGA																	
Tauranga	-	140	160	90	100	100	120	60	80	1430	1725	800	1175	6.50%	7.00%	7.50%	8.50%
DUNEDIN																	
Inner City	-	130	190	75	115	60	90	45	75	1010	1795	435	920	7.25%	8.50%	8.50%	11.00%
Kaikorai Valley	-	80	160	60	90	50	80	40	65	710	1340	350	755	7.75%	9.00%	9.00%	12.00%
Mosgiel	-	75	140	55	85	45	75	40	55	620	1240	340	620	7.75%	9.50%	9.50%	12.00%

Source: Colliers International Research
Assumes fully leased at market rates
Assumes 2000m² building with 50.0% site coverage
Rates may fall outside of the parameters
*Based on net combined rents of warehouse and office rents (assumes warehouse/office of 80/20)

MAIN CENTRES

Auckland

Demand strongest in two decades

In Auckland, the current vacancy rate is the lowest recorded since our records began in the mid-1990's, with both prime and secondary vacancy space at all-time lows. Overall the vacancy rate is just 2.9%. One of the biggest shifts in the Auckland industrial sector in 2014 has been the demand for prime space. The prime vacancy rate was already at a low 3.0%, but has moved lower to 2.2%. In some precincts, there is now no prime vacant space available. Much of the current prime vacant space is either recently vacated or remains more difficult to lease due to its location, position, site coverage, layout, configuration or access.

We are at the beginning of a forecast period of economic expansion, which suggests more positive results ahead. There is a lack of options for tenants to choose, signaling the start of a new construction phase in the industrial sector over the short term.

Construction boost on its way

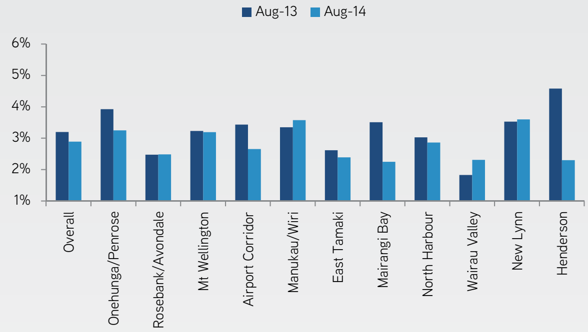
The ability to construct industrial premises in a shorter time frame than say high rise office towers and their typical occupation by a single tenant, typically reduces mass fluctuations between supply and demand. However, restricted land availability, rising construction costs and up to four month time delays in materials, such as concrete tilt slabs, are constraining the pace of development activity. Now that land values are increasing, on the back of a more prosperous environment and rental growth forecasts, new supply will be led by those with the ability to develop their existing land holdings. Much of the focus will remain in the south where land availability is highest.

The structural change in the industrial sector towards distribution and transport is changing the profile of the industrial sector. It is likely that a significant proportion of industrial buildings being constructed in the future will lean towards storage and distribution type premises. This is already noticeable in building consent data. These developments typically require large parcels of land. Our latest industrial land supply shows that there is a limited amount of supply in some sizes. Approximately half of the vacant industrial land supply in Auckland is in parcels larger than 5 ha, and around half is owned by a handful of owners: the Auckland Airport, Goodman Property Trust, Fletcher Concrete and Construction and Stonehill Trustee Limited.

Rents rise and incentives reduce

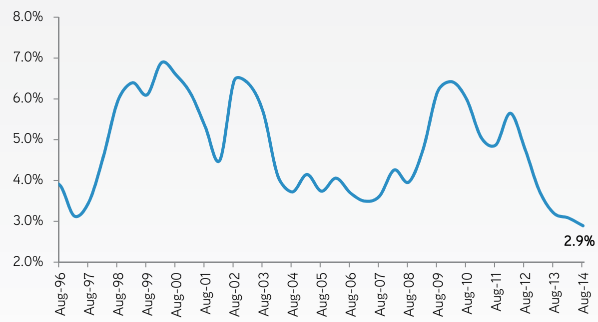
The ability of landlords to increase rents and the ability of tenants to pay them typically follow the fortunes of the economic cycle - a function of the activity levels of tenants producing, moving and selling goods. Therefore, given GDP is forecast to rise by 2.0% to 4.0% p.a. over the next few years, we expect rents to grow by between 1.0% and 3.0% p.a. depending on the level of over-renting/under-renting.

Auckland industrial vacancy rate by precinct



Source: Colliers International Research

Auckland overall industrial vacancy



Source: Colliers International Research

71 Westney Road

Mangere, Auckland

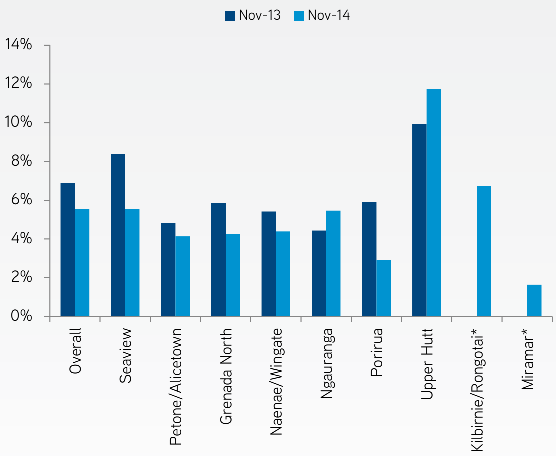
Property syndicator Oyster Group has acquired the Cardinal Logistics site at 71 Westney Road in Mangere. The property is fully leased to Cardinal Logistics on a new 15 year lease and three further five-year rights of renewal.

Highbrook Business Park & Savill Link

Business Parade North, East Tamaki & Savill Drive, Otahuhu, Auckland

Steel & Tube have committed to two new purpose built facilities at Goodman's Highbrook Business Park in East Tamaki and Savill Link in Otahuhu with a combined total floor area of over 18,000m². The new facility at Savill Link in Otahuhu will be completed in December 2014 while the development at Highbrook Business Park in East Tamaki is scheduled for completion in February 2015.

Wellington industrial vacancy



Source: Colliers International Research
* New addition to the 2014 vacancy survey

Prime quality modern industrial premises will likely see rental forecasts between 3.0% and 5.0% p.a. The focus on Auckland's south suggests that is where a lot of this rental growth will be over the next few years.

Investment activity still rising

Pent-up investor demand for quality industrial stock is leading to record low yields being achieved on a more regular basis. Average Auckland regional prime industrial yields will edge slightly lower over the next few years, despite already being at 20-year lows. The next increase in the interest rate cycle seems to be postponed, which is spurring another round of investment from the owner-occupier market and syndicators. Land values, which reduced by around 26.0% after the GFC and flat-lined for a sustained period thereafter, are now showing signs of growth: up 7.0% in the last 12 months. Many established industrial precincts have land values that are between $300/psm pa and $350/psm pa for the best sites, if available. Given construction and labour costs are also rising, profitable development of industrial space at high land rates is tenuous.

Wellington

Vacancy rate declines further

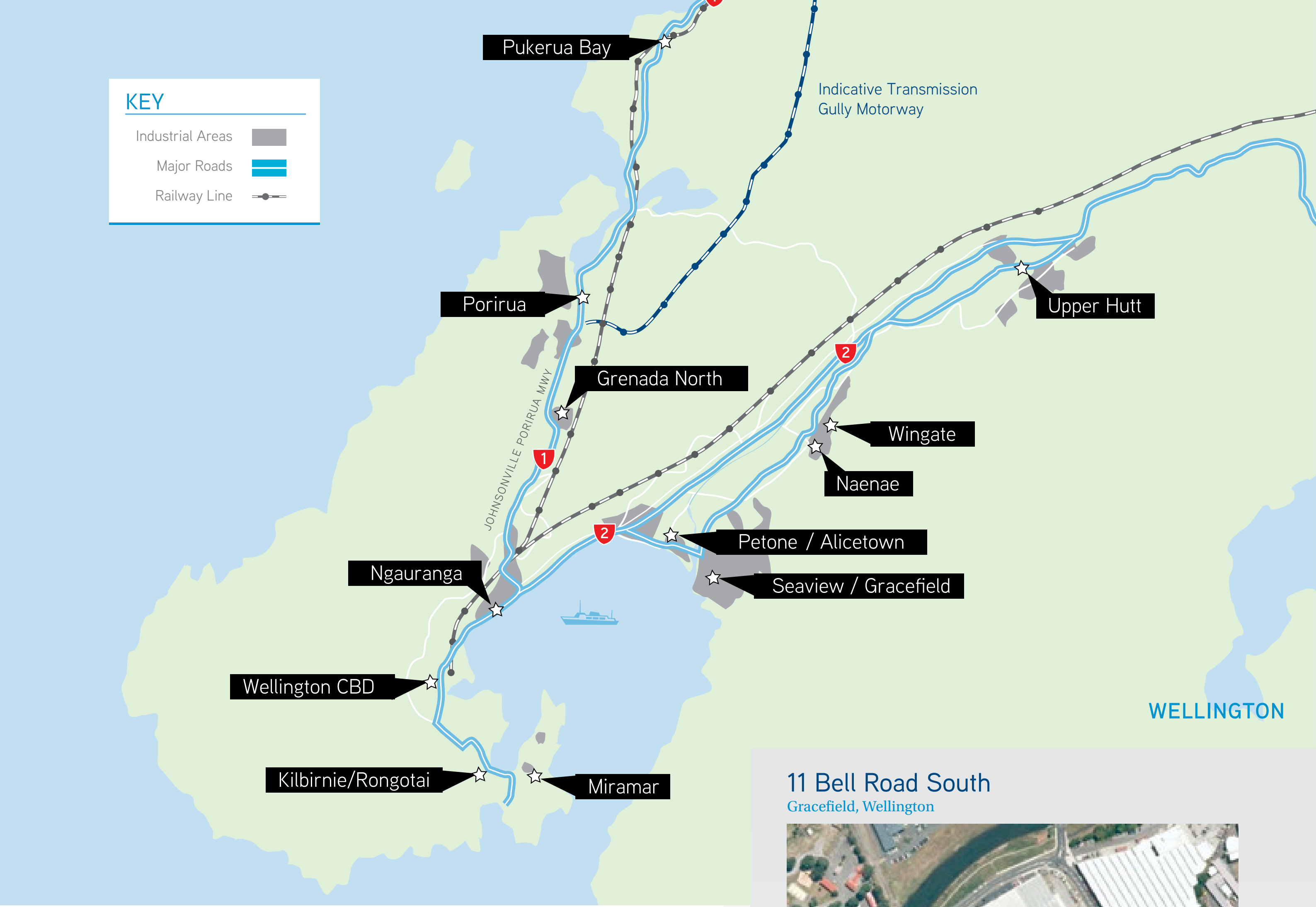
Rising demand for less available space continues to drive vacancy rates down in the Wellington region. In our latest industrial survey, the most comprehensive available, vacancy has now reached just 5.6%, the lowest recorded since our survey began in 2009. Covering more than 2.5 million square metres of industrial space, only about 143,000m² is available to lease. Seaview and Upper Hutt provide just over half of all vacant space.

A number of substantial lease deals were concluded in the past 12 months. One of the largest was Retko Transport that leased almost 11,000m² of space at the former Barlow Freight premises at 11 Bell Road South. They join other businesses in the greater Wellington region who have leased space including Mainfreight, Idea Services, Daytona Raceway Go Carts, Laminex, NZ Coach Services, PowerPac, Chemcars, Effuzi and more.

Business Economic Research Limited's (BERL) forecast of economic expansion of approximately 2.0% p.a. in the Wellington region's industrial sector over the next three years indicates vacancy rates will decline further over the next 12 months. Further upgrades and extensions to major road networks such as Transmission Gully and the Northern Corridor will further boost the industrial sector's performance and attractiveness.

First rent rise since GFC and more on the horizon

Higher leasing activity and reducing vacancies are fuelling moderate rental increases. Average gross rents for modern industrial premises typically range between $85/psm pa and $125/psm pa. While this



is up only marginally in the last year, it represents the first annual increase in this cycle. Further increases are forecast over the next 12 months reflecting the higher demand environment.

Although rents are lower for older, traditional industrial premises which comprise the majority of Wellington industrial stock, the rise in activity levels is stirring landlords to increase rents across the board. Further upside for landlords over the past year is the decline in insurance premiums of approximately 10.0%, alleviating some of the pressure arising from gross rents.

Tenants should prepare for rental increases between 1.5% and 3.0% p.a and a slight reduction in incentives over the next few years.

Investment sentiment strong

The positive supply and demand characteristics fueling rental increases has led to increased investment demand as buyers anticipate good medium-term rental growth prospects. The latest Colliers International confidence survey shows investors are the most optimistic since the survey began in late 2008. The sale of the recently developed Masterpet premises to Property for Industry (PFI) reflects this confidence. The property sold for $15.267 million at a yield of 7.6%. It is one of the largest transactions recorded in the Wellington industrial sector since the sale of the Dunlop/ South Pacific Tyres manufacturing complex in Upper Hutt sold for $18.5 million in 2007.

11 Bell Road South

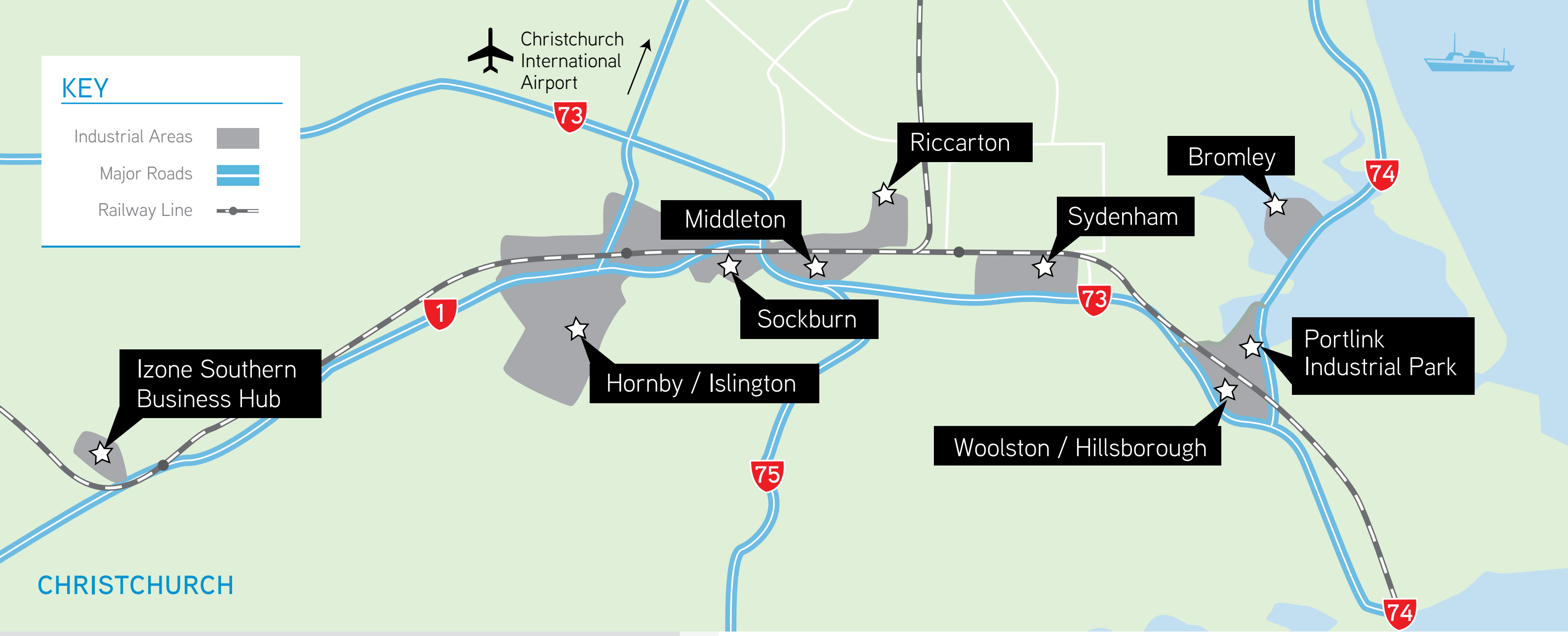
Gracefield, Wellington

Retko Transport has leased the former Barlow Freight premises at 11 Bell Road South on a nine year term. The property comprises a 10,937m² former 1960s woolstore with a stud height at the knee of 4.8 metres.

Masterpet premises

143-149 Hutt Park Road, Gracefield, Wellington

Property for Industry (PFI) has acquired the recently developed Masterpet premises on Hutt Park Road in Gracefield for $15.267 million at a yield of 7.6%. The property, developed by Kea Property Group, comprises a 7245m² warehouse, 762m² office and amenities and 1350m² canopy on a site of just below 2 ha.



Christchurch

Fuelled by the rebuild after the 2010 and 2011 earthquakes, Christchurch's industrial sector goes from strength to strength. According to the latest forecasts from Infometrics, GDP in Christchurch city increased by just over 6.0% in the year ending March 2014. Expectedly, the construction sector is the biggest beneficiary with growth of more than 15.0%.

The positive economic expansion is mirrored in the Performance of Manufacturing (PMI) index which monitors production, employment, new orders and finished stocks. A result above 50 is a sign of industry expansion - Canterbury recorded 55.9. One of the most compelling stories is the employment gains in the industrial sector in Canterbury which now has a higher percentage of manufacturing employees than anywhere in New Zealand.

Construction activity accelerates

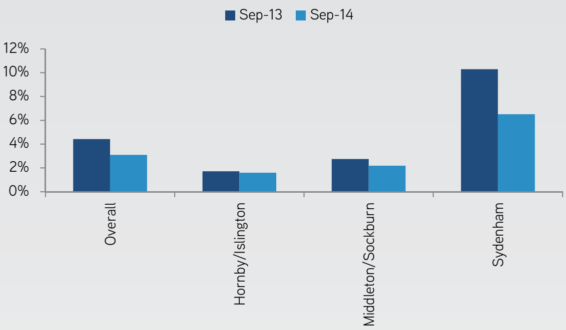
Positive underlying economic conditions are boosting tight property market conditions, with vacancies reducing further over 2014. The latest building consent data shows the response to the demand for properties with more than 700,000m^2 of building consents issued for storage and factories and industrial buildings since the June quarter in 2011. This three year period between 2011 and 2014 represents 21.0% of the industrial sector floor space consented since early 1990.

The release of land for further development is well underway with recent sales in Wigram Business Park and Waterloo Business Park receiving steady enquiries with rates ranging between $200/psm pa and $335/psm pa depending on location and size.

Investors eye medium term growth prospects

Combined net face rents are now at $120/psm pa, with annual appreciation slowing to sub-5.0% compared to 10.0% immediately following the earthquakes. Rents are now more than 28.0% higher than early 2011. Given the demand, rising rents and positive

Christchurch industrial vacancy



Source: Colliers International Research

85-89 Shands Road

Hornby, Christchurch

Goodman Property Trust has sold its 20,380m^2 Carter Holt Harvey packaging plant site at 85-89 Shands Road, Hornby. It sold for $16.37 million to a private investor. Goodman has also sold two of the industrial properties in the Glassworks Industry Park on Shands Rd. Big Chill sold for $7.09 million at a yield of 7.1% and Placemakers sold for $7.2 million at a yield of 5.8%.

investment conditions; average yields are at 7.8% and 8.9% for prime and secondary premises respectively, with forecasts for further declines over the next 12 months.

REGIONAL CENTRES

Hamilton

Waikato, supporting a diverse catchment of rural, distribution and storage, construction and manufacturing businesses, has the third highest industrial-related employment and the fourth highest proportion of industrial-related businesses of all 16 regions in New Zealand.

The concentration of services has buoyed the Hamilton industrial market, but tight operating margins continue to restrict the ability of landlords to increase rents above the rate of inflation. While better business conditions are forecast, most of the activity is expected to be recorded in the higher quality end of the market, which continues to receive the most amount of attention from tenants and investors.

Investment yields for prime space will typically range between 7.0% and 8.0% given pent-up demand for prime quality stock - a feature dominating most markets in New Zealand. Owner occupier activity in Hamilton's industrial market continues to grow as business owners take advantage of the lower interest rate environment and better business conditions.

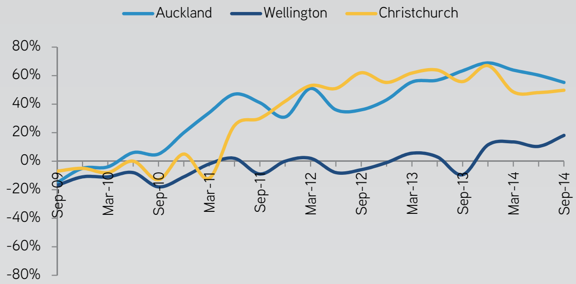
There is no shortage of industrial land supply in Hamilton with more than 460 ha currently available and more in the pipeline in varying stages and timeframes. There is a future 200 ha to 300 ha potentially available over the next 10 years. Given the restricted design build activity, absorption will remain low over the next few years, which will limit the ability for land value rates to increase. While industrial land values can be as low as $110/psm pa, high demand sites in traditionally sought after locations can exceed $300/psm pa.

Tauranga/ Mt Maunganui

The positive mood in Tauranga and Mt Maunganui's industrial sector is understandable given the distribution and storage activity from the port. Steady population growth is also fuelling the construction sector. While pockets of the market are busier than others, there are still a number of precincts with a relatively steady rental rate environment.

In the wider Bay of Plenty region there is a similar number of employees in transport, postal and warehousing as there is in construction. However, the number of manufacturing employees still represents just below 90.0% of all industrial-related jobs in the region. This provides suitable demand for a high proportion of the 1980's industrial stock prevalent in the area, however, quality, location, access and configuration are still important features of consideration for tenants looking for space.

Industrial investor confidence* - three main centres



Source: Colliers International Research
* Net %

19 The Boulevard

Te Rapa, Hamilton

Top Town Tyres purchased 1.1 ha of land at 19 The Boulevard in Te Rapa to accommodate their new showroom and tyre distribution facility. Top Town will move from Te Rapa Road to their new facility at The Boulevard in July 2015.

New Zealand Post Mail Centre

47 The Esplanade, Petone, Wellington

The 2.27 ha New Zealand Post Mail Centre site on the Petone Esplanade north of Wellington city has been sold to private investment company Seaview HP for $15.4 million with a passing yield of 9.3%. The property encompasses over 12,700m² of warehouse and administration facilities and has a lease back to New Zealand Post until August 2015. New Zealand Post is moving its Petone mail processing operation to Palmerston North next year.

119 Maleme Street

Greerton, Tauranga

A substantial 7900m² industrial site with 2219m² of buildings at 119 Maleme Street in Greerton has been sold by PEG Holdings. A family trust purchased it for $3 million reflecting a yield of 8.4%. The property has a long term lease to Turners & Growers.

Wickliffe Press Building

92 Factory Road, Mosgiel, Dunedin

Taieri Industrial Rental Investments have sold the Wickliffe Press building at 92 Factory Road in Mosgiel to Mill Park Estate for $2.435 million at a yield of 7.8%. The 7500m² building sits on a site of over 3.6 ha.

11 Dalgety Drive

Wiri, Auckland

Chalmers Properties sold their 14,620m² industrial property at 11 Dalgety Drive, Wiri to a private investor. It was purchased for $12.85 million with an initial yield of 8.7%. The property was constructed in 1978 as a manufacturing facility for Kraft Foods. It now has an annual rental income of circa $1.119 million over five tenancies.

While industrial land values in the traditional industrial precincts of Tauranga and Mt Maunganui are now reaching in excess of $300/psm pa, options at Tauriko remain at a slight discount. However, the increase in activity as businesses move to the area is starting to place upward pressure on land values. Cognisant of land value rises and rental rate increases, businesses are looking for owner occupier opportunities. While much of the attention will be focussed on Tauriko for now, it is opening up other areas of interest such as Papamoa, which is still a newcomer to the major industrial scene.

Investor activity is upbeat. Pent-up demand for quality industrial stock is keeping yields low - typically ranging between 6.5% and 7.0% for prime stock and 7.5% and 8.5% for secondary stock. The latest Colliers International investor confidence survey shows a net positive 36.0% confidence rating in Tauranga and Mt Maunganui, the fourth most optimistic in New Zealand after Auckland, Christchurch and Queenstown. This will buoy investment activity throughout 2015.

Dunedin

Investors and tenants continue to be attracted to Dunedin by industrial precincts close to the central business district, ease of road, rail and sea transit options, and attractive property costs when compared with other main centres.

Spurring further positivity is the latest rise in activity, driven by strong business growth and the need to secure more space or upgrade to higher quality buildings. This has led to several industrial occupiers in Dunedin commissioning new design-build premises, but there is also limited prime industrial land available. While in short supply, existing prime premises that provide superior location, efficiency, functionality and seismic strength remain popular among tenants and investors.

Freehold industrial land in Dunedin is scarce, especially in the central industrial precincts, but this shortage will be alleviated in part by Calder Stewart's development of the former Carisbrook Stadium site. Approximately three hectares of prime freehold industrial-zoned land will be released to the market with strong enquiry for part and full occupation options.

Development of this site will temper demand for other industrial space. However, the stronger demand environment and the pent-up demand for prime investment opportunities are fuelling another round of price escalation. Investment yields remain firm, reaching as low as 7.25% in the inner city, but still more attractive than in many other main industrial precincts in New Zealand. New build premises commanding rents of $115/psm pa are also an indication of the attractive returns on offer in Dunedin.

Vacant industrial land supply

Vacant industrial land supply in Auckland, Wellington, Canterbury, Waikato, Bay of Plenty and Otago reached 3037 ha as at November 2014 compared to 2709 ha in November 2013.

Vacant industrial land absorption across Auckland was 29 ha in 2014. Approximately 10 ha of vacant industrial land absorption was recorded in South Auckland, where the majority of supply is located.

Vacant Industrial Land

Vacant land overall net absorption results by region

REGION	NET ABSORPTION (HA)	TOTAL VACANT DEVELOPABLE LAND - NOV 14 (HA)
Auckland	29.4	934.6
Wellington	12.9	220.3
Canterbury	18.3	1176.7
Waikato	6.0	460.1
Bay of Plenty	0.6	149.9
Otago	0.6	96.0

Source: CoreLogic & Colliers International Research

Outlook

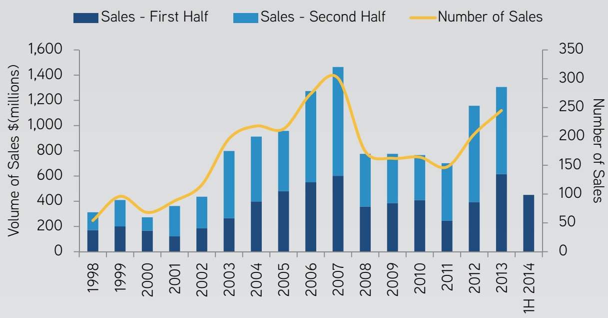
More solid results are expected in 2015 from a sector forging ahead. With many lead indicators pointing to further economic expansion, this will translate into more production, jobs and the need for industrial space.

This bodes well for industrial areas that have the space to expand, at a reasonable cost, which is increasingly becoming difficult to find in some established precincts. Brownfield development remains a potential route to investigate for some premises reaching the end of their economic life. However, owners are wary of foregoing cash flow and spending money to redevelop premises, especially without tenant pre-commitment.

Another round of rental rate rises is forecast over the next few years. While largely confined to the top end of the sector, forecasts of between 1.0% and 3.0% p.a are the likely rates tenants should prepare for at the next rent review. Prime quality, modern premises will attract higher growth rates. Some landlords of smaller premises will look to extend lease periods to three, four or five years. These terms had reduced significantly between 2008 and 2012.

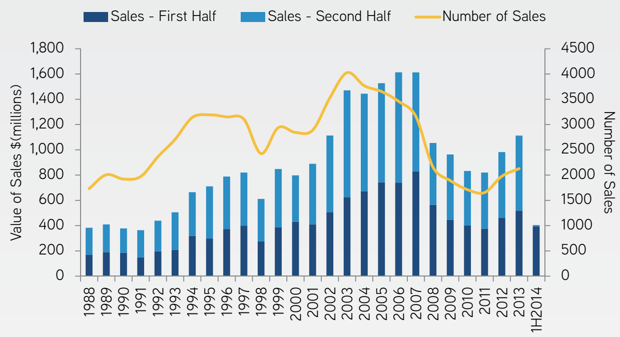
The investment sector shows no signs of slowing as we close off 2014, and this will carry through into 2015, especially given the extended lower interest rate environment with inflation stuck at the lower end of the RBNZ target band. While investors are willing to pay a premium for the right stock, they need satisfaction on tenant covenant, construction quality, configuration, location and seismic strength.

New Zealand industrial property sales - over $2 million



Source: CoreLogic & Colliers International Research
Note: Settled sales over $2 million only, excludes portfolio sales
Areas include Auckland, Wellington, Christchurch, Whangarei, Hamilton, Hawke's Bay/Gisborne, Palmerston North, Tauranga, Dunedin, Nelson/Marlborough and Queenstown

New Zealand industrial property sales - under $2 million



Source: CoreLogic & Colliers International Research
Note: Settled sales under $2 million only, excludes portfolio sales
Areas include Auckland, Wellington, Christchurch, Whangarei, Hamilton, Hawke's Bay/Gisborne, Palmerston North, Tauranga, Dunedin, Nelson/Marlborough and Queenstown

Infrastructure and industrial development updates

A selection of infrastructure projects

INFRASTRUCTURE PROJECT	TYPE	STATUS	ESTIMATED COMPLETION	CURRENT DESCRIPTION AND STATUS
AUCKLAND				
Rail Network Electrification	Rail	Under construction	Q3 2015	Electrification of the rail network from Papakura to Swanson will result in a more quiet, consistent and sustainable system. Trains will be powered by an overhead wire on a 25kv AC power system.
Albany Highway North Upgrade	Road	Design/land purchase	2017	This highway services a number of sectors including the North Harbour Industrial Estate, office space and local schools with approximately 15,000 vehicles travelling along it everyday. The upgrade aims to improve congestion, make the route safer as well as encouraging non-automotive transportation methods.
City Rail Link	Rail	Design	2021	The CRL will lengthen the current rail network, extending it from Britomart to Mt Eden. Britomart will become a through station with new stations near Aotea Square and K'Road. It's estimated to take five to six years to build at a cost of $2.4 billion when inflated to 2021 prices.
HAMILTON				
Waikato Expressway - Cambridge Section	Bypass	Under construction	Late 2016	Waikato expressway is designed to provide a continuous divided four-lane highway between Auckland and Cambridge that will improve safety and reduce travel times and congestion on SH1. Once completed, it is expected to reduce the travel time between Auckland and Tirau by 35 minutes.
Hamilton Ring Road Extension Project E1	Road	Partial completion	2015	The Hamilton City Ring Rd is an important component of the Access Hamilton Strategy, extending from SH1 Te Rapa Rd to SH1 Cobham Dr and including the existing SH1 western corridor, to enable the management of congestion around the city.
TAURANGA				
Eastern Link	Road	Under construction	2016	A main arterial route in the early stages of development. Once completed it will reduce travel time between Tauranga and Paengaroa and provide more efficient connections for business, industry and tourism.
WELLINGTON				
Wellington Northern Corridor	Road	Investigation, construction and design	TBC	Wellington's Northern Corridor comprises eight sections. Streching from Wellington Airport to Levin, it will allow for increasing freight volumes in the region. It will help to improve access to Wellington's port, CBD, airport and hospital, and will relieve congestion on the state highways and local road networks.
CHRISTCHURCH				
Christchurch Northern, Western and Southern Corridors	Road	Investigation	TBC	Encompassing the three corridors of North, West and South, the roads of national significance project will be the largest ever undertaken in Christchurch. Costing an estimated $800 million, it will improve safety, reduce congestion and support economic activity in the region by improving access to Lyttelton Port and the International Airport.
DUNEDIN				
Caversham Highway improvements	Road	Under construction	Q2 2015	This two stage project intially involves the Camersham Highway four laning which includes median separation, layout modifications, the creation of an integrated pedestrian and cycle path and Goodall Street footbridge reestablishment costing approximately $19 million. While good progress has been made on the project, there have been some 'below ground' issues to address which means the expected timeframe for completion of the whole project has now been extended from end of 2014 to May 2015.

Source: NZTA and Colliers International Research

A selection of industrial developments

PROJECT NAME/ADDRESS	PRECINCT	NLA (m²)	STATUS	ESTIMATED COMPLETION	COMMENTS
AUCKLAND					
Trio Group, Highbrook Business Park	East Tamaki	3500	Completed	Q1 2014	A tailored industrial facility for print management and logistics specialist Trio Group
19 Nesdale Avenue	Wiri	20,000	Completed	Q1 2014	A new purpose built facility for Cardinal Logistics
The Landing Precinct, Joseph Hammond Drive	Airport Corridor	3600	Completed	Q2 2014	A new purpose built facility for Panalpina World Transport (HQ)
19 Cryers Road	East Tamaki	3300	Completed	Q2 2014	Premises being built for Hylton Parker Fastners
63 Lady Ruby Drive	East Tamaki	5000	Completed	Q2 2014	9 Units ranging between 366m² and 900m²
The Landing Precinct, Landing Drive	Airport Corridor	12,430	Completed	Q3 2014	A new purpose design and build 12,430m² facility for DHL Supply Chain New Zealand
108 Carbine Road	Mt Wellington	4000	Completed	Q3 2014	A new industrial facility for Freshmax
The Landing Precinct, 30 Verissimo Drive	Airport Corridor	3350	Completed	Q3 2014	A new purpose buid logistics faclity for Hobbs Global Logistics Solutions
Highbrook Business Park	East Tamaki	16,500	Under construction	Q4 2014	A new design and build facility for Metropolitan Glass and Glazing (Metroglass)

A selection of industrial developments					
PROJECT NAME/ADDRESS	**PRECINCT**	**NLA (m^2)**	**STATUS**	**ESTIMATED COMPLETION**	**COMMENTS**
AUCKLAND					
Steel & Tube, Savill Link	Otahuhu	10,978	Under construction	Q4 2014	One of the two new developments by Goodman for Steel & Tube, set to be finished in November 2014
60 Leon Leicester Avenue	Mt Wellington	27,420	Under construction	Q4 2014	Five Buildings; A = 9270m², B = 6670m², C = 5460m², D1 = 3010m², D2 = 3010m²
81 Westney Drive	Airport Corridor	20,500	Under construction	Q4 2014	A: 13,000m² warehouse & 700m² office B: 5600m² warehouse & 1200m² office
106 Pavilion Drive	Airport Corridor	8500	Under construction	Q4 2014	NZ New Milk Development
LSG Sky Chef, 1 Laurence Stevens Drive	Airport Corridor	11,600	Under construction	Q4 2014	Redevelopment of existing facility to 1000m² basement, 9000m² ground & 1600m² 1st level office
Steel & Tube, Highbrook Business Park	East Tamaki	7770	Under construction	Q1 2015	Steel & Tube's new development is set to be finished in February 2015
22-24 Jomac Place	Rosebank	2800	Under construction	Q1 2015	To be occupied by manufacturer Bon Accord
Flex2, Verissimo Drive, The Landing	Airport Corridor	7280	Under construction	Q1 2015	Eight spec build logistics/warehousing units ranging from 724m² to 917m²
The Duplex, Verissimo Drive, The Landing	Airport Corridor	6810	Under construction	Q1 2015	6810m² spec build development designed for logistics and warehousing operators and will be split into two tenancies
210 Roscommon Road	Wiri	5523	Under construction	Q1 2015	Design build for Penske
Ford, Underwood Street	East Tamaki	10,150	Under construction	Q2 2015	Goodman announced 10-year lease to Ford with lease commencement from April 2015
Cnr George Bolt Memorial Dr & Landing Dr	Airport Corridor	12,500	Under construction	Q3 2015	A new head office, warehouse and logistics facility for Hellmann Worldwide Logistics
Farmers Trading Co, 21 Laidlaw Way	East Tamaki	25,000	Under construction	Q4 2015	Extension to existing Farmers premises
144 Westney Road	Airport Corridor	7573	Design being finalised	Q3 2015	An extension to CEVA Logistic's existing facility of 7573m² of warehouse, office and breezeway canopy
11 - 13 Maurice Wilson Avenue	Airport Corridor	9000	Pre-consent	Q1 2016	9000m² spec build development designed for logistics and warehousing operators and will be split into two tenancies
Warehouse 28	East Tamaki	6700	Commenced	TBC	At the planning and consent stage, it's being developed on an uncommitted basis
WELLINGTON					
143-149 Hutt Park Road	Gracefield	9355	Completed	Q3 2014	Design and build project of Kea Group for MasterPet Corporation, 1935m² yard and 43 car parks
CHRISTCHURCH					
Glassworks Industry Park's further development, 652 Halswell Junction Rd	Hornby	12,147	Completed	Q2 2014	Pre-committed warehouse and distribution facility for global logistics operator DHL and a multi-unit development anchored by Bridgestone NZ
HAMILTON					
47 The Boulevard	Te Rapa	3000	Completed	Q4 2014	A large manufacturing facility has recently been completed for the Placemakers timber pre-truss factory
901 Arthur Porter Drive	Te Rapa	9200	Completed	Q4 2014	A new regional transport depot for Normans Transport has recently been completed in the new Te Rapa Gateway Industrial Park
Cnr Ruffell Road and Arthur Porter Dr	Te Rapa	12,000	Under construction	Q1 2015	Mainfreight is investing more than $30 million in a new circa 12,000m² freight terminal at Te Rapa, which includes a rail siding
Innovation Way	Northgate	~4000	Under construction	Q2 2015	An extension of the recently developed industrial building for Waikato Milking Systems
19 The Boulevard	Te Rapa	11,000*	Proposed	Q3 2015	Proposed design build for Top Town Tyres, which will accommodate a showroom and tyre distribution facility on a 1.1 ha site in Te Rapa Park
4 Ruffell Road	Te Rapa	16,000*	Proposed	TBC	Recently purchased 1.6 ha to the corner Ruffell and Te Rapa Roads, with a proposed truck sales and servicing building to be constructed
DUNEDIN					
32 McNab Street	Kaikorai	2150	Completed	Q3 2014	Purpose built warehouse for Crown Relocations - owner occupier
Sturdee Street	City	7500	Completed	Q3 2014	Design build warehousing/subdivision
180 Dukes Road	Mosgiel	2250	Under construction	Q4 2014/ Q1 2015	Additional Silverstream Drystore Development
Carisbrook	City	15,000	Proposed	TBC	Former Stadium site to be developed

Source: Colliers International Research   * Site area

370 offices in 62 countries on 6 continents

United States: **140**
Canada: **42**
Latin America: **20**
Asia Pacific: **83**
EMEA: **85**

$2
billion in annual revenue

1.12
billion square feet under management

13,500
professionals and staff

For more information contact:

Alan McMahon
National Director, Research & Consulting

Chris Dibble
Auckland Research Manager

Nina Zhang
Research Analyst

Claire Burns
Research Support

Colliers International
Level 27, SAP Tower
151 Queen Street
Auckland

TEL +64 9 358 1888

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