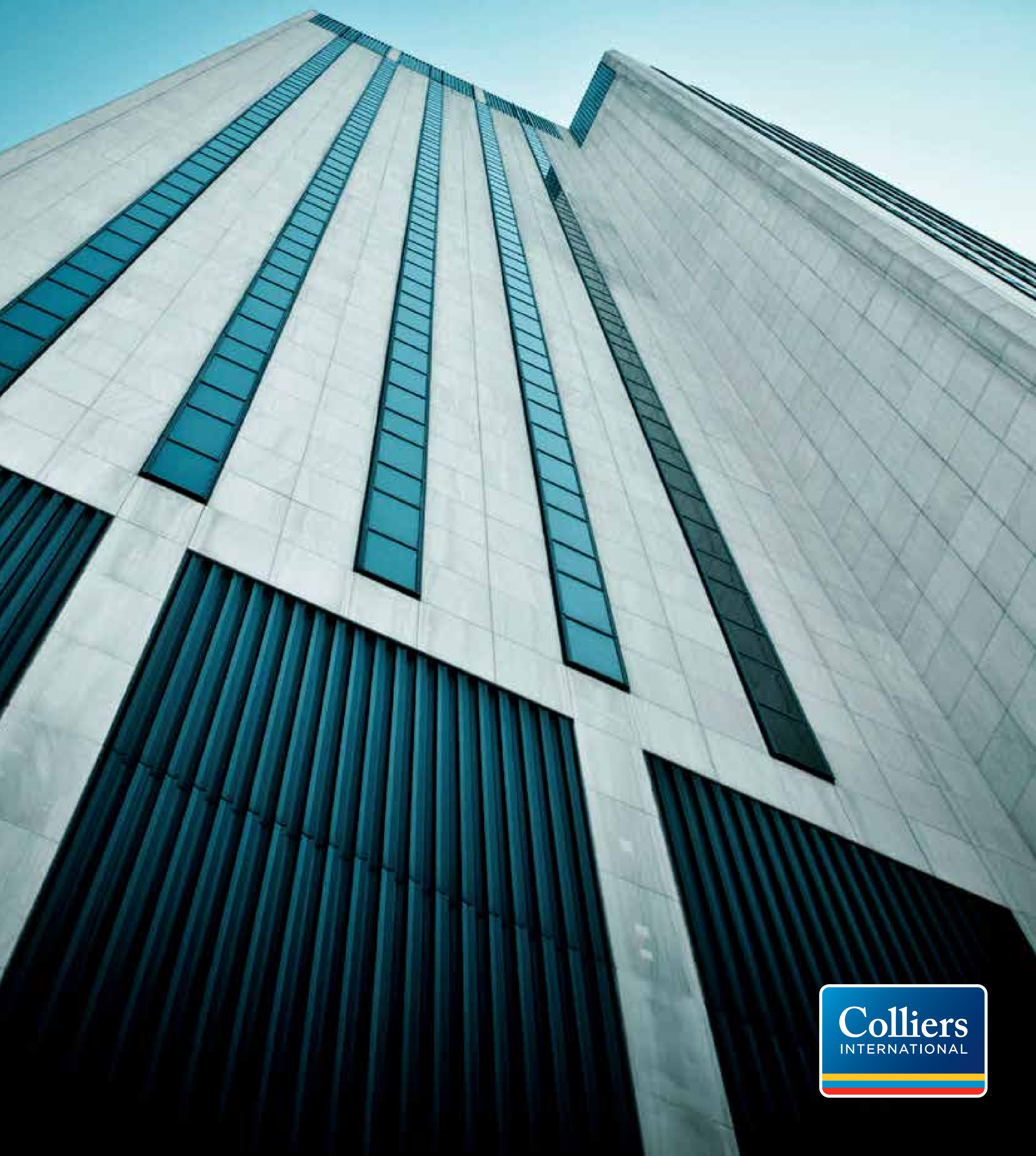
2016: THE START OF SOMETHING BIG?

New Zealand Capital Markets Report



Colliers INTERNATIONAL

CONTENTS

1 2016: The start of something big?

3 The sales facts and figures

5 Offshore versus onshore purchasing activity

7 Investment drivers for offshore and onshore purchasers

9 New Zealand's geographical hotspots

11 Investor sector preferences

13 Is Australia a gateway for more offshore purchasers in New Zealand?

17 Where can we go from here?

19 Recent sales profiled

21 A selection of major New Zealand transactions

Purchasers are exploring new markets, new sectors and new opportunities — but are they taking on too much?

2016: THE START OF SOMETHING BIG?

The value of New Zealand's settled sales in the commercial office, retail and industrial sectors last year at $7.3 billion was well behind the dizzying heights of $10.3 billion in 2014, but above the last cyclical peak of $7.1 billion in 2007.

The number of conditional deals taking place together with new campaigns to market in the early stages of 2016 point to another bumper year ahead. However, we are now entering the eighth year since the global financial crisis in an economy and a real estate market that has often experienced seven to 10-year cycles. This begs the question: is the market about to peak or are we entering a new pattern of activity?

Globally, these are interesting times. The durability of major economies and financial markets are being tested by issues like the US elections, the potential for 'Brexit', unrest in the Middle East, a slowdown in China and weakening positions in emerging economies. However, there are also a number of positive drivers that enabled global real estate sales volumes to reach near record highs over the past three years.

Locally, demand for dairy products has slowed, the rebuild from Christchurch earthquakes has likely peaked and our high levels of net migration are impacting on our infrastructure and reducing GDP per capita rates.

… is the market about to peak or are we entering a new pattern of activity?

The corollary to the negative is that New Zealand is outperforming its major trading partners in many aspects. A net migration gain from Australia was recorded for the first time since the early 1990s as the attractiveness of New Zealand's economic and employment opportunities remain high. Population growth is boosting certain sectors of the economy, despite the subdued GDP per capita results. The outlook for growth is robust in many sectors including manufacturing, services and tourism. These features encourage strong property fundamentals.

Another key driver spurring commercial real estate investment locally and globally, is the low inflation and low interest rate environment. Multiple countries' cash rates are historically low (some even negative) supporting an economic and financial rebound after the global financial crisis.

As a consequence, the question on investors' minds has been where to find high yielding assets? Commercial real estate has been a compelling answer for many. Although investors are somewhat cautious, prices are rising as the gap between funding and returns remains lucrative. This is enabling purchasers to explore new markets, new sectors and new opportunities. But are investors taking on too much and should their risk appetite be adjusted?

In this report we share with you sales activity, our perceptions on how pivotal 2016 will be in this cycle and what it will likely bring investors in the future.

WE PROVIDE:

- the facts and figures of sales activity
- the outperforming regions
- what sector provides the most depth
- where the most competition will be.

WE INVESTIGATE:

- offshore appetite
- compare how New Zealand yields stack up internationally
- the opportunity that offshore investors into Australian markets could provide New Zealand.

THE SALES FACTS & FIGURES

Delivering on the record investor confidence levels recorded by Colliers International last year, national sales activity in the commercial office, retail and industrial sector reached a high of $7.3 billion from 4,724 sales.

Despite the level of enthusiasm and high levels of appetite for all sectors, the value of settled sales could not outperform 2014's stellar run of $10.3 billion. A handful of offshore investors dominated activity boosting aggregate values in 2014. This included approximately $2.4 billion of purchases in direct and joint venture properties by Singapore's sovereign wealth fund GIC and Canadian pension fund's PMP Investments.

Continuing a positive theme for sellers since 2007 has been the high demand coupled with an undersupply of good quality properties to purchase. Despite the highs in aggregate value, the number of sales, or volume remains low compared to 2003 to 2006.

The next highest year for aggregate values of all properties was in 2007 when $7.1 billion of property transacted. This was the last cyclical peak. However, total sales volumes are significantly lower, indicating pent-up demand and a lack of available stock.

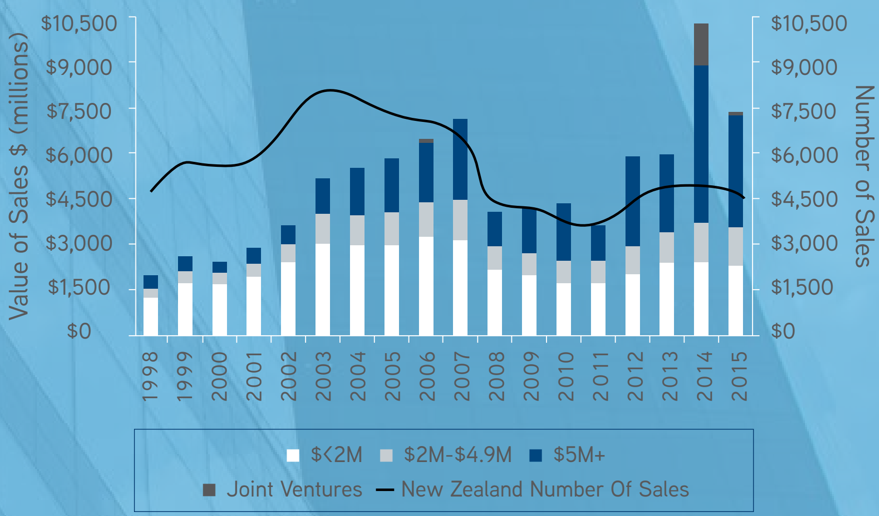
By number of sales, properties with a value below $2 million, accounted for 85% of activity in 2015. The aggregate value of sales in this price segment was $2.3 billion. Despite the percentage of lower priced property remaining high, the number of properties sold at this level has halved since the period from 2003 to 2007.

There were 252 settled sales at the upper price spectrum of $5 million and over, with an aggregate value of $3.7 billion. This is a record number of sales, and the second highest in aggregate value.

New Zealand Commercial Property Sales

YEAR	TOTAL NUMBER OF SALES	TOTAL VALUE OF SALES
1998	4,716	$1,960,347,957
1999	5,730	$2,608,637,392
2000	5,523	$2,408,305,777
2001	5,829	$2,866,069,493
2002	7,004	$3,613,797,793
2003	8,070	$5,187,727,539
2004	7,811	$5,521,502,219
2005	7,400	$5,759,889,371
2006	7,064	$6,449,838,656
2007	6,657	$7,121,109,288
2008	4,460	$4,035,839,656
2009	4,162	$4,146,897,204
2010	3,772	$4,313,278,281
2011	3,683	$3,604,269,687
2012	4,351	$5,882,356,382
2013	4,856	$5,924,502,755
2014	5,014	$10,261,314,910
2015	4,724	$7,312,287,351

New Zealand Commercial Property Sales (By Price Segment)



Source: Corelogic, Colliers International

OFFSHORE VS ONSHORE PURCHASING ACTIVITY

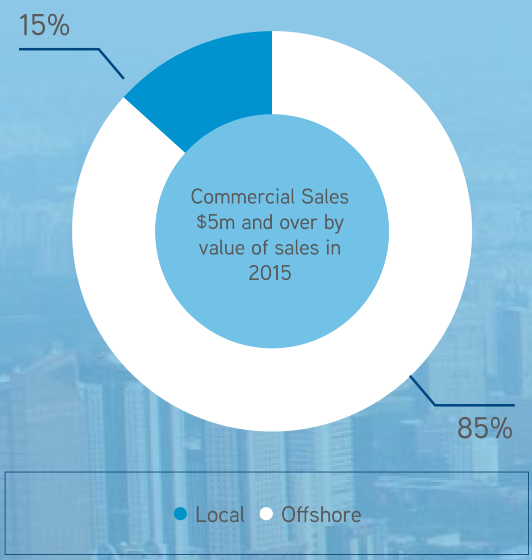
Offshore purchasing activity in commercial real estate in 2014 for properties worth $5m or more will be noted as an outlier with offshore purchasers accounting for 56% of sales activity by value and 21% of the number of sales, reflecting the high value purchasers by offshore parties.

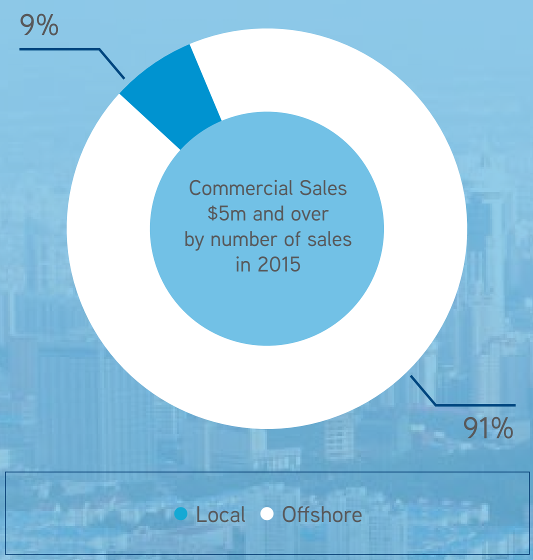
The balance between offshore and onshore purchasing activity normalised in 2015, with local purchasers dominating offshore purchasers. Typically offshore purchasing activity has been below 15% of overall value and below 10% of the number of sales, which was mirrored in the 2015 results. Offshore investors continue to prefer investment in

WHY DO OFFSHORE PARTIES INVEST IN NEW ZEALAND?

- A benign tax structure and limited property – associated taxes:
  - limited capital gains tax,
  - no stamp or conveyance duty
- Positive migration and demographic profiles
- Supportive investment for foreign and local ownership
- Favourable current debt to yield spread
- Transparent real estate sector; indefeasibility of title
- Favourable long-term economic indicators
- Solid long-term returns with relatively low volatility
- A stable political regulatory environment.

Offshore VS Local Purchasing Activity, 2015





Source: Corelogic, Colliers International Research the office sector, albeit they have stepped up their position in the retail sector recently as opportunities have arisen.

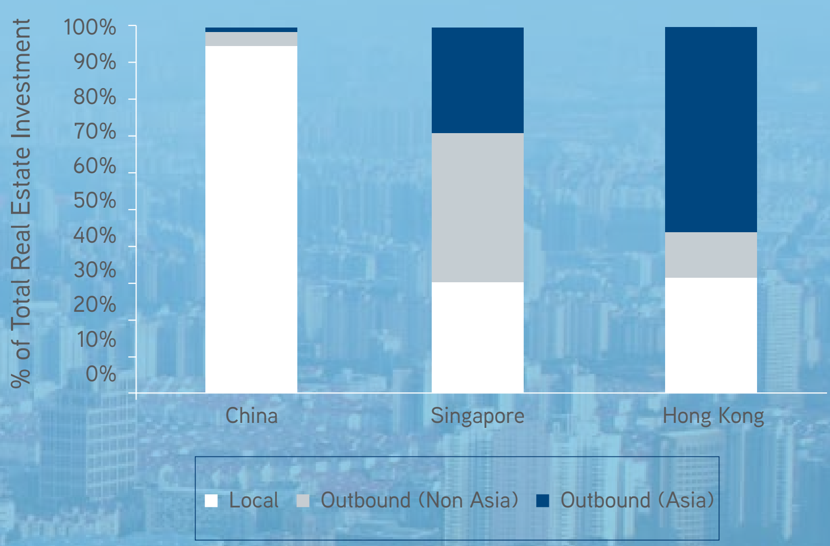
Instead, 2015 was the year of the listed property vehicles (LPVs) rather than offshore purchasers. LPVs accounted for $600 million of purchases from 13 sales compared to offshore purchasers for $435 million from 17 sales. Private local investors continued to dominate all categories.

Despite the LPVs squeezing out the offshore parties, there is still a sizeable 'wall of money' from offshore purchasers looking to enter the New Zealand market.

The accompanying map shows the interest from international locations for the recent sell down of two former Westfield retail assets (expected to settle in 2016) and Antipodean's 19 supermarkets portfolio which sold in 2015, all for $730 million. The campaigns highlighted an estimated $10 billion of capital looking for flagship assets in the New Zealand real estate market.

Given the high level of domestic real estate investment within China (see chart below), it's also reasonable to assume that offshore investment in New Zealand from China could increase if the right stock and opportunity is presented.

Chinese Local VS Offshore Real Estate Investment, 2015



Source: Colliers International Research

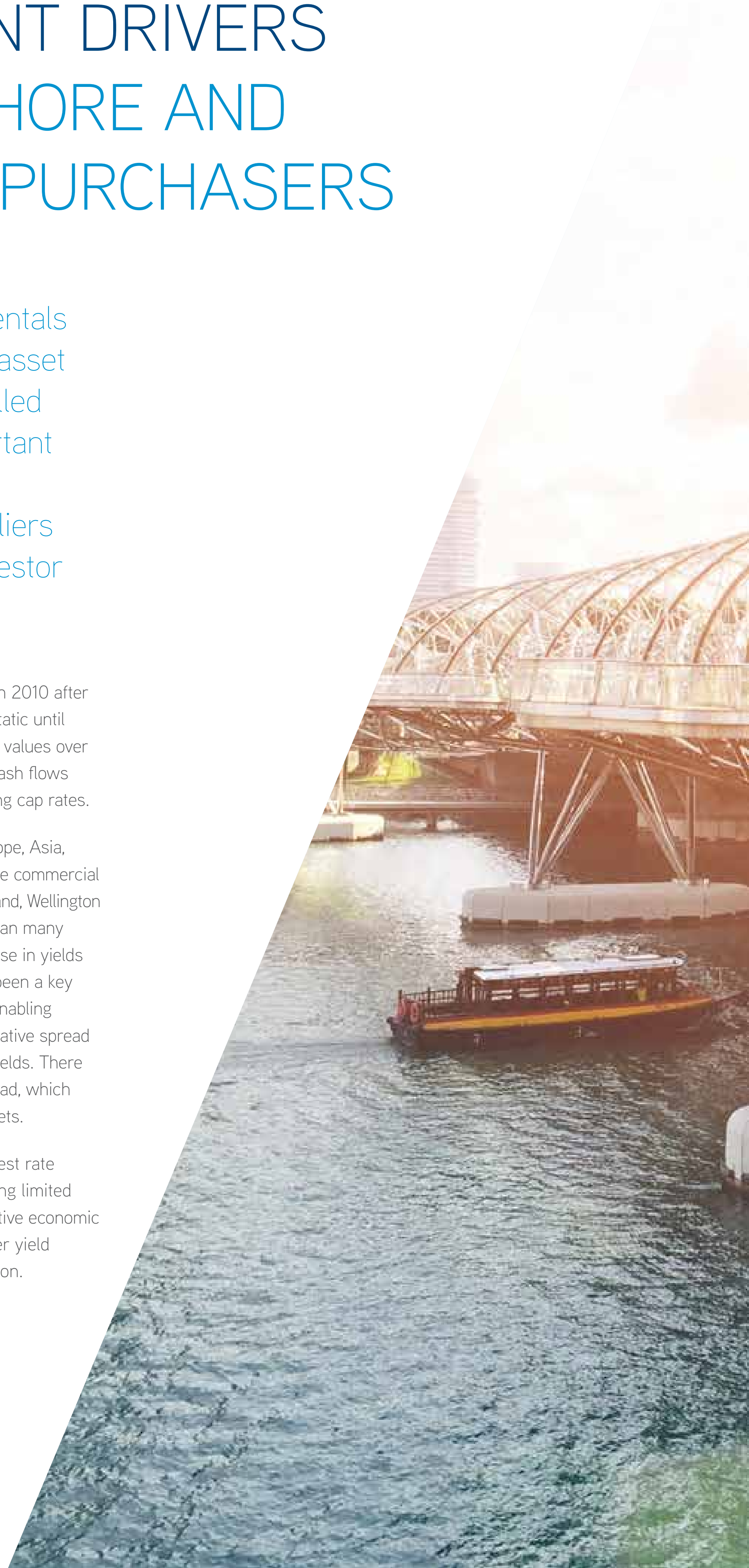
INVESTMENT DRIVERS FOR OFFSHORE AND ONSHORE PURCHASERS

After property fundamentals and economic growth, asset appreciation was signalled as the third most important feature of a real estate market in the latest Colliers International Global Investor Sentiment survey.

In New Zealand, asset values recovered in 2010 after the decline in 2008, but were relatively static until 2012. The key to the most recent uplift in values over the past few years has been the rise in cash flows from rent increases combined with firming cap rates.

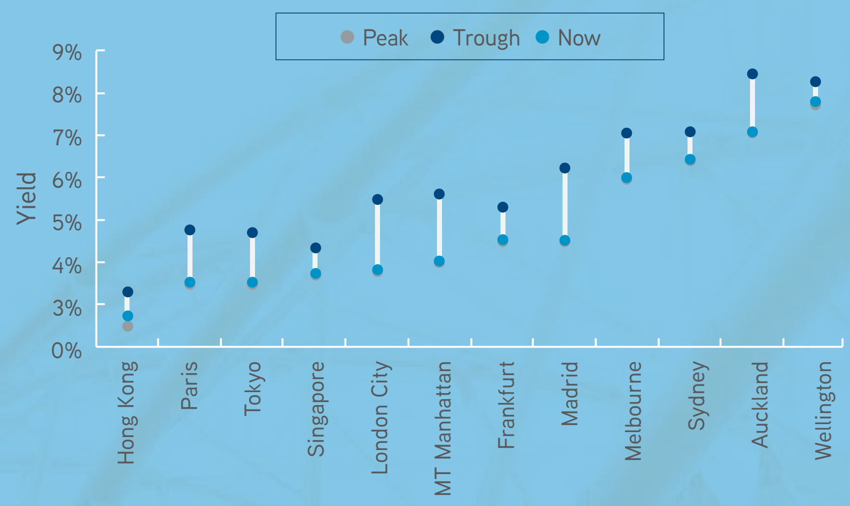
In a review of major cities in the US, Europe, Asia, Australia and New Zealand, prime average commercial office, retail and industrial yields in Auckland, Wellington and Christchurch were typically higher than many global counterparts. However, the decrease in yields to record lows across most sectors has been a key component of asset value appreciation. Enabling purchasers to bid higher has been the relative spread between borrowing costs and property yields. There is currently a 140 to 300 basis point spread, which is higher than many major offshore markets.

The 'lower for longer' inflation and interest rate environment, the weight of money chasing limited prime stock in New Zealand and the positive economic and property fundamentals, signal further yield firming, rising rents and asset appreciation.

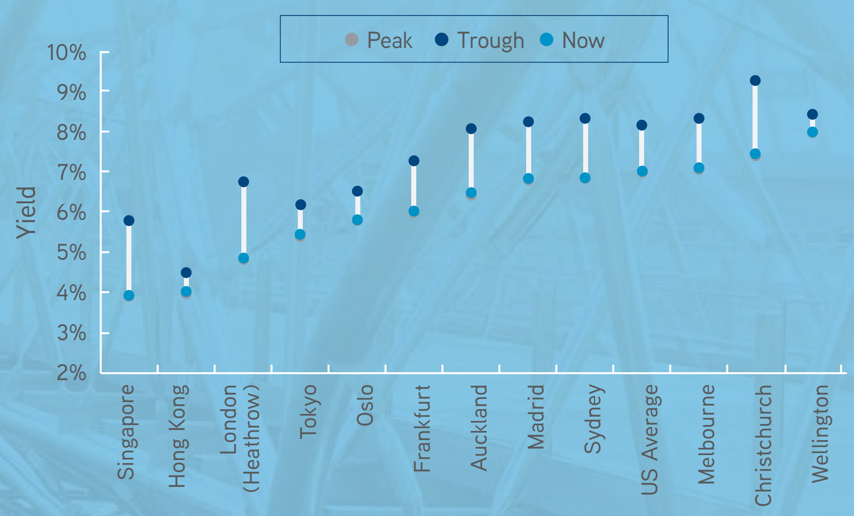


Marina Bay, Singapore

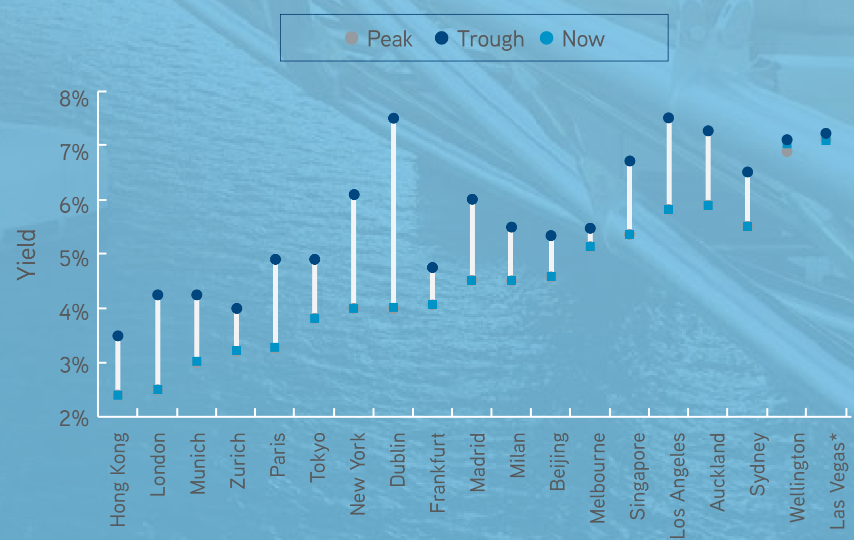
Office Yield Changes (Dec 10 To Dec 15)



Industrial Yield Changes (Dec 10 To Dec 15)



Retail Yield Changes (Dec 10 To Dec 15)



Source: Colliers International

NEW ZEALAND'S GEOGRAPHICAL HOTSPOTS

Wellington recorded its best ever year in 2015, reaching just over $1 billion of sales activity for the first time. There was a relatively even spread between the three main commercial sectors in Wellington, with the retail sector eclipsing previous years. Last year $304 million of retail properties were sold, almost double the last two peaks achieved in 2012 and 2007 of approximately $172 million. In total Wellington provides approximately 7% of national sales turnover indicating the tightly held nature of property in the capital.

Auckland continues to provide the lion's share of sales activity in New Zealand, accounting for 37% of all commercial sales activity by number of transaction. This is a reflection of Auckland also claiming approximately a third of: the population, economic activity, employment, retail spending and residential property sales.

The aggregate value of Auckland's commercial property sales in 2015 was the second highest recorded at $3.9 billion, representing 53% of national sales value. This signals that not only does Auckland enjoy a high proportion of sales activity, but investors are typically purchasing at the higher end of the value spectrum.

Christchurch accounted for 14% of national sales turnover last year, with a total value of $752 million. Almost two-thirds of sales activity by value and the number of sales was in the industrial sector. Signalling the continuation of the Christchurch market recovery, the office sector had its best ever year with $132 million of sales.

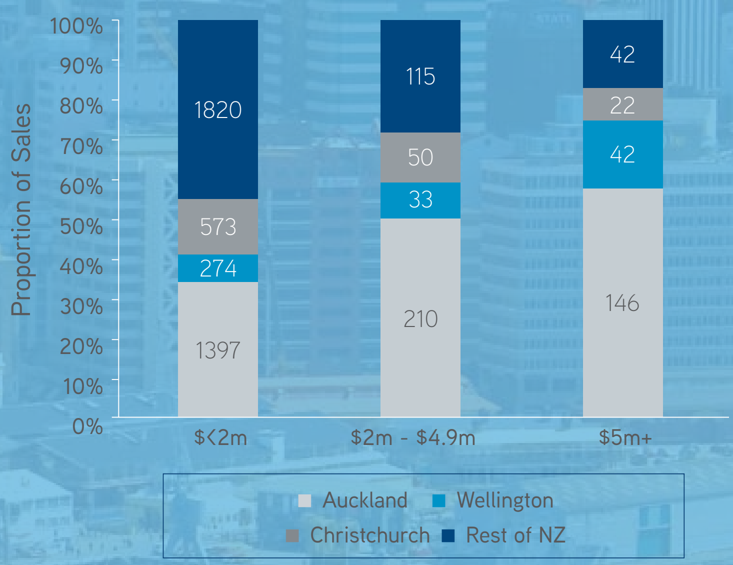
If the sales activity is broken down by location and by price segments, the majority of property sold over $2 million was in Auckland with 54% of all sales activity and 57% of values. The number of properties that sold for less than $2 million in Auckland was also much higher than in other main cities, but was dwarfed by the total for the rest of New Zealand. Auckland recorded 45% of all sales turnover below $2 million.

More sales activity should be expected outside of the three main centres in the coming years. Hamilton and Tauranga in the North Island and Queenstown and Dunedin in the South Island continue to be regional hotspots.

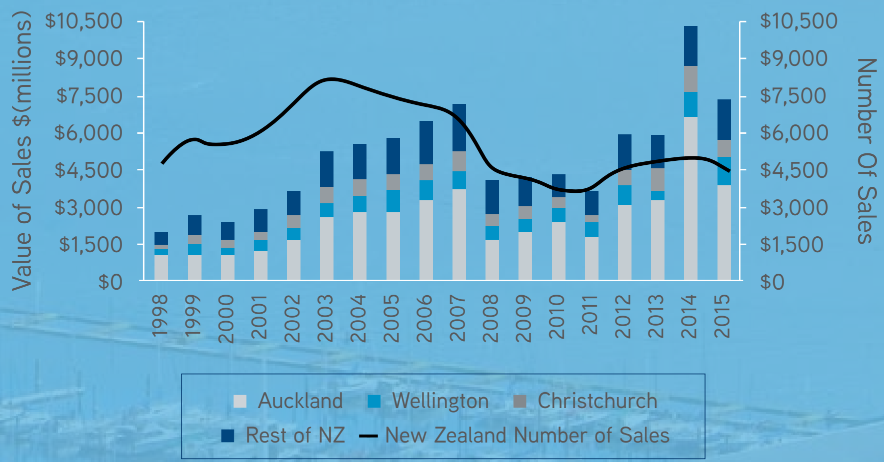
Wellington, New Zealand

Sales activity across all property values outside of the three main centres reached $1.6 billion in 2015, remaining below the rates achieved in 2006 and 2007 of $1.8 billion and $1.9 billion respectively.

2015 Commercial Property Sales (Number of Sales)



New Zealand Commercial Property Sales (By Region)



Source: Corelogic, Colliers International Research

Enterprise Park, Auckland, New Zealand

INVESTOR SECTOR PREFERENCES

New Zealanders have a love affair with industrial property. In 2015, as in most years over the last two decades, almost half of sales activity in New Zealand was in the industrial sector.

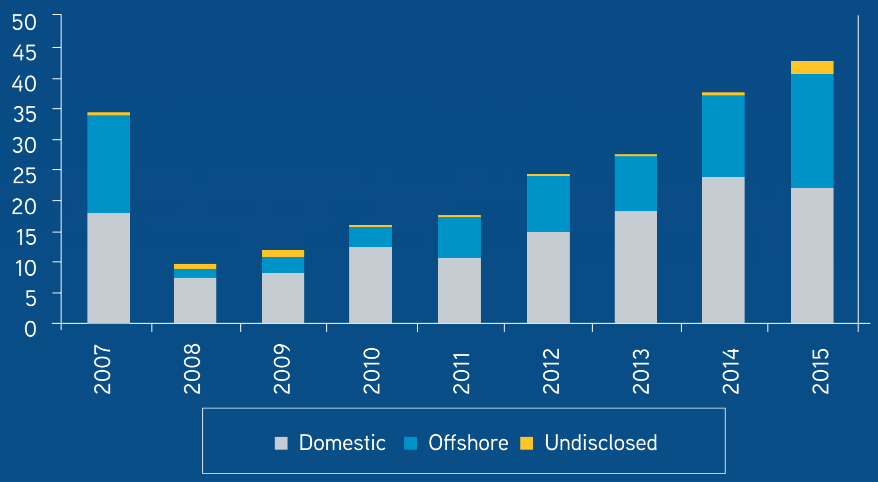
In buoyant periods of sales, industrial typically totals between $2.2 billion and $3 billion of sales annually, and in periods of slower activity between $1 billion and $2 billion. Despite the buoyant activity in the last few years, the total value remains below the 2007 peak of just over $3 billion. This signals that activity in the industrial sector should keep rising over the next few years.

Highlighting the lower number of higher valued industrial properties available for purchase is the proportion of industrial sales that sell for more than $5 million. In 2015 the industrial sector represented only 39% of total activity at the upper price band. It is also another reason why there is limited offshore investment in the industrial sector as investors are typically looking to purchase at scale.

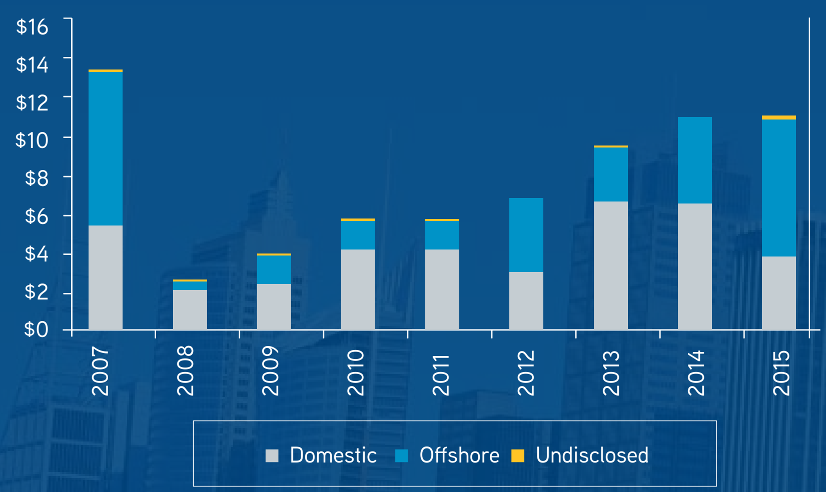
Retail continues to be a solid performer in the New Zealand market. In 2015, retail accounted for 27% of sales turnover and 24% of the total sales value. Recent sales activity in the retail sector has eclipsed previous years as a result of the increase in assets available to purchase as well as the strong outlook in asset appreciation. Highlighting the buoyancy in 2016, large retail transactions like the two former Westfield assets and the 50% share of The Base in Hamilton are expected to settle in 2016 for a combined value of approximately $650 million.

When broken down by price segment, retail sales turnover below $5 million is twice as high as the office sector. However, the office sector punches above its weight in the $5 million and over category, accounting for 23% of sales turnover and 33% of total sales value. This is a reflection of the flagship office premises sold, which are highly attractive to offshore parties, especially for portfolios of buildings with strong fundamentals such as occupancy, lease terms and low capital expenditure requirements.

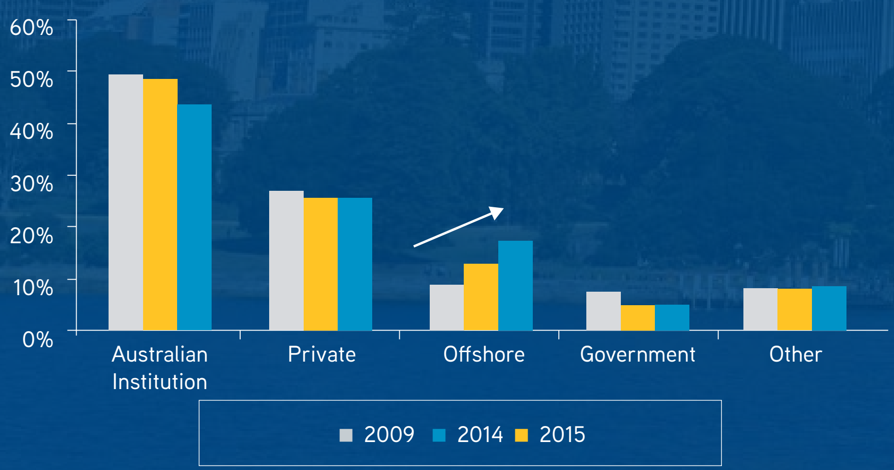
Australian Real Estate Investment (Au$Bn)



Australian CBD Office Investment (Au$Bn)



Australian CBD Office Ownership



Source: Colliers Edge Australia Note: assumes DXS-IOF successful

IS AUSTRALIA A GATEWAY FOR MORE OFFSHORE PURCHASERS IN NEW ZEALAND?

Commercial sales activity in Australia reached a cyclical high in 2015 of approximately AUD $43 billion, boosted by an elevated period of offshore investment activity. AUD $19 billion of offshore investment was recorded in 2015 compared to AUD $22 billion from domestic purchasers.

Just over a third of the purchases were in the office sector, representing AUD $7 billion. This was the highest total value for offices by offshore purchasers since 2007. Approximately 17% of Australia's office stock is now owned by offshore parties, which has been increasing steadily as Australian institutions lose market share.

Sydney, Australia

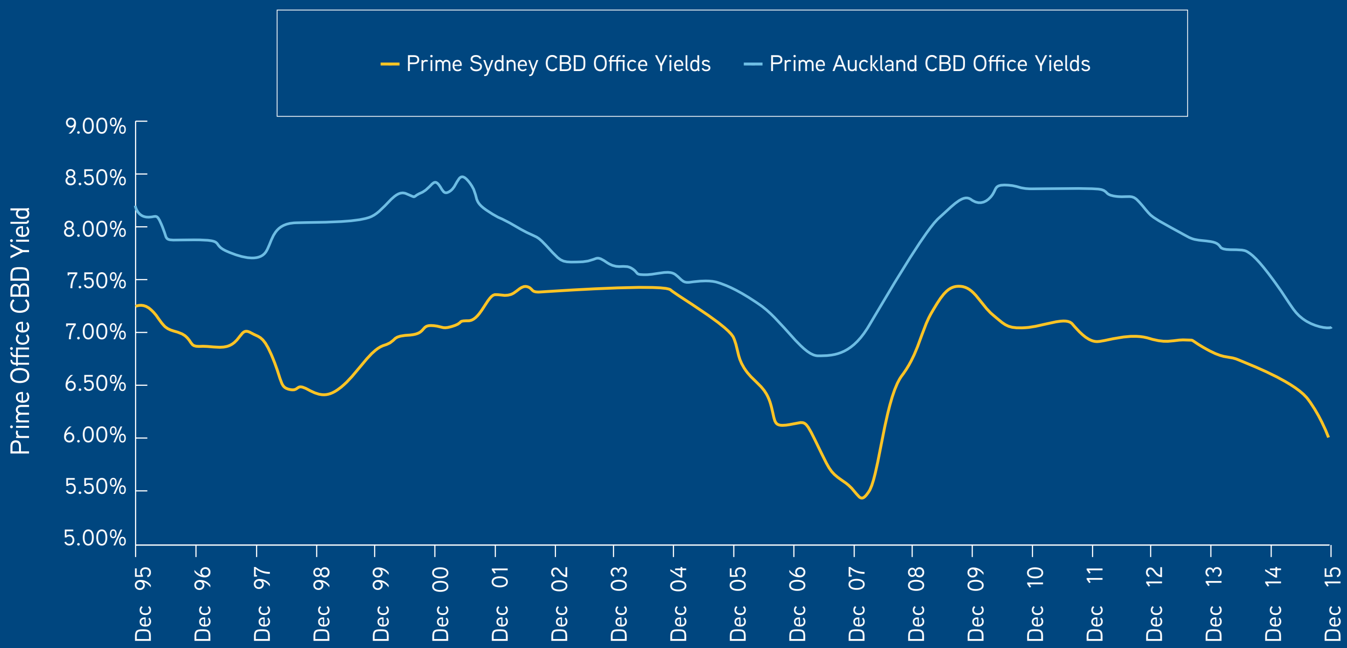
New Zealand could capitalise on the growth and popularity of offshore investment into Australia, which will undoubtedly continue.

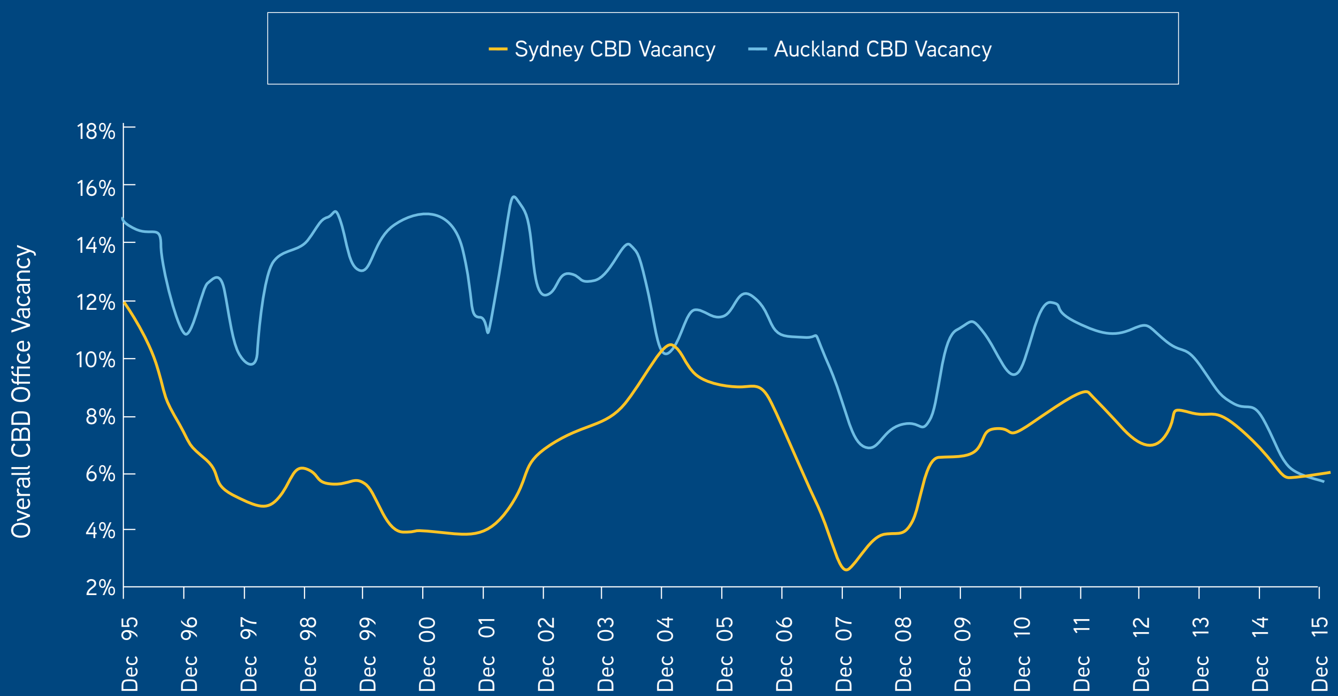
A decade ago, Australian property was overlooked by many global investors, who were more focussed on major gateway cities such as London, Tokyo, Paris or New York. However, a lot has changed in the last decade and Australia is now seen as a 'must have exposure' for those looking to expand into the Asia Pacific region.

The dominance of local Australian institutional ownership, high incentives and thus lower effective returns as well as yield spreads similar to major gateway cities, indicates there is room for greater focus on other nearby 'safe-haven' markets, like New Zealand.

Auckland in particular can benefit from Australian activity (primarily the likes of Sydney and Melbourne) being a gateway to New Zealand. Purchasing commercial property in New Zealand has already been given the 'big tick of approval' by recent offshore purchasers like GIC, PSP Investments, Credit Suisse, Deka Immobilien, JP Morgan (formerly Aviva Investors) Morgan Stanley and other offshore private investors.

Given our relatively similar defensible country characteristics - stable government and economy, transparency and favourable property fundamentals - there is a strong argument that offshore investors should investigate further across the ditch.





Source: Colliers International Research

WHERE CAN WE GO FROM HERE?

SHOCK/SIGNAL

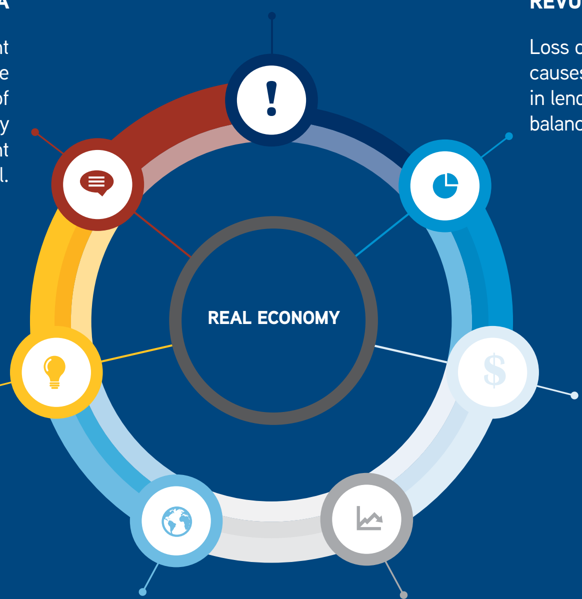
'Insiders' initially decide to take profits from speculation and sell causing prices to level off. This eventually signals to other economic agents that price rises have become unstainable. This may also be signalled via failure of a firm/bank or the revelation of some financial wrong-doing.

OVER-TRADING/EUPHORIA

Over-borrowing and over-investment in objects of speculation tied to the displacement – eg land prices, stocks of particular companies etc. Behaviour may appear rational from an individual standpoint but 'irrational' at the systemic level.

REVULSION AND 'DISCREDIT'

Loss of confidence in objects of speculation causes period of deleveraging and decline in lending to repair financial institutions' balance sheets.



BOOM (WE ARE HERE)

Economic agents respond to displacement; fed by credit growth through both the core banking system and non-bank financial intermediaries – often associated with financial innovation.

FINANCIAL PANIC/CRASH

If revulsion reaches critical mass this can cause generalised panic and shift from less to more liquid assets. Financial institutions will be threatened with insolvency if asset quality deteriorates significantly or if unable to meet liability obligations.

DISPLACEMENT

Exogenous shock to macroeconomic environment alters profit opportunities and economic agents' expectations about future returns – eg, technological break-through, government intervention, and terms of trade shock.

RESOLUTION

Prices fall to a point where economic agents tempted to move back into illiquid assets, or various actions of government restore confidence.

Source: RBNZ, Colliers International Research

The past two years of settled sales activity in New Zealand's commercial real estate sector have been stand-outs over the last two decades - but for very different reasons. Both of these years' activity and performance levels shape our outlook for 2016 and beyond.

2014 – OFFSHORE INVESTORS SHOWED US HOW

2014 will be remembered as the year that offshore parties took a bold move into the New Zealand commercial property sector, propelling it to a one-off record high of total sales values. Emulating this feat will require another round of multiple major offshore entrants to the market for multiple flagship asset portfolios in combination with a buoyant local sector. Although this is a rare occurrence, 2014 is evidence that it does happen.

2015 – LOCAL INVESTORS UPPED THE ANTE

2015 will be remembered as the year that local investors modified their price expectations comparably with offshore parties. This normalised the balance between offshore and onshore activity while keeping the pace of transactions at all-time highs. If more assets were brought to market, or if the 2015 sales due to settle in 2016 were included sales activity and values would have been higher, but unlikely to have eclipsed 2014. However, the confidence and sensible attitudes displayed by investors along with the sector's demand, supply and debt-funding fundamentals has set up 2015 to be a year to remember on its own.

2016 – A PIVOTAL YEAR

Common characteristics of the market indicate we are entering a new pattern of activity rather than a market peak. We are already aware of $2 billion of commercial sales likely to settle in 2016 with an individual price tag of $20 million or more. Given the buoyancy in property purchasing below $20 million, we expect that 2016 is likely to eclipse 2015 with an aggregate value close to $8 billion.

The demand for commercial property across all price levels, will be spurred on by:

- domestic economic expansion
- balanced property demand and supply fundamentals
- asset appreciation from cash flows and unprecedented purchasing demand
- debt-leveraging and positive debt to yield spreads
- the rally in local investor activity
- offshore purchasing demand for flagship assets.

2017 AND BEYOND – WEIGHING UP FUTURE MARKET CONDITIONS

We are now in the eighth year of a cycle, which in the past, has typically lasted between seven and 10 years, with varying degrees of severity when it changes. Weighing up what major headwinds could divert commercial property sales activity from its current pattern over the next couple of years, typically revolves around an abrupt deterioration in economic and financial conditions.

Major global events are the usual catalyst to these depressed periods rather than major localised events, as the past 100 years of cyclical behaviour shows. New Zealand's dependence on other countries for trade and a relatively shallow purchasing market (in comparison to some locations) has made us susceptible to the vagaries of economic uncertainty that dilutes property demand.

Making things worse is that past experience highlights that these periods of uncertainty are often exacerbated by a recent period of over-confidence (sometimes euphoria), coinciding with of increasing supply to cater to the demand. The relatively illiquid and slower response period of 'bricks and mortar' property compared to other assets limit the ability to mitigate potentially significant value declines as risk accelerates.

There are 10 key features that suggest we are far from the risks of an overheated or euphoric market. We are in a 'boom' market and an extended pattern of buoyant investment activity is likely to continue.

10 KEY FEATURES: WE'RE FAR FROM A DOWNTURN

- global economic risks are well defined and volatility has stabilised
- the Reserve Bank of New Zealand and credit agencies continue monitoring and mitigating risks for financial instability
- investors are not overconfident or overcommitted
- sales activity is justified on current economic and property fundamentals
- asset values are appreciating modestly from positive cash flow and capital returns
- New Zealand yield levels are still higher than many major overseas markets
- the spread between debt costs and property returns will remain lucrative for longer
- there is limited political risk and high levels of transparency
- a positive demographic environment for commercial sales activity now and the future
- New Zealand is increasingly becoming a globally attractive, more liquid property market, increasing the depth in our transaction market.

"We are far from the risks of an overheated or euphoric market… an extended pattern of buoyant investment activity is likely to continue."

RECENT SALES PROFILED

34 Shortland Street, Auckland Central

Late 2015, the 8,100 sq m office building sold for $44.6m reflecting a 7.13% yield to Morgan Stanley.

SAP Tower, 151 Queen Street, Auckland Central

Late 2014, the 17,600 sq m SAP Tower sold for $97m reflecting a 7.91% yield to a New Zealand based private investor.

12 & 14 Show Place, Addington, Christchurch

Late last year, the office buildings sold for $33.2m, reflecting a 7.79% yield. Both buildings are leased until 2025 to insurance group IAG.

Fletcher Building Redevelopment, 790-816 Great South Road, Penrose, Auckland

Mid last year, an office campus sold for $80m reflecting a 7.1% yield. The campus is undergoing a redevelopment and has a 20 year lease to Fletcher Building. The campus sits on 22,300 sq m with NLA 13,200 sq m upon completion.

133 Molesworth Street,
Thorndon, Wellington

Mid-2015, the Wellington office building sold to a Perth-based property group for $80 million reflecting a 7.75% yield with a 15-year lease to Ministry of Health. Floorplates will be extended, which will take the net lettable area to a total of 15,500 sq m with redevelopment expected to be completed in late 2016.

Westfield Glenfield, Glenfield Road
Glenfield, Auckland

Late last year, Westfield Glenfield sold for $103m to a private investor. The gross lettable area is around 30,500 sq m and the shopping mall sits on 4.5 hectares of land.

Antipodean Supermarket Portfolio,
Nationwide

Late last year, a portfolio of 19 supermarkets sold for $287m, reflecting a blended yield of 6.37%. The portfolio's site area totalled 154,200 sq m and the portfolio's NLA total 71,900 sq m.

Zone 7 Shopping Centre, Tahi Road,
Westgate, Auckland

An off the plan large format retail complex sold in late 2015 for $82.5m, reflecting a 6.8% yield. The 25,500 sq m of retail space was approximately 87% leased at the time of sale.

Enterprise Park, 122 Kerrs Road,
Wiri, Auckland

In 2014, the South Auckland based industrial property sold for $53.23 million. Enterprise Park has 60,000 sq m of predominantly warehouse space on 9.24 hectares of land.

Datacom House, Cnr Gaunt & Daldy Street,
Wynyard Quarter, Auckland

The new build 16,700 sq m green office building sold for $86.2m. The building has a 15-year lease to Datacom with completion aimed for 2017.

A SELECTION OF MAJOR NEW ZEALAND TRANSACTIONS

PROPERTY	AREA	SECTOR	SALE YEAR	PRICE	PASSING INITIAL YIELD	EQUIVALENT MARKET YIELD	EST	CAPITAL VALUE	WALT
Antipodean Supermarket Portfolio	Nationwide	Retail	2015	\$287,000,000	6.37%	6.52%	8.64%	\$3,992/m^2	~18.00
80 Queen Street	Auckland Central	Office	2010	\$177,000,000	7.62%	7.38%	9.77%	\$7,598/m^2	12.42
Lumley Centre, 88 Shortland Street	Auckland Central	Office	2014	\$146,000,000	~7.08%	N/A	N/A	\$7,495/m^2	~8.00
Tegel Portfolio	Nationwide	Industrial	2012 - 2015	\$114,000,000	N/A	N/A	N/A	N/A	N/A
ASB Bank Centre, 135 Albert Street	Auckland Central	Office	2012	\$104,000,000	10.21%	8.75%	10.12%	\$3,110/m^2	1.3
209 Queen Street	Auckland Central	Office	2013	\$103,800,000	8.06%	N/A	N/A	\$4,337/m^2	2
Westfield Glenfield, Glenfield Road	Glenfield, Auckland	Retail	2015	\$103,000,000	9.00%+	8.6%	10.14%	\$3,380/m^2	~4.00
HSBC House 1 Queen Street	Auckland Central	Office	2013	\$103,000,000	7.99%	7.29%	9.37%	\$5,352/m^2	4.14
Watercare, 73 Remuera Road	Newmarket, Auckland	Office	2013	\$ 99,653,536	7.06%	6.65%	8.74%	\$7,780/m^2	10.81
SAP Tower, 151 Queen Street	Auckland Central	Office	2014	\$97,000,000	7.91%	7.49%	9.22%	\$5,496/m^2	3.19
Pakuranga Plaza, Aylesbury Street	Pakuranga, Auckland	Retail	2014	\$96,000,000	8.01%	8.43%	9.69%	\$3,287/m^2	2.79
92 Langley Road	Wiri, Auckland	Industrial	~2012	\$90,000,000	6.56%	7.17%	9.12%	\$1,128/m^2	20
Downtown Shopping Centre, 11-19 Custom Street West	Auckland Central	Retail	2012	\$90,000,000	7.8%	7.81%	10.48%	\$6,525/m^2	2.66
Datacom, Cnr Gaunt & Daldy Street	Auckland Central	Office	2015	\$86,200,000	7.11%	N/A	N/A	~\$5,515/m^2	N/A
Chorus House, 66 Wyndham Street	Auckland Central	Office	2014	\$84,000,000	9.03%	7.75%	9.54%	\$3,736/m^2	2.25
Shore City Shopping Centre, Lake Road	Takapuna, Auckland	Retail	~2012	\$83,500,000	9.23%	8.46%	10.87%	\$5,619/m^2	7.59
Zone 7 Shopping Centre, Tahi Road	Westgate, Auckland	Retail	2015	\$82,500,000	6.8%	9.1%	8.1%	~ \$3,230/m^2	N/A
Pakuranga Shopping Centre, Aylesbury Street	Pakuranga, Auckland	Retail	2012	\$817,00000	9.37%	8.84%	10.51%	\$2,798/m^2	2.68
133 Molesworth Street	Thorndon, Wellington	Office	2015	\$80,000,000	7.75%	7.23%	9.12%	\$5,148/m^2	15
Fletcher HQ, 790-816 Great South Road	Penrose, Auckland	Office	2015	\$80,000,000	7.1%	N/A	N/A	\$6,041/m^2	20
Silverdale Centre, Silverdale Street	Silverdale, Auckland	Retail	2013	\$78,000,000	7.08%	7.18%	9.72%	\$3,387/m^2	9.82
163 Featherston Street	Wellington Central	Commercial Mix	2015	\$76,000,000	7.28%	7.43%	9.02%	\$6.685/m^2	6.57
80-120 Favona Road, Mangere	Mangere, Auckland	Industrial	2013	\$74,000,000	8.17%	7.99%	9.79%	\$1,134/m^2	10.67
1-7 The Strand	Takapuna, Auckland	Office	2012	\$71,000,000	7.81%	7.4%	8.72%	N/A	8.46
Spark City Building D, Victoria Street	Auckland Central	Office	2015	\$70,150,000	7%	6.2%	8.31%	\$9,237/m^2	9.17
Telecom Building A, Victoria Street	Auckland Central	Office	2014	\$69,500,000	7.45%	6.55%	8.65%	\$8,837/m^2	9.92

Source: Colliers International Research

PROPERTY	AREA	SECTOR	SALE YEAR	PRICE	PASSING INITIAL YIELD	EQUIVALENT MARKET YIELD	EST	CAPITAL VALUE	WALT
Aecom House, Quay Park	Auckland Central	Office	2014	$68,000,000	8.09%	7.87%	10.08%	N/A	6.2
125 The Terrace	Wellington Central	Office	2015	$65,000,000	8.42%	7.89%	10.32%	$5,386/m²	4.55
70 Shortland Street & 53-57 Fort Street	Auckland Central	Office	2014	$65,000,000	6.86%	7.28%	8.83%	$5,170/m²	3.43
Telecom Building C, Victoria Street	Auckland Central	Office	2014	$65,000,000	7.2%	6.4%	9.54%	$3,736/m²	10
Apex Mega Centre, Mt Wellington Highway	Mt Wellington, Auckland	Retail	2014	$64,000,000	7%	6.75%	8.98%	$3,982/m²	4.85
27 Napier Street	Freemans Bay, Auckland	Office	2013	$63,051,520	7%	6.61%	8.28%	$7,594/m²	10.66
Southgate Shopping Centre, Great South Road	Takanini, Auckland	Retail	2014	$58,500,000	7.62%	7.81%	10.53%	$2,766/m²	8.72
Oracle House, 162 Victoria Street	Auckland Central	Office	2013	$55,000,000	7.05%	6.53%	8.8%	$7,026/m²	6.92
Enterprise Park, 122 Kerrs Road	Wiri, Auckland	Industrial	2014	$53,200,000	N/A	N/A	N/A	~$886/m²	8+
280 Queen Street	Auckland Central	Office	2013	$51,000,000	8.48%	8.38%	9.93%	$3,461/m²	3.59
49-51 Symonds Street	Auckland Central	Office	2015	$49,700,000	6.25%	6.03%	6.5%	$4,682/m²	5.06
Telecom Building B, Victoria Street	Auckland Central	Office	2014	$48,955,195	8.5%	6.58%	8.96%	$7,751/m²	1.87
68 Jervois Quay	Wellington Central	Office	2015	$46,350,000	8.76%	8.67%	9.28%	$2,884/m²	4.22
Mitre 10 Mega, Lunn Ave	Mt Wellington, Auckland	Retail	2015	$46,000,000	5.5%	N/A	N/A	$3,151/m²	N/A
Waitakere Mega Centre, Vitasovich Avenue	Henderson, Auckland	Retail	2014	$45,750,000	8.2%	8.31%	10.09%	$2,538/m²	4.4
9 Princes Street	Auckland Central	Office	2015	$45,000,000	N/A	N/A	N/A	$4,254/m²	N/A
34 Shortland Street	Auckland Central	Office	2015	$44,600,000	7.13%	7.07%	8.6%	$5,491/m²	3.5
203 Queen Street	Auckland Central	Office	2013	$44,000,000	~7.00%	~7.00%	~9.00%	$5,264/m²	2.64
56 Wakefield Street	Auckland Central	Commercial Mix	2015	$43,000,000	N/A	N/A	N/A	N/A	N/A
Building B, 8 Nugent Street	Grafton, Auckland	Office	2015	$42,000,000	6.97%	6.87%	8.87%	$5,169/m²	4.9
19 Nesdale Avenue	Wiri, Auckland	Industrial	2013	$38,000,000	7.33%	7.1%	9.04%	$1,830/m²	15
345 Neilson Street	Onehunga, Auckland	Industrial	2013	$37,200,000	7.73%	7.55%	9.2%	$1,680/m²	4.92
80 The Terrace	Wellington Central	Commercial Mix	2015	$36,100,000	9.01%	8.47%	10.53%	$3,411/m²	5.74
246 Queen Street	Auckland Central	Office	2015	$35,000,000	7.68%	7.47%	8.94%	$4,313/m²	3.27
12 & 14 Show Place	Addington, Christchurch	Office	2015	$33,200,000	7.79%	7.79%	N/A	N/A	9+
14 John Seddon Drive	Porirua, Wellington	Industrial	2015	$33,000,000	8.86%	8.18%	9.6%	$632/m²	6.1
Roskill Retail Centre, Stoddard Road	Mt Roskill, Auckland	Retail	2013	$32,850,000	7.05%	7.27%	9.52%	$3,824/m²	8.25
79 Carlton Gore Road	Newmarket, Auckland	Office	2015	$32,660,000	6.24%	Sub 6%	Sub 7%	$9,500/m²	12
Fuji Xerox, 17 Hargreaves Street	Freemans Bay, Auckland	Office	2014	$32,500,000	N/A	N/A	N/A	$5,220/m²	1.5

Queenstown, New Zealand

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