

July 2015

## MAORI HILL PROPERTY LIMITED

in association with Mitchell Mackersy Lawyers

### Comments from Ron Mackersy

The investment market is still strong with fully tenanted properties attracting the best investor interest. Recent acquisitions by our investment groups are Invercargill (Progressive Engineering), Auckland (Transfleet), Wellington (Clyde Quay) and Gisborne (The Warehouse).

As predicted interest rates have softened and commentators are suggesting a lowering of the base Reserve Banks rate soon.

The housing market is still out of control in Auckland with new restrictions set to control this coming into effect later in the year.

Queenstown continues to feature positively with building projects in the housing, commercial and hospitality sectors.

The weather has turned with our first big dump of snow. The ski-fields are expecting a bumper season.

Air New Zealand has announce increased numbers of flights into the resort which will only bolster confidence further.

Christchurch had the fourth most positive commercial property scene at 38 per cent, pipped by Tauranga/Mt Maunganui at 48 per cent.

But Collier's research director Alan McMahon said optimism in Christchurch seemed to have peaked, which was most likely due to more momentum in the rebuild and more moderate growth forecasts.

Within the city, the industrial investors were most optimistic, followed by retail landlords and then office building owners.

Confidence in Christchurch's property market jumped after the earthquakes, as investors anticipated better days and increased demand and higher rents for what buildings remained. It was boosted again when the city rebuild blueprint was published in 2012.

That confidence level was the highest in the country but it began to wane in 2013 as the rebuild dragged on.

In Auckland, optimism this quarter compared with the previous quarter dropped two percentage points to a net 61 per cent.

Queenstown was the most positive region at 68 per cent.

The survey also showed Aucklanders were the most confident about the office sector (a net 71 per cent), the highest since the survey began in 2006, and the highest across all sectors and locations.

Retail continued to be the sector which confidence was falling behind, although sentiment has improved from last year across all main cities.

Wellington's surge in confidence late last year continued, with a net 19 per cent of investors feeling positive, more than double what it was a year ago.

In both Auckland and Wellington, office landlords were the most optimistic.

However, three regions struggled to retain investor confidence. In Napier/Hastings, optimists were level with pessimists, giving it a zero confidence rating.

Palmerston North had a negative 5 per cent confidence rating, and the most pessimistic region was Whangarei, with a net negative 25 per cent.

The survey received a total of 2871 responses from around the country.

*Taken from a recent Colliers quarterly survey*



### Optimism among Christchurch property investors has peaked.

That's according to the latest quarterly confidence survey from real estate firm Colliers.

According to the research, Queenstown has overtaken Auckland as the most optimistic commercial property scene in the country.

Nationally, overall confidence remained unchanged between last year's December quarter and March this year, with optimists outnumbering pessimists by a net 31 per cent.

The researchers asked investors whether they expected the market to get better (optimists) or worse (pessimists) over the next 12 months.

## News from Dale Robertson's Desk

We are well on our way of processing annual accounts and holding Directors meetings.

We have recently added the following properties to our portfolio:

Clyde Quay Wellington — Offices

Harvard Hub Christchurch — Business Park

(This was a joint venture with a Mitchell Mackersey client and Amalgamated Builders).

Aberdeen St No 1 Ltd Christchurch—Retail and offices

We also have an exciting office move in Dunedin, into the ASB Building in Cumberland Street next month.

In Christchurch we are investigating either a move or upgrade of our current office.

### Team Member Profile

#### Penny Byrne

Having worked in real estate administration for seven years, Penny then spent a year concentrating exclusively on property investment with Ngai Tahu Property before joining the Mitchell Mackersey team in 2012. Penny has an outstanding commitment to detail, a wide range of experience and a comprehensive understanding of real estate. She is an effective communicator who specialises in building beneficial client and tenant relationships.

While working as a Legal Executive with Mitchell Mackersey over the last two years Penny has developed a wider skill base while maintaining her friendly approach. Her skills will enable her to generate strong, consistent results for our valued clients and we consider her an asset to the Maori Hill Property team



Wellington's Clyde Quay Wharf apartment redevelopment that juts out into Wellington harbour, has been named the country's top commercial building project. Judges called it a 'design, engineering and construction masterpiece'. The 100 year old passenger wharf underneath had to be strengthened before construction could go ahead.

*[One of our investment groups has bought the commercial floors of this complex]*

The huge reconstruction effort in Christchurch also yielded a number of awards, including Norwest on Victoria, Rangi Ruru Girls School Science centre, Christchurch Eye Surgery, Botanic Gardens Visitor Centre and the Avantidrome National Cycling Centre.

Southern based Amalgamated Builders took out a platinum award—a once in a lifetime award that goes to an organisation that has 5 or more national titles. It's previous work includes Queenstown's Sofitel Hotel, Wanaka's Rippon Hall at Rippon Vinyard and Wanaka's Puzzling World Sculptillusion Gallery.

These awards reveal just how strong our commercial property industry is, with winners displaying excellence from design to build.

*Recent article in 'Stuff'*

Maori Hill Property is a specialist commercial property management company. We take care of commercial property as if it is our own and on behalf of clients take on the challenges of all legal, local body, compliance and lease obligations as well as working to improve the value of the property.

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