

September 2015

MAORI HILL PROPERTY LIMITED

Comments from Ron Mackersey

Although general economic activity in New Zealand and the world has stalled, the property investment market in New Zealand is still strong.

What we are seeing in increased property listings of non prime property which is a reflection of quality stock being sold.

At the under \$5 million end Cap rates (ratio of net rent to purchase price) have headed down to 5% or less.

Large quality large properties are now firmly in the sixes and there is very little available over 7% Cap.

Of interest to us have been the Portfolio of Countdown Supermarkets being sold by an English fund and some design build properties (with tenant participation) in the Auckland market.

We are hopeful of some success with these negotiations which we will circulate soon. Of interest to us is your appetite for offerings in advance. Omea (021 331 742) welcomes indications of your readiness and level of funds so we can turn around opportunities quickly.

Finally — Interest rates — we are of the view longer term rates have hit or are near bottom. Five year fixed rates should be considered where Lease terms allow.

Frankton Flats retailers open this Spring



The first businesses planned in about \$280 million of developments on the Frankton Flats will be open by the end of next month.

The first four buildings in the two stage Five Mile development would be handed over to the clients on September 30 with the long awaited Countdown supermarket due to open its doors on October 22. Briscoes, Rebel Sport, Warehouse Stationery, Dick Smith and Number One Shoes would progressively open between then and the end of November.

After that work will begin on the second stage of the development, which would be worth a total of \$150 million on completion. Buildings five and six which front the state highway should be open by September next year.

Slightly east of Five Mile is the Shotover Park development, which will be home to Mitre 10 Mega and a Pak 'N Save Supermarket. Work on the \$20 million Mitre 10 Mega began in December. H & J Smith's managing director said building was progressing and the company would open the store, which would replace the existing Mitre 10 at Remarkables Park, later this year.

Naylor Love has been appointed as the contractor for the new Pak 'N Save Supermarket. The company is still waiting for building consent and that is likely to come this month enabling work to start on what would be the resort's fourth major supermarket.

The roading network inside Shotover Park is also nearing completion, with a section of road linking what will become the Glenda Drive roundabout on State Highway 6 to an internal roundabout under construction.

Eventually the existing entrances to Glenda Drive will become left-turn-in only with other traffic accessing the area via a new roundabout which is under construction, and a smaller roundabout within Shotover Park.



Canterbury Construction Spend Passes \$4 billion

Construction spending in Christchurch has hit more than \$4 billion thanks to large builds like the planned new metro Sports Facility.

A million dollars is being spent on construction in Canterbury every two hours, and spending is still rising.

The building figures Manager for Statistics New Zealand said "commercial construction is still gathering speed, you only have to count the cranes. there is a lot of big stuff going on and these projects are boosting the numbers".

It is pleasing to see confidence in the central city increasing with a number of projects in full swing.

Taken from a recent article in Stuff

Taken from a recent article in the Otago Daily Times

News from Dale Robertson's Desk

Positive News ...

Colliers International Queenstown (Mac Property Services Limited) merged with Maori Hill Property Limited (MHPL) on 1 July 2015.

The Directors of the new entity, which will continue to operate under MHPL, are Ron Mackersy, Tess Wethey and Dale Robertson who joined Alastair Wood from Mac Property.

Private property management clients of Mac Property Services will continue to contact Angela Davis while Dale Robertson and his team will continue to be the contact for MHPL syndication clients.

MHPL Director Ron Mackersy says the merger will allow both property management divisions to collectively grow the combined property management portfolio.

"Our clients will benefit from a wider knowledge base of experience, better systems and more people on the ground working collaboratively," Mr Mackersy says.

MHPL is responsible for the management of an extensive commercial Property Portfolio across New Zealand. This includes warehouses, industrial buildings, office complexes, retail developments and Body Corporates.

MHPL has a network of key business relationships with banks, valuers, consultants and contractors to make the management and growth of client's assets a smooth and seamless process.

Team Member Profile

Anita Brosnan

Anita has an extensive work history within the local Government sector where she was employed in numerous positions within the Finance and City Property units over a period of 12 years. Prior to her departure from the Dunedin City Council, Anita was responsible for the management of project, lease, tenancy and administration elements of the property portfolio. Anita has a wide range of experience and a comprehensive understanding of property management. She believes in providing high quality and accurate information while ensuring that all property requirements are met to an exceptional standard. Anita will also be focused in expanding our existing property portfolio in Dunedin and surrounding towns.



The Dunedin Team Andrea Edwards (Property Manager) and Anita Brosnan (Project Manager) have relocated offices and can now be found sharing the offices of Colliers International on the 4th Floor, 248 Cumberland Street, Dunedin (ASB House).

Please don't hesitate to pop in for a coffee!

Commercial Property Performing Well

New Zealand commercial property substantially outshone the global market last year, according to figures from an international market researcher.

Morgan Stanley Capital International (MSCI) has found that over 2014 New Zealand commercial property returned 11.3 per cent versus the global average of 9.9 per cent.

Industrial vacancies are the lowest they have been in 20 years in Auckland at 43.6 per cent.

IPD data to march show annualised total returns for all property (office, industrial and retail) were 11.7 per cent, were well above the long-term average of 10.6 per cent, but still well below the highs of 2 per cent in 2007.

Capital returns were 50 per cent of the total return, about 3.9 per cent and they are likely to get larger.

Taken from a recent article on 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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