

# Invest West

Property investment and development opportunities in the west.

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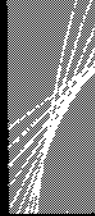


enterprise waitakere

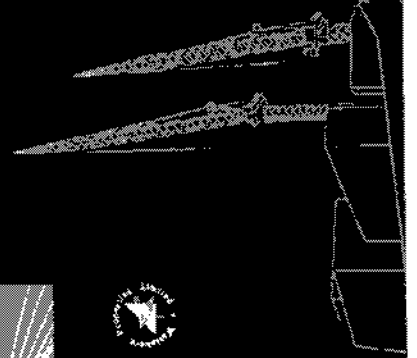
BRISTOW BARBOUR WALKER

REGISTERED VALUERS AND PROPERTY ADVISERS

CATO BOLAM  
CONSULTANTS



Waitakere Properties Limited





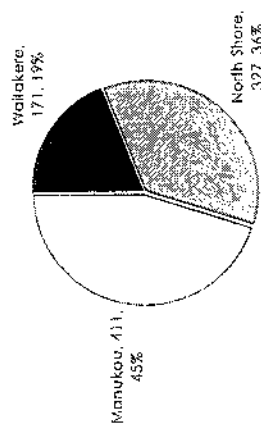
# Overview

1. Sales volume analysis
2. Key Sales
3. Value Trends - Fringe Urban Land
4. Henderson Mainstreet
5. Market Snapshot
6. Conclusions

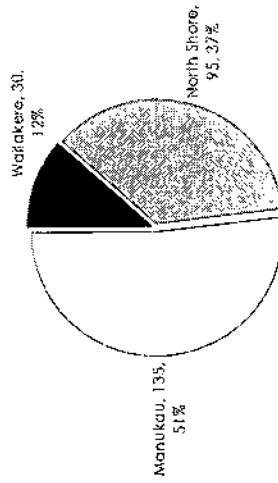
# Sales Volume Analysis

Sales volume analysis vs other Territorial Authorities

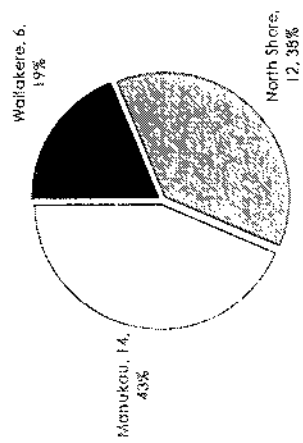
Commercial Sales Volume 2004 < \$1.0M



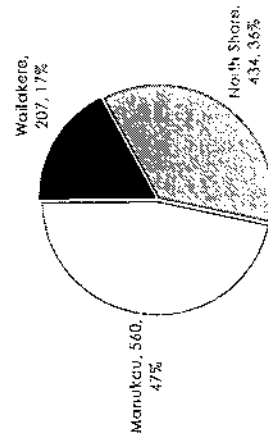
Commercial Sales Volume 2004  
\$1.0M - \$5.0M



Commercial Sales Volume 2004 > \$5.0M



Total Commercial Sales Volume 2004



## Key Sales

- 525 Rosebank Rd, Avondale
  - Sold 2003 to Charles Parsons
  - \$7,500,000
  - 10.0% Yield
- 20 Sel Peacock Dr, Henderson - ex Mitre 10
  - Sold vacant 2003 to Developer
  - \$5,550,000
  - Redeveloped commercial centre

## Key Sales

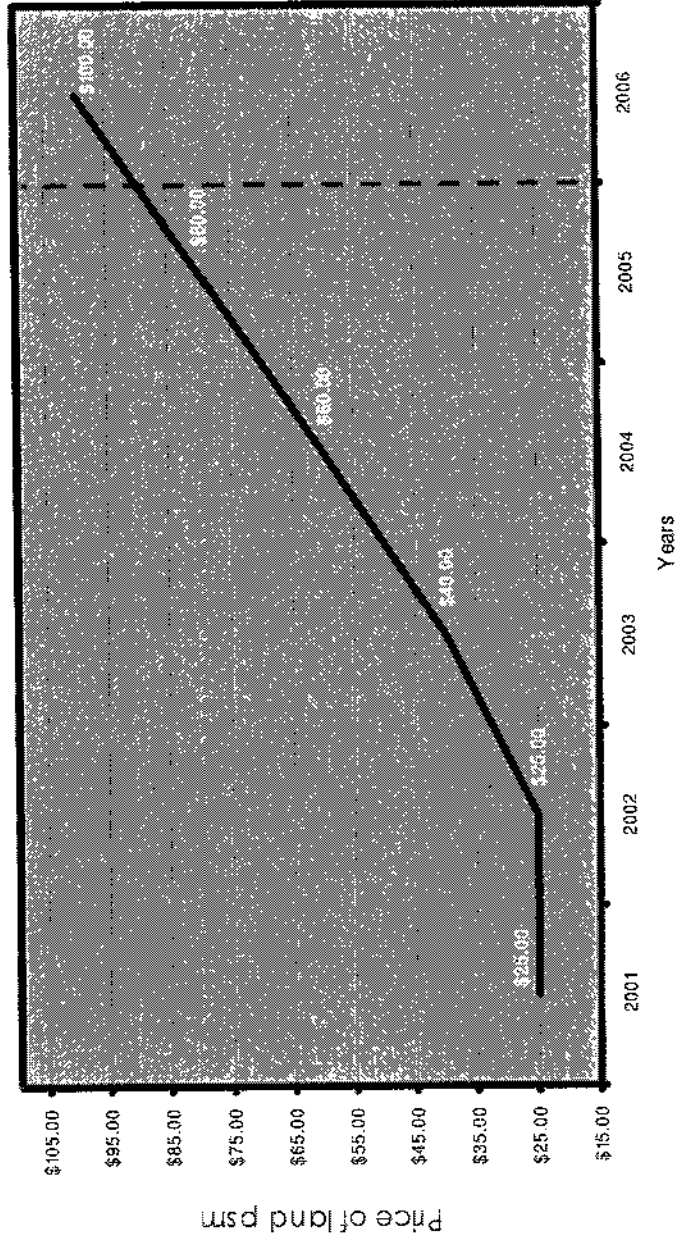
- 36 Sel Peacock Dr, Henderson – WINZ
  - Sold 2004 to Syndicator
  - \$7,300,000
  - 9.0% Yield on market
- 9 Ratanui St, Henderson - Waitakere District Court
  - Sold 2004 to Syndicator
  - \$7,550,000
  - 9.3% Yield

## Key Sales

- 8 Tolich Pl, Henderson-South Pacific Pictures
  - Sold 2004 to Syndicator
  - \$8,700,000
  - 9.0% Yield
- 250 Lincoln Rd, Henderson - Lincoln North Mall
  - Sold 2004 to private investor/developer
  - \$5,000,000
  - 9.0% Yield on market
- 51 & 65 Keeling Rd – Industrial “Brownfield”
  - Sold 2004 to WPL
  - \$7,200,000
  - circa 9.0% - 9.4% on market

# Value trends

Trendline for Fringe Urban Land - Hobsonville Corridor

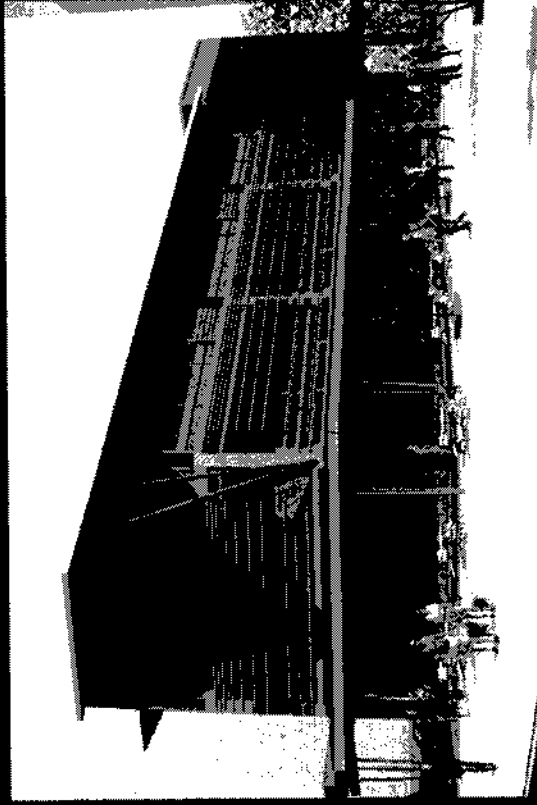


# Market Profile: Fringe Urban

- Rapidly rising land values
  - average 200% over 2002 – 2005
  - projected prices up to \$100/m<sup>2</sup> for raw land 2006 and beyond
- Scarcity of supply and excess of demand
- Medium to long term land banking
  - most recent land sale is outside Notified Plan Change

# Snapshot: Henderson Mainstreet

- \$70M of new building investment by WCC and Unitec
  - \$35M to Unitec/Library/Carpark
  - \$35M to Civic Centre



# WCC/Unitec Joint Venture

LOCATION: Ratanui & Trading

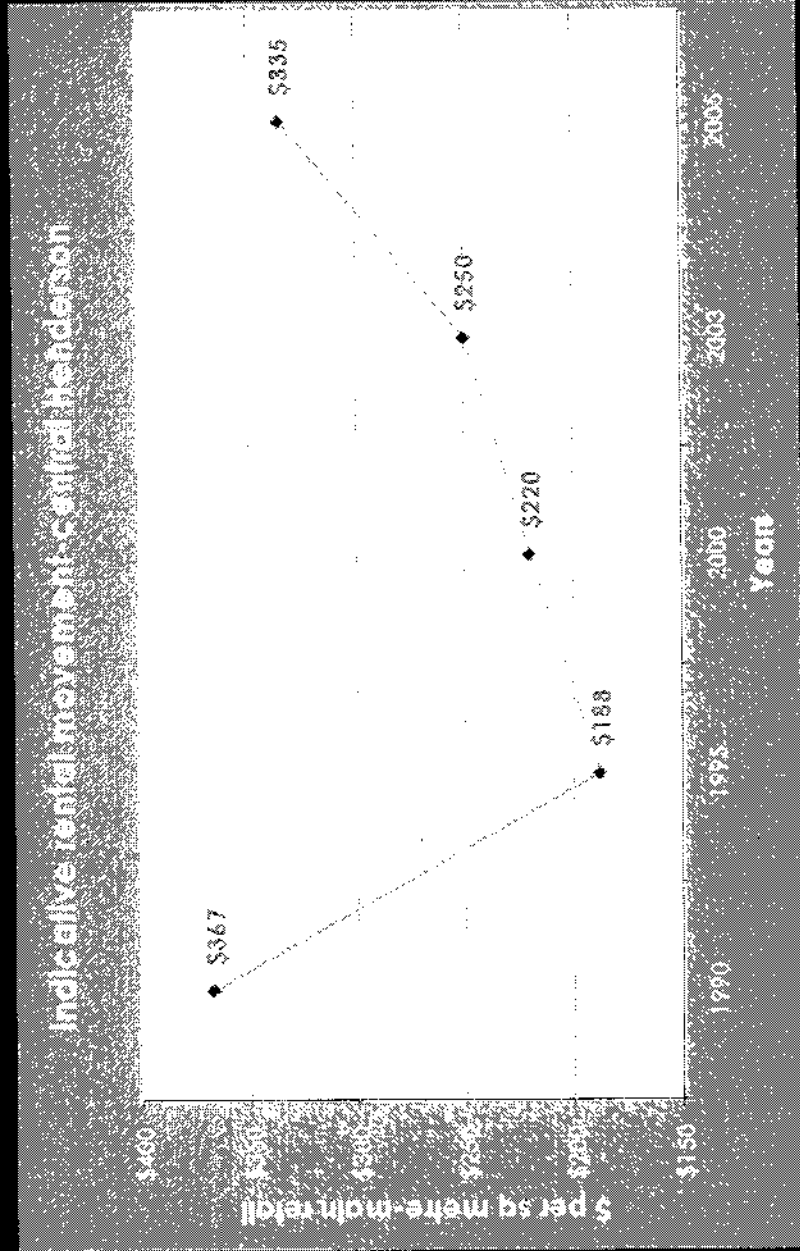
- 2500m<sup>2</sup> of leased area to Unitec
- 5000m<sup>2</sup> of teaching accommodation
- 3200m<sup>2</sup> of library
- 320 carparks in new multi level building

# Leasing Profile

- High occupancy rates for retail
- Rapidly rising retail rents
  - 30% – 50% since 2003
- Soft demand for low grade offices

# Case Study: Typical Retail

- Case study typical retail shop central Henderson



# Henderson Mainstreet

## CATALYST FOR CHANGE

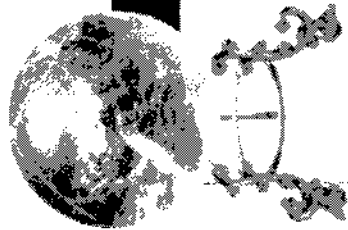
- Economic cycle
- WCC commitment to Henderson

*Bubble or What!*

## Moving Forward

- Strong rental growth will put pressure on existing tenancy mix
- Lower quality businesses will need to relocate
- Opportunities for better quality businesses
- Emphasis on hospitality catering for an extra
  - 2500 more students from 2006
  - 700 council employees from 2006/07

# Market Snapshot



## THE CRYSTAL BALL

### LAND VALUES

	Rates	Current Status	Crystal Ball next 1/4
<b>Commercial</b>			
Mainstreet	\$700 - \$1000	Bull	Bull
Suburban	\$300 - \$600	Bull	Bull
<b>Industrial</b>			
Prime	\$220 - \$275	Bull	Stable
Secondary	\$150 - \$185	Bull	Bull

### RENTS

	Rates	Current Status	Crystal Ball next 1/4
<b>Commercial</b>			
<i>Mainstreet Retail-Henderson</i>			
Prime	\$400 - \$500	Bull	Bull
Eringe	\$180 - \$225	Bull	Bull
Suburban	\$160 - \$300	Bull	Bull
<b>Offices</b>			
C Grade	\$130 - \$180	Bull	Bull
D Grade	\$90 - \$130	Stable	Stable

### INVESTMENT YIELDS

	Rates	Current Status	Crystal Ball next 1/4
<b>Commercial</b>			
Mainstreet	7.0 - 8.0%	Stable	Stable
Suburban	7.0 - 9.0%	Stable	Stable
<b>Industrial</b>			
Prime	8.5 - 9.0%	Stable	Stable
Secondary	9.0 - 10.0%	Stable	Stable

	Rates	Current Status	Crystal Ball next 1/4
<b>Industrial</b>			
Prime Office	\$150 - \$175	Bull	Bull
Prime Warehouse	\$80 - \$90	Bull	Bull
Secondary Office	\$90 - \$120	Bull	Bull
Secondary Warehouse	\$60 - \$70	Bull	Bull

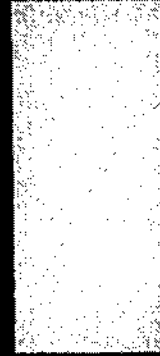
## Conclusions

- Henderson is re-establishing itself as the commercial heart of Waitakere City
- New Lynn is set to benefit from major zoning changes
- Industrial markets have experienced strong growth
- Severe land shortages is limiting growth
- Over 400 ha subject to Proposed Plan Changes will address those shortages over next decade
- A further 300 ha remains within the Corridor/Peninsula beyond 2020

# Planning for Growth

**Peter Reaburn**

Cato Bolam Consultants



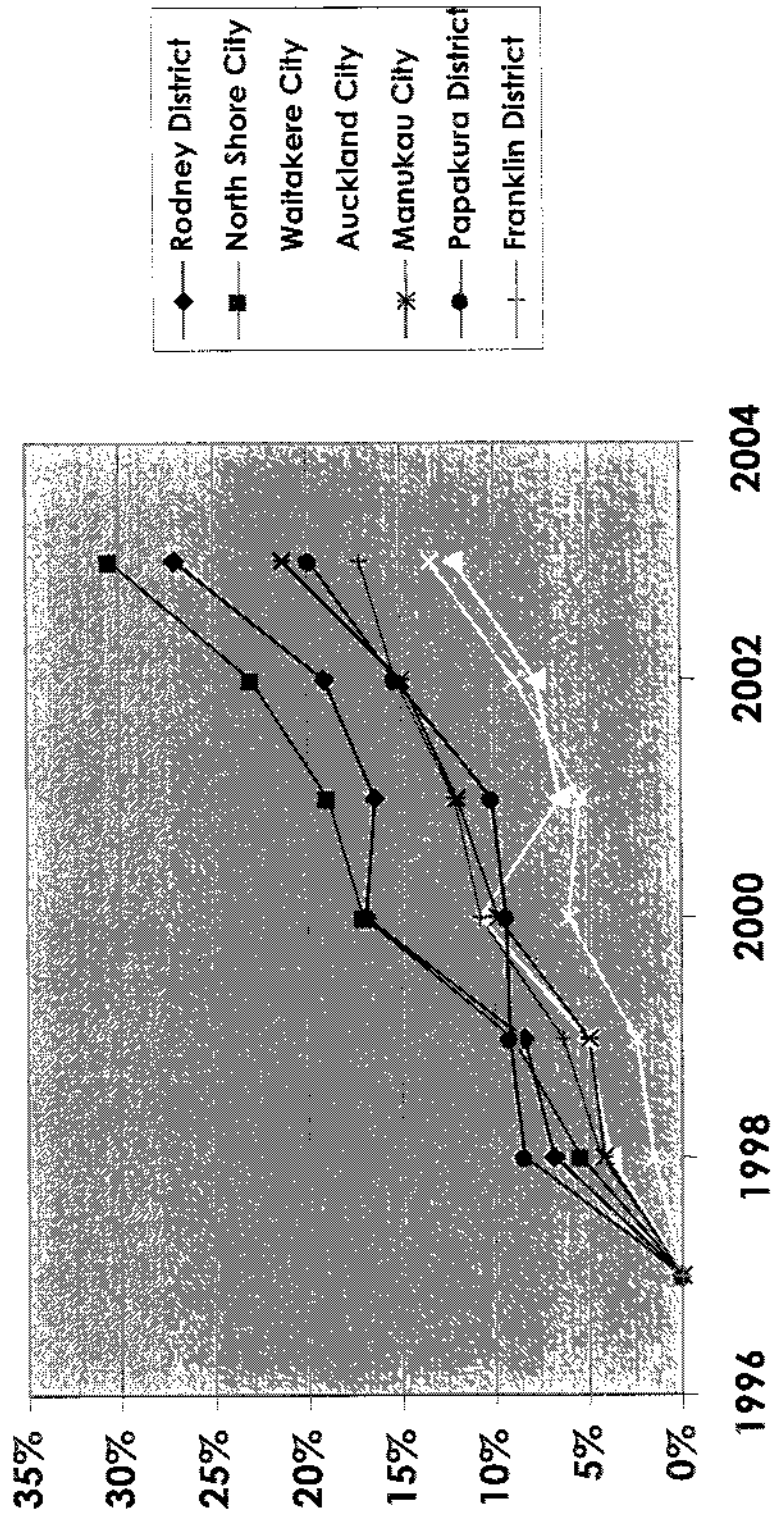
**CATO BOLAM  
CONSULTANTS**

## Employment generation

- Biggest Employment sectors (in order) are - Manufacturing and Construction, Retail and Distribution, Social Services, Business Service - local service business predominates
- 94% of businesses employ less than 9 people - less than 1% more than 50 - average 3.5FTEs
- 10 years to 2004 population growth 2.7% p.a, employment growth 2.8% p.a., economic growth 4% p.a.

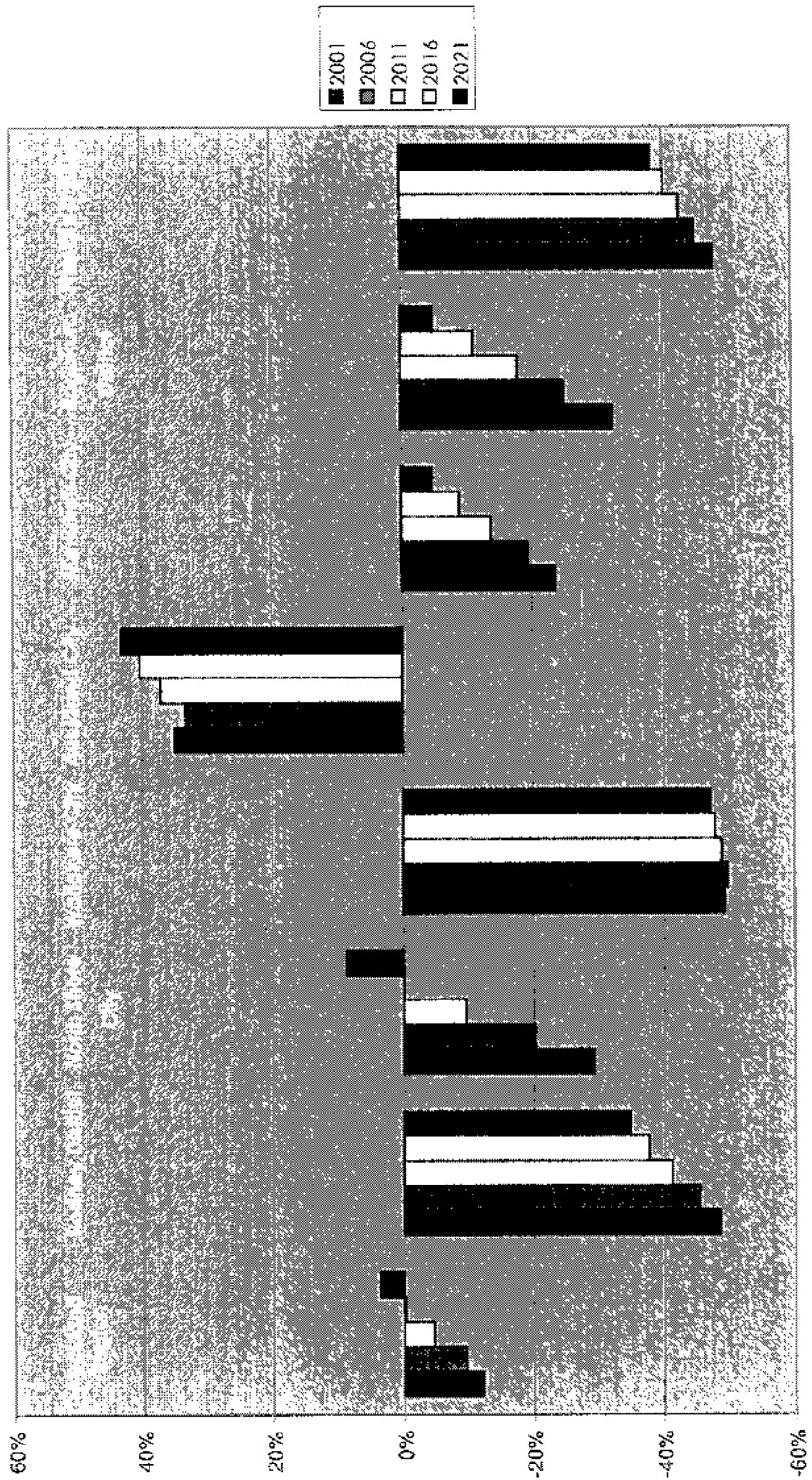
# Employment generation

Cumulative Growth in FTEs - Feb 1997 to Feb 2003



# Employment generation

Estimated surplus or deficit of FTE (jobs) to workforce in resident TLA



# Employment generation

## Percent of Auckland Region TLA workforces (excl. Papakura and Franklin) leaving home TLA to go to work (2001 Census)

All figures generated using February 2005 calculation method to take account of "unknowns"

