

AVENUE BUSINESS PARK – PLAN CHANGE 58

Market Demand Summary

1.0 Introduction

The purpose of this memo is to confirm the development intent of lots which have been sold as part of Stage 1 of Avenue Business Park and demonstrate our experience and knowledge of the current market demand for industrial land in Morrinsville. Steffert Property is engaged by Avenue Industrial Park Limited, Warwick & Marion Steffert as General Manager for the development of the business park.

2.0 Avenue Business Park - Stage 1

Stage 1 of the business park subdivision commenced civil construction in October 2022. The Waikato experienced an unseasonal amount of rain over the 2022/2023 construction season which meant the stage had to be split into two sub-stages, now referenced as Stages 1a & 1b.

2.1 Stage 1a

Construction of Stage 1a was completed in September 2023 and titles are expected to be issued in December 2023. All 11 lots (covering 4.97ha) created in this stage have been pre-sold. We note the following:

- The first pre-sale agreement was signed in July 2021.
- No external marketing was undertaken by the developer.
- Real estate agents have not been engaged to market any lots for sale.
- All pre-sales have been negotiated directly with the purchasers.
- Of the 11 lots, all purchasers have bought multiple lots excluding Powerco who have purchased one lot for an electricity sub-station.

We approached the purchasers to get an understanding on their intent for timeframes for developing the lots they have purchased once titles are issued. The below table summarises the responses received. Refer to Appendix A which includes the email responses.

Purchaser	Lots	Area	Timeframe to commence	Notes
B&M Management Limited	1 & 2	0.55ha	Within 3 years	
Action Developments Limited	3 & 4	0.49ha	Within 3 years	
Piako Property Trust	5 & 6	1.45ha	Within 12 months	Fencing work is already underway.
Powerco	9	0.21ha	Within 12 months	Site is for a sub-station, construction to begin Q4 2024.
CAMTIM Investments Limited	8	0.4ha	TBC	Working with a prospective tenant, completion likely within 3 years.
CAMTIM Investments Limited	13, 14 & 15	1.87ha	Within 12 months	Building construction to commence in 2024.

Based on the above information, Stage 1a is likely to be fully occupied (with development either complete or partially complete) by 2026.

2.2 Stage 1b

Completion of construction of Stage 1b is programmed for the end of May 2024, with titles expected in August 2024. Eight lots are created in this stage. Three of the lots have been sold, two of those (Lot 16 & 19) sold to the same purchaser. Their intent is to commence construction on Lot 19 (0.4ha) in Q4 2024. This is to construct warehousing and a head office for SAMEN New Zealand. The remaining five lots have not been marketed for sale.

3.0 Market Conditions

As noted above, the pre-sale of lots to date has been achieved via word of mouth which gave confidence for the development to proceed without the need to go to market. The strategy at this stage of the project is to look at advertising the remaining lots in Stage 1b once titles are issued. This is to achieve the best sale price possible. Since the first pre-sale in July 2021, the anticipated sale value has increased by 100% indicating the supply and demand factors in play during this time period.

Through various discussions with commercial real estate agents in the Waikato, the following areas have experienced huge growth in the last 5 years:

- Horotiu, Northgate Business Park
- Hamilton Airport, Titanium Park
- Hautapu, Cambridge
- Ruakura, Tainui Group Holdings

The feedback from the agents was a perception that Morrinsville doesn't have any industrial development or land opportunity due to engineering constraints on stormwater. They noted Morrinsville is strategically located within the Waikato network to become an attractive option for businesses to consider when looking for a new purpose-built industrial site and building. This is particularly the case following the recent completion of the Hamilton Section of the Waikato Expressway and development of the Ruakura Inland Port (which became operational in 2023) which are both nearby. Avenue Business Park is a 20-minute truck journey along State Highway 26 to the expressway and inland port meaning excellent connectivity for import and export businesses.

Report written by:

Chris Steffert – Development Manager

10.11.2023

Appendix A

Purchaser emails

Action Developments Ltd

PO Box 356

Morrinsville

GST # 112-200-096

19/10/2023

To whom it may concern,

Action Developments Ltd is the purchaser of Lots 3&4 of the new Avenue Business Park (Stage 1) in Morrinsville. The new titles being developed by Avenue Industrial Park Limited are due shortly and we are into the planning of how our site is developed. It is our intent for development of the site to commence within the next 3 years.

We understand that the above information is to be used as evidence in the PC58 hearing process, we fully support the approval of PC58.

Regards



Terry M Boubee

Action Developments Ltd

From: [Brian Tunncliffe](#)
To: [Chris Steffert](#)
Subject: Avenue Industrial Park
Date: Friday, 20 October 2023 2:44:45 pm
Attachments: [image001.png](#)

To Whom It May Concern

Brian David Tunncliffe (B&M Management LTD) is the purchaser of Lots 1 & 2 of the new Avenue Business Park (Stage 1) in Morrinsville. The new titles being developed by Avenue Industrial Park Limited are due shortly and we are into the planning of how our site is developed. It is our intent for development of the site to commence within the next 3 years.

We understand that the above information is to be used in evidence in the PC58 hearing process, we fully support the approval of PC58.

Regards,

Brian Tunncliffe
Dealer Principal

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M. 0274 888 186
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From: [Darrell](#)
To: [Chris Steffert](#)
Cc: [Darrell](#)
Subject: Plan Change 58, Morrinsville
Date: Monday, 6 November 2023 1:08:26 pm

To whom it may concern,

Piako Property Trust is the purchaser of lots 5 & 6 of the new Avenue Business Park (Stage 1) in Morrinsville. The new titles being developed by Avenue Industrial Park Limited are due shortly and we are into the planning of how our site is developed. We have already commenced with physical works onsite (as agreed with AIP Limited) with perimeter fencing now being installed. It is our intent for further development of the site to commence in within the first quarter of 2024.

We understand that the above information is to be used as evidence in the PC58 hearing process, we fully support the approval of PC58.

Regards

Darrell Russell

DARRELL RUSSELL

Dealer Principal

P 64 7 889 7055

M 64 21 959 148

E darrell@piako.co.nz

A PO Box 31, 40 Thames St,
Morrinsville, NZ

www.piako.co.nz



From: [Stephen Deverell](#)
To: [Chris Steffert](#)
Subject: RE: Plan Change 58, Morrinsville
Date: Thursday, 2 November 2023 10:14:47 am
Attachments: [image002.png](#)
[image003.png](#)
[MORRINSVILLE_PROPOSED_BULK_LOCATION_OPTION_D.1.pdf](#)

Hi Chris

Not able to insert

Our plan for development is attached (still draft)

We have a couple of options for Lot 8 , meeting with one of them on Friday.

We should start construction next year with completion due the first half of 2025.

Regards

Stephen Deverell

Managing Director

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