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Lunn Ave's transformation generates early interest

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The transformation of Mt Wellington's Lunn Avenue is well underway, and an Auckland family group with commercial property interests, are spearheading the charge.

Fortis Properties have embarked on a development which offers businesses one of the first opportunities to establish themselves adjacent to Auckland's newest and largest greenfield suburban development – the conversion of Mt Wellington Quarry into 'Stonefields'.

Fortis Properties secured one of only two lots sold recently by Greenstone Group to private investors on the northern side of Lunn Avenue. The site is a 3,190 sqm blank canvass with an impressive 100m street frontage to 20,000 vehicles per day.

David Campbell and Cary Bowkett from CB Richard Ellis are the exclusive marketing agents for the development.

Mr. Campbell, Associate Director of Office Services at CB Richard Ellis, said "The project has been under construction for just six weeks, yet long before details were released enquiry was being fielded from interested parties seeking premises."

Tenants will be able to open their doors upon expected completion in April 2008.

JCY Architects developed the plans for a two level building with double height ground floor showroom/warehouse space and first floor office space.

The structure is now taking shape and once complete will accommodate four ground floor tenancies providing approximately 260 sqm of showroom and warehousing space with roller door access, plus an additional 90 sqm of mezzanine office space if required.

Flexibility has been retained to connect these units, and each will boast a prominent profile to busy Lunn Avenue.

The development design was vigorously scrutinized by Auckland City Council's urban design panel who determined the finer design elements. The current requirements opt for vehicles to the side and rear of the site to promote exposure and design of the building over a big car park.

Bulk and location setbacks, along with landscaping will soften the visual impact from the quarry floor from any commercial enterprise that occurs on the Business 4 zoned site above the new Stonefields suburb.

Mr. Campbell said, "We expect the showroom component coupled with the 6m stud warehousing will appeal to homemaker businesses such as kitchen and bathroom, electrical and plumbing, flooring and tile, and furniture groups".

"Other trade and retail groups such as Placemakers, Kitchen House, Hill & Stewart, and Ideal Electrical have recently occupied new premises on Lunn Avenue to serve Stonefields and the extended eastern suburbs. Next door at 57 Lunn Avenue, construction is well progressed on a building to be occupied in majority by MasterTrade" continued Mr. Campbell.

Spanning above the showrooms will be a total of 1,000 sqm office space, available as one or a minimum size of 440sqm. Each office has a generous 60sqm of additional decks overlooking the transformation of the Mt Wellington quarry – perfect for a sunny afternoon lunch or Friday drink. Access to the first floor office is by lift or stairs from a central lobby accessed from both street front and rear car park.

The first floor offices enjoy sweeping 360 degree views stretching as far as the Coromandel, the Bombay Hills and One Tree Hill.

The Stonefields master plan provides for 2,900 dwellings, housing 6,500 people, and the first sections are already under construction.

Stonefields is the vision of Landco Land Developments.

General Manager of Landco Land Developments, Andrew Stringer, said "At Stonefields we are putting in place the foundations of a community; an attractive, well thought-through and modern urban environment that will provide homes, employment, schooling and recreation."

Mr. Bowkett, from CB Richard Ellis' Retail Services team, said "The Lunn Avenue development provides a captive affluent audience for businesses focused on servicing this quick residential growth, not to mention the extended eastern suburbs catchment - with over 130,000 people currently residing within just 5km of the site."

The offices will have big appeal to organisations serving the city fringe, and who are looking for something special and removed from the institutional offerings in Auckland's CBD. With

modern efficient configurations, this development will both attract and retain a workforce that is currently exasperated with the daily commute on Auckland's motorways.

The increasing shift in businesses needing to provide suitable amenities in order to attract quality staff bodes well for the development. On site parking is provided, open green spaces such as the majestic Mt Wellington and an abundance of landscaped park areas planned for Stonefields are on the doorstep.

In addition to this, plenty of easy shopping lies in close proximity - including Sylvia Park only three kilometres away, down Mt Wellington Highway. Motorway access is easy by hopping on at the Mt Wellington interchange adjacent to Sylvia Park, and the Panmure train station is only one kilometre from the site.

Further down at 63-89 Lunn Avenue, construction is due to start in October on a retail development by Greenstone Group to provide a total of 2,700 sqm for convenience retailers. The development will comprise 15 tenancies and is 75% pre-committed by retailers that will service the area, such as takeaway food, restaurants and bars.

All these amenities will help service the occupants of the developments being delivered.

Various other conversion projects and new build developments are planned or occurring, making Lunn Avenue one of Auckland's most progressive streets.

"All this activity can only mean one thing for property values. Only three years ago land was changing hands at \$200 - \$300 per square metre, whereas recent evidence supports over \$600 per square metre," says Mr. Campbell.

Research conducted by CB Richard Ellis shows that the overall vacancy level of Auckland non-CBD offices is currently 6.0%, compared to 6.6% at the end of last year. Vacancies in the prime office market are even tighter across the entire suburban office market at a level of only 2.4%.

Rent increases have been driven by this tight vacancy environment.

Prime non-CBD office rents currently reach upwards of \$285 per sqm and average rents have increased by 6.4% over the past year.

The retail market is even tighter than the office market. CB Richard Ellis monitors shopping and bulky goods power centres in Auckland. According to CBRE's latest survey, vacancies in this sector were just 0.8% with no vacancies in the bulky goods power centres.

"The timing of the Mt Wellington development is ideal to take advantage of the current tight occupancy levels, an emerging trend in the market," commented Mr. Bowkett.

About CB Richard Ellis

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