

Hamilton CBD retail market overview

INTRODUCTION

This report provides a summary of the Hamilton retail occupier survey conducted in December 2025.

The survey is based on a store-by-store analysis of the Hamilton Central Business District and reports on stock levels, vacancy rates, net uptake and tenancy mix.

In accordance with our definition, retail accommodation within the CBD is defined by street location. In general terms, a store located on a street with good pedestrian traffic and within the central core is categorised as prime, while shops within the core and in close walking distance to high streets are secondary. Those stores located outside the core, or on the fringe are tertiary.

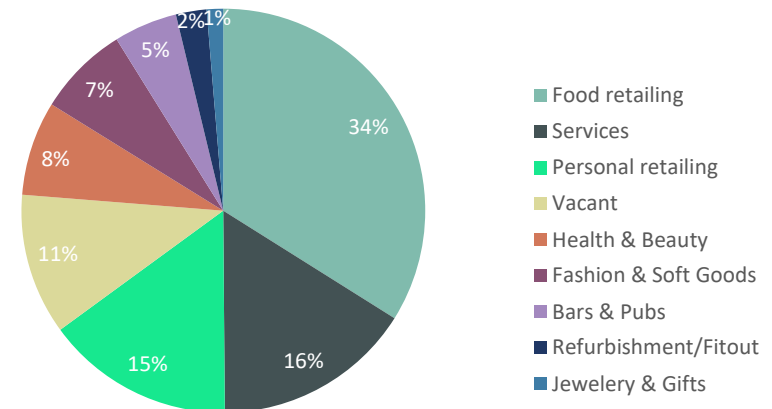
This retail vacancy survey is undertaken on a bi-annual basis in a partnership between CBRE Research and NAI Harcourts.

Hamilton CBD retail summary

Summary

- ▼ The CBD retail vacancy rate decreased over the second half of 2025, moving from 10.9% in June 2025 to 10.5% in December 2025.
- ▼ The total amount of vacant space has decreased slightly from 8,672 sqm to 8,600 sqm, with decreases occurring across the top two grades (primary and secondary).
- ▼ 1,616 sqm of retail stock is currently under refurbishment, well down from 4,140 sqm in June 2025.

FIGURE 1: Hamilton CBD retail composition by store type



Retail stock and new development activity

The size of the monitored Hamilton CBD retail stock increased in the past six months due to new additions of refurbished stock, moving from 79,407 sqm in June 2025 to 81,680 sqm in December 2025.

In the Prime grade, 72 sqm of space at 42 Ward Street that was formerly an eatery shop and had been a long term vacancy, has been removed for redevelopment. This decline in monitored stock has been more than offset by recently completed refurbishments at 426 Victoria Street (179 sqm), 357 Victoria Street (120 sqm) and 6 Garden Place (73 sqm), allowing a net gain of 300 sqm for this grade.

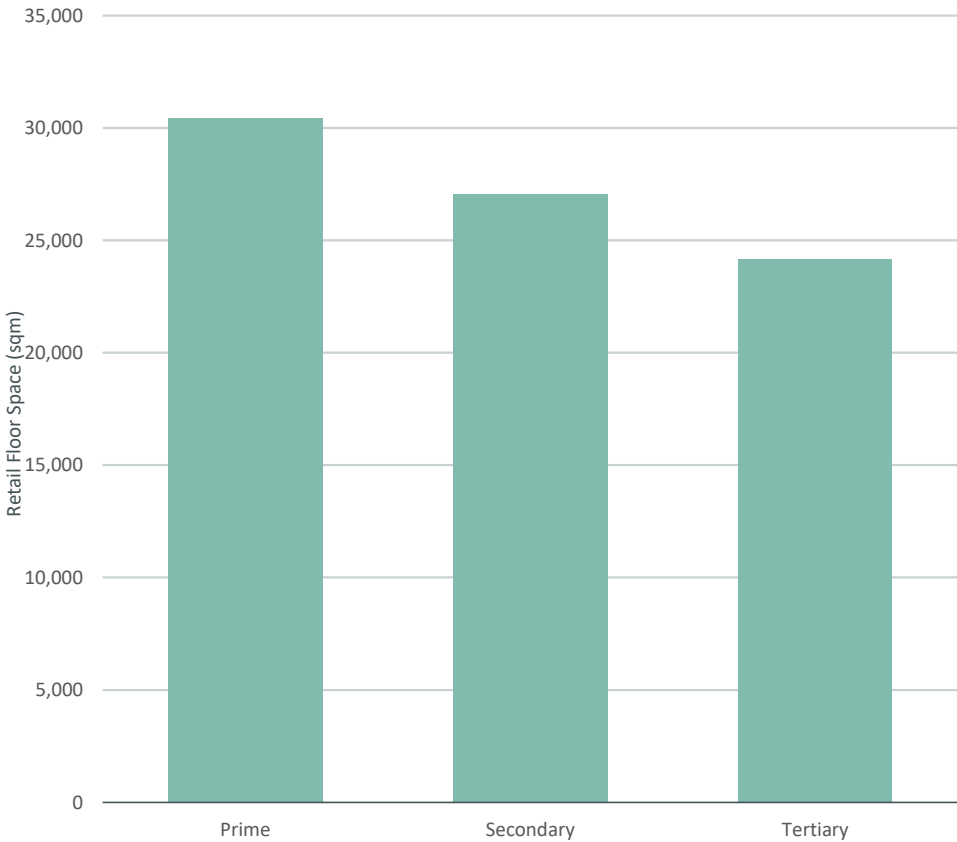
Secondary grade has experienced a significant boost to monitored stock with the completion of BNZ Theatre (formerly known as the Waikato Regional Theatre) and it’s associated retail space. In total, the net gain is 1,617 sqm of hospitality and function space at 184 Victoria Street.

400 sqm of Tertiary grade space has completed minor refurbishment at 935 Victoria Street and is now occupied by Progress to Health in space that was formerly occupied by Lodge Real Estate. Loss of 43 sqm at 266 Victoria Street for a refurbishment has created a net stock gain of 357 sqm in this grade.

As of December 2025, Prime retail space accounts for 37% or 30,456 sqm of the total CBD retail stock. Secondary stock is 27,045 sqm (33%), more than Tertiary at 24,179 sqm (30%).

Currently 11 occupancies are under refurbishment or fitout and have temporarily been removed from the survey. This is the lowest number in more than a decade, with previous surveys usually in the 20’s or 30’s.

FIGURE 2: CBD retail stock by grade



Vacancy

Hamilton CBD’s retail vacancy rate has decreased, moving from 10.9% as at mid 2025 to 10.5% in December 2025. Over the six months to December 2025, vacant space decreased by 72 sqm.

As Figure 3 illustrates, Prime grade experienced a decrease in vacancy, moving from 18.1% in June 2025 to 16.0% in December 2025. While the removal of 72 sqm of vacant space at 42 Ward Street for the new Pullman Hotel refurbishment played a part, take ups of vacant space have been a bigger driver. The largest of the new takeups is 1,434 sqm at 308 Barton Street which had been vacated by JB Hi-Fi in the second half of 2023 and has now been leased to City Fitness. Other notable takeups include Card Merchant at 36 Bryce Street (227 sqm) and LSKD at 58 Ward Street (214 sqm), alongside five other smaller takeups.

In Secondary grade, vacancy decreased by 0.6% to 3.9% in the second half of 2025, with 3 new takeups of previously vacant space. The largest new take up was Moo’s Table at 149 Alexandra Street, taking 145 sqm. Others include Strikers Sports World at 115 Alexandra Street (56 sqm) and Sip & Dip at 151 Victoria Street (40 sqm).

In Tertiary grade, vacancy has increased over the six month period, moving from 8.7% in June 2025 to 11.0% by the end of 2025. Three new large vacancies in this grade have had an impact with Beast Style Fitness vacating a total of 713 sqm across 7 Alexandra Street and the first floor of 30 Alexandra Street, and Omah House of Blues vacating 378 sqm also at 30 Alexandra Street.

FIGURE 3: CBD vacancy by grade – December 2025 vs June 2025

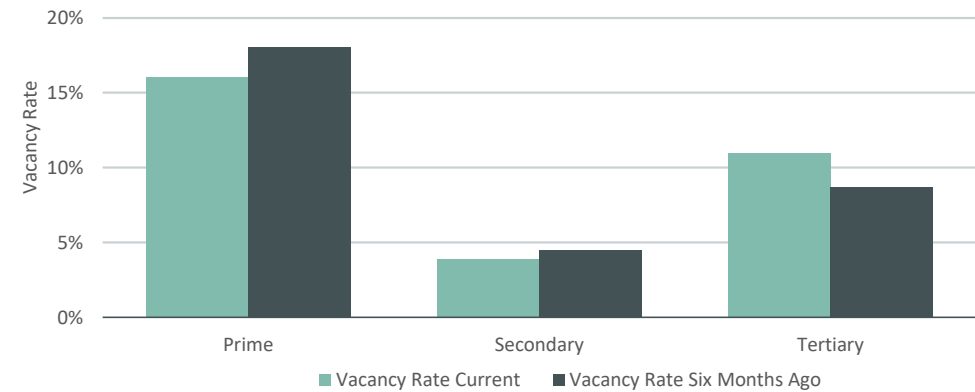
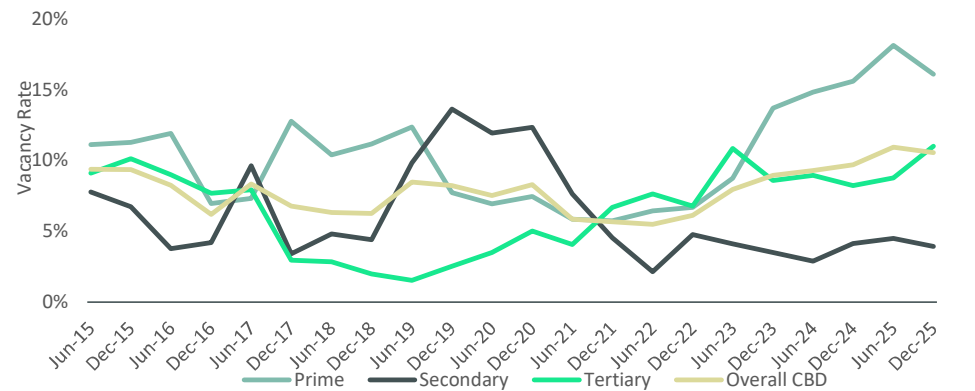


FIGURE 4: CBD vacancy by grade 2015-2025



Demand

Retail churn activity, or the changeover from one retail business to another, decreased during the second half of 2025 compared to the first half of 2025. Food retailing was the most active sector and accounted for three of the nine changes, with Personal Retailing, Fashion & Soft Goods, and Services also experiencing some churn.

From a total occupancy perspective, the Bars & Pubs and Jewellery & Gifts sectors recorded some contraction in the second half of 2025, with all other sectors expanding. As a consequence of the new BNZ Theatre completion, Food Retailing expanded the most over this period, with 1,124 sqm more space in this sector, with it now making up 27% of the total retail stock.

The overall net change in occupied stock over the six months to December 2024 was positive, showing an increase of 2,568 sqm to bring the overall figure to 73,081 sqm. While this is a sizeable improvement on the previous survey, it remains below the circa 75,000 sqm of occupied space recorded three years prior.

Analysed by grade, there was positive net absorption in Prime grade (884 sqm), due in large part to the City Fitness take up. Some new vacancies have occurred, the largest of which was Jacz Gastro Bar (456 sqm), and interestingly, a couple of banks (SBS Bank and Heartland Bank, a total departed space of 599 sqm) .

Secondary grade locations experienced positive net absorption with the completion of Waikato Regional Theatre adding 1,617 sqm of occupied space, and only one new vacancy.

Net absorption in Tertiary grade locations was negative. A couple of large new vacancies towards the southern end of Alexandra Street, are the driver of this.

FIGURE 5: Net uptake of CBD retail space 2015-2025

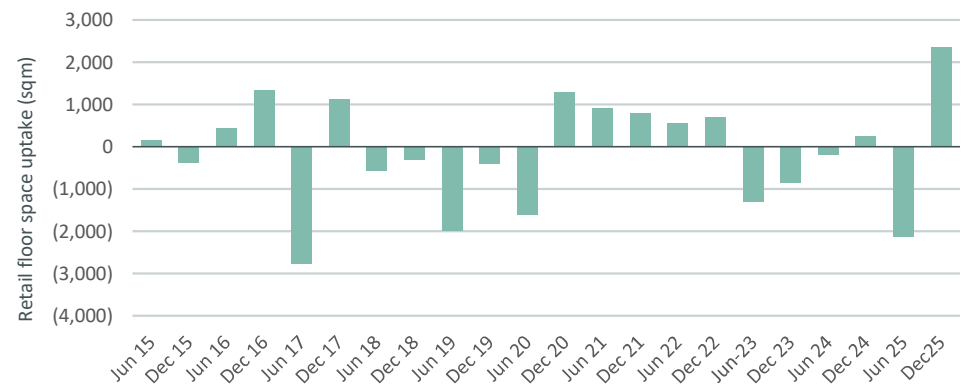
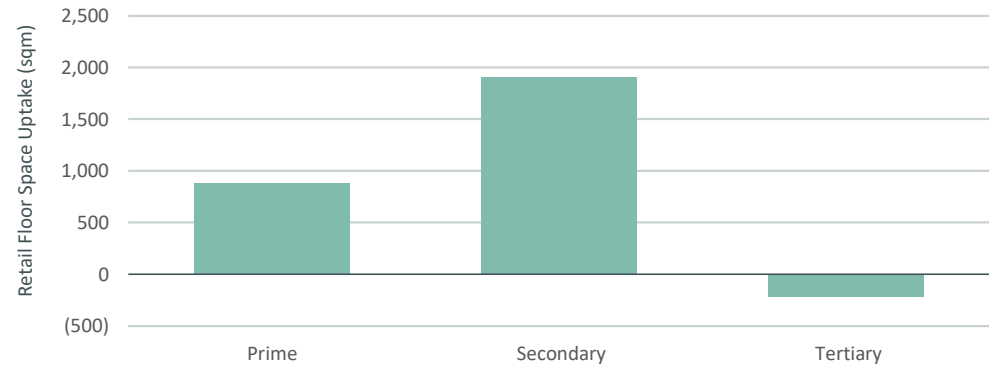


FIGURE 6: Net uptake of CBD retail space by grade



Conclusions and outlook

The results of our most recent survey of the Hamilton CBD retail market are reasonably positive. After six consecutive half yearly increases over a 3 year period, the overall vacancy rate has declined slightly from 10.9% to 10.5%, ending what had been an ongoing upward trajectory. Vacant stock has experienced a decline and occupied stock has experienced a sizeable increase, even when discounting the one off Waikato Regional Theatre post-refurbishment additions. Churn has approximately halved compared to the first half of 2025 however we consider the availability of suitable space may be an influencing factor in this, with the number of spaces under refurbishment currently at a decade low. Positive net absorption in the Prime and Secondary grades indicate the continuance of the major trend of operators remaining active in their attempts to optimise thee benefits of their physical location. Tertiary grade remains challenging.

Quarterly (seasonally adjusted) retail sales values released by Statistics NZ for the Waikato region show that retail sales values in the September 2025 quarter were 1.9% ahead of where they had been the previous quarter. This is a marked turn around from previous September quarters where the figures were -0.7% in September 2024 and - 0.2% in September 2023. The Westpac McDermott Miller consumer confidence index shows that Waikato’s confidence has declined somewhat from 92.1 in September 2025 to 86.6 in December 2025, which is out of step with the confidence improvements reported for both Auckland and overall New Zealand. Despite the most recent decline in consumer confidence, the outlook for 2026 is one of a strengthening economic recovery that will have flow on impacts to the Hamilton CBD retail market.

There continues to be a longer term trend in play of Hamilton CBD becoming a niche retail destination, with a variety and concentration of speciality retailers and services, on the back of ongoing commercial and apartment development. . Food Retailing in particular has continued scope for growth and currently comprises 21,981 sqm of monitored stock, up from 19,552 sqm ten years ago. While this is clear expansion, in comparison, the Bars & Pubs category has contracted from 10,456 sqm to 8,022 sqm over the same ten year timeframe. This recent weakness could be reflective of broader economic conditions however we think changing consumer attitudes around alcohol consumption are also likely to play a part. Bars & Pubs are a vital component of the night time economy and will continue to be a feature of the Hamilton retail market, however in our view there is opportunity emerging for a new kind of hospitality experience in the CBD.

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