

Hamilton CBD retail market overview

INTRODUCTION

This report provides a summary of the Hamilton retail occupier survey conducted in June 2026.

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.

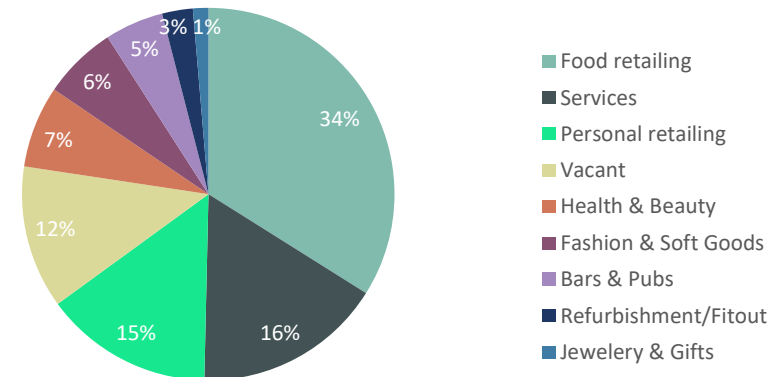
This retail vacancy survey is undertaken on a bi-annual basis in a partnership between CBRE Research and NAI Harcourts.

Hamilton CBD retail summary

Summary

- ▲ The CBD retail vacancy rate increased over the first half of 2026, moving from 10.5% in December 2025 to 12.7% in June 2026.
- ▲ The total amount of vacant space has increased from 8,600 sqm to 10,319 sqm, with increases occurring across the board, but especially in the Tertiary grade.
- ▲ 2,104 sqm of retail stock is currently under refurbishment, up from 1,616 sqm in December 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 decreased in the past six months due to stock losses to planned refurbishments, moving from 81,680 sqm in December 2025 to 81,169 sqm in June 2026.

In the Prime grade, 570 sqm of vacant space at 282 Barton Street which had formerly been occupied by Torpedo 7 was removed from stock following a fire in May 2026. A further 296 sqm at 285 Barton Street was removed for refurbishment following the departure of Coffee Studio. This combined 866 sqm loss was slightly offset at 2 Garden Place following the completion of earthquake strengthening, with this space vacant at the time of the survey. The total net change in stock for Prime was -851 sqm.

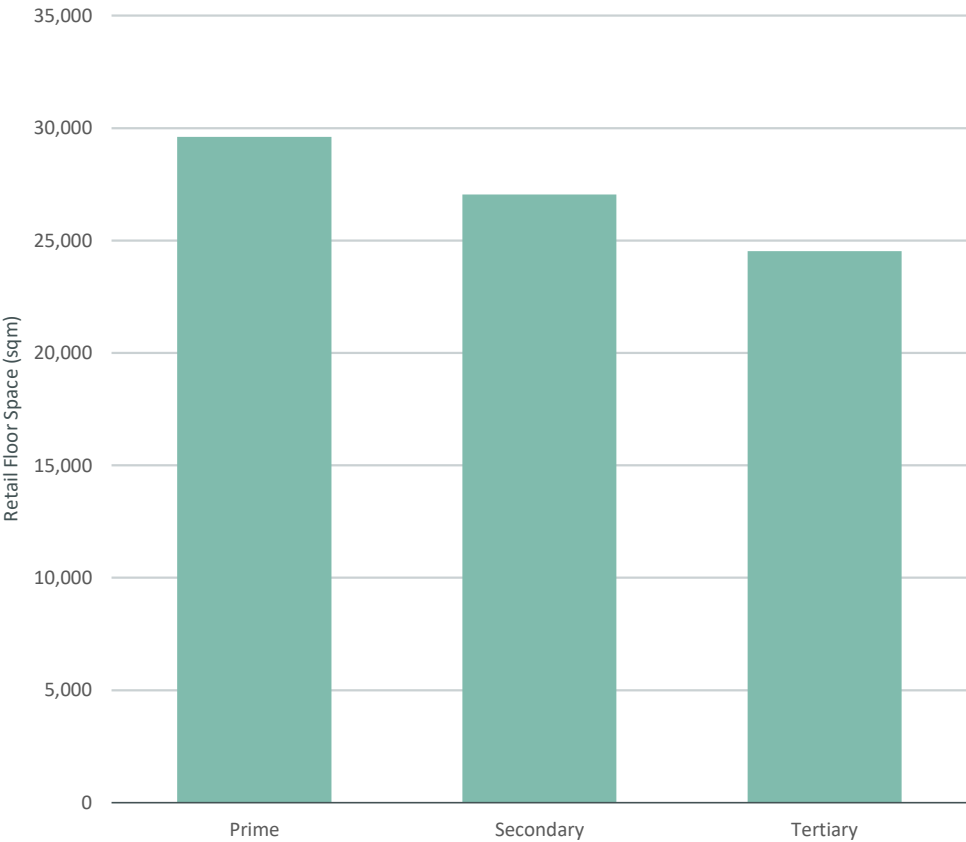
Secondary grade experienced a significant boost to monitored stock last year with the completion of BNZ Theatre (formerly known as the Waikato Regional Theatre) and it's associated retail space, however no changes in stock were recorded for the first half of this year.

Tertiary grade space has lost 144 sqm on the corner of London and Victoria Streets for a redevelopment, with the space previously occupied by the Te Kura - The Correspondence School. This loss was more than offset by a gain of 483 sqm at 856 Victoria Street for new owner occupier Tui Medical Centre. Prior to the removal of this space for fitout works, it had been vacant, and before that, was occupied by Curtain Studio.

As of June 2026, Prime retail space accounts for 36% or 29,605 sqm of the total CBD retail stock. Secondary stock is 27,045 sqm (33%), more than Tertiary at 24,518 sqm (30%).

Currently 12 occupancies are under refurbishment or fitout and have temporarily been removed from the survey.

FIGURE 2: CBD retail stock by grade



Vacancy

Hamilton CBD’s retail vacancy rate has increased, moving from 10.5% as at December 2025 to 12.7% in June 2026. Over the six months to June 2026, vacant space increased by 1,719 sqm.

As Figure 3 illustrates, Prime grade experienced a small increase in vacancy, moving from 16.0% in December 2025 to 16.8% in June 2026. While there were some significant take ups of vacant space, including 387 sqm by Hobby Lords at 311 Barton Street and 305 sqm by IWG for shared co-working space at 402 Victoria Street, large new vacancies outweighed these, including 1,440 sqm of former Lincraft space at 66 Bryce Street and a combined 310 sqm of former Magazine Clothing and Harper Inc space at 13 Worley Place. Stock loss of vacant space for refurbishment has served to limit the overall increase in vacancy rate.

In Secondary grade, vacancy increased by 0.4% to be 4.3% in the first half of 2026. Two new take ups of vacant space were undertaken by Fit Fibes and Kebab Master. While they were individually smaller, the five new vacancies on Barton, Alexandra, and Hood Streets had a combined effect of lifting vacant space in this grade.

In Tertiary grade, vacancy has increased significantly over the six month period, moving from 11.0% in December 2025 to 17.0% by mid 2026. There were no take ups of vacant space, and the loss of Wintec School of Media Arts who had previously occupied 1,420 sqm at 52 Alexandra Street has had a major impact on vacancy in this area.

FIGURE 3: CBD vacancy by grade – June 2026 vs December 2025

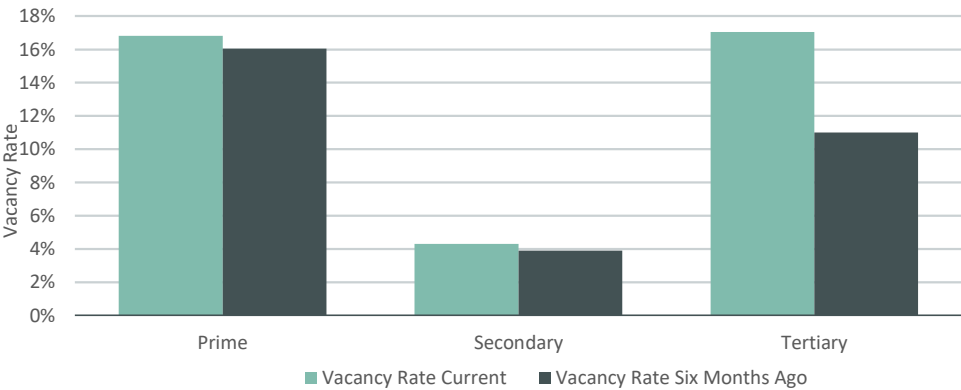
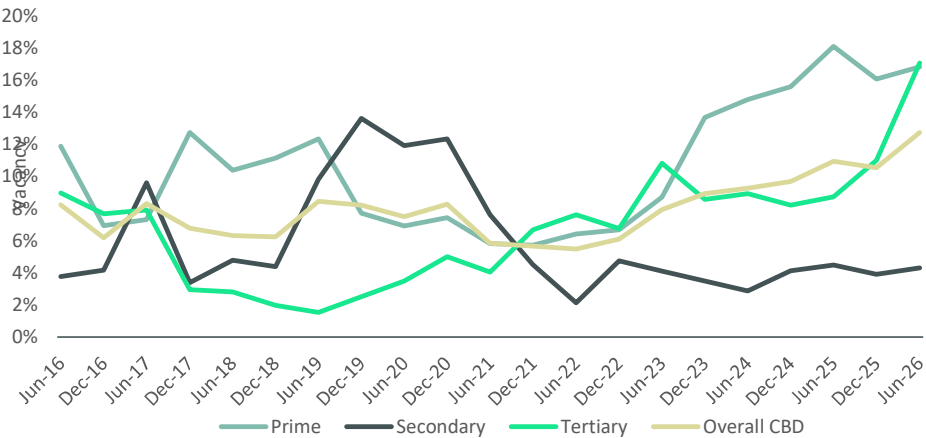


FIGURE 4: CBD vacancy by grade 2016-2026



Demand

Retail churn activity, or the changeover from one retail business to another, increased during the first half of 2026 compared to the second half of 2025. Like previous survey, Food Retailing was the most active sector, accounting for five of the 12 changes, with Personal Retailing, Health & Beauty, and Services also experiencing some churn.

From a total occupancy perspective, all sectors recorded either stability or contraction in occupied space during the first half of 2026. Personal Retailing space contracted the most, declining from 16,178 sqm in December 2025 to 15,423 sqm in June 2026. A proportionally higher loss was recorded in the Fashion & Soft Goods category with occupied space declining from 6,002 sqm to 5,577 sqm, or down by 7.1%.

The overall net change in occupied stock over the six months to June 2026 was negative, showing a decrease of 2,230 sqm to bring the overall figure to 70,850 sqm. While this is a near total reversal of the sizeable improvement noted in the previous survey, occupied stock remains higher than the 70,513 sqm of space that was occupied this time last year.

Analysed by grade, there was negative net absorption in Prime grade (-939 sqm), due in large part to the Lincraft vacancy of 1,440 sqm.

Secondary grade locations experienced negative net absorption with five new vacant spaces and only two take ups of previously vacant spaces.

Net absorption in Tertiary grade locations was negative. The loss of Wintec School of Media Arts who previously occupied 1,420 sqm is the driver of this.

FIGURE 5: Net uptake of CBD retail space 2016-2026

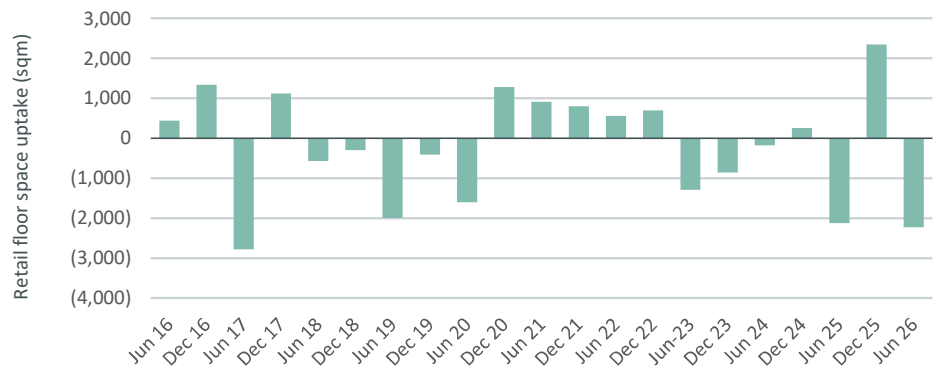
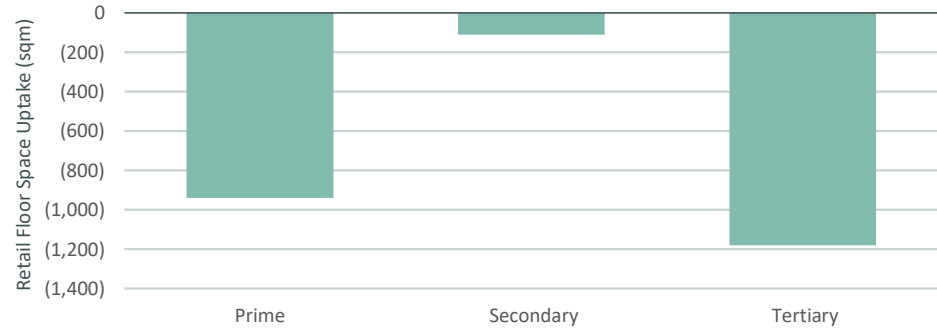


FIGURE 6: Net uptake of CBD retail space by grade



Conclusions and outlook

The results of our most recent survey of the Hamilton CBD retail market, shows a market still in flux. Two surveys ago vacancy went up, last survey it went down, and this survey it went up again. Vacant stock has experienced an increase, and occupied stock has experienced a decrease. Churn has increased compared to the second half of 2025, and while the number of spaces under refurbishment has increased, it is only one above the decade low that was reached last year. Negative net absorption across the board, including in the Prime and Secondary grades, indicate difficult market conditions for retailers generally.

Quarterly (seasonally adjusted) retail sales values released by Statistics NZ for the Waikato region show that retail sales values in the March 2026 quarter were 1.1% ahead of where they had been the previous quarter, a representation of ongoing economic recovery driven by primary industries. The Westpac McDermott Miller consumer confidence index shows that Waikato's confidence has declined materially from 95.4 in March 2026 to 77.3 in June 2026, a result that is consistent with all other regions surveyed and driven primarily by the conflict in the Middle East.

While both the vacancy rate and vacant stock has increased, economic turmoil as a result of the war is not the only factor; the loss of two very large occupiers has been key driver. Lincraft, a space hungry CBD retailer has moved with changing market conditions into a strictly online-only model across their Australia and New Zealand stores. Wintec School of Media Arts have departed 1,420 sqm, which leaves it free to reconfigure in a way that meets modern retailer and occupier needs.

Despite the most recent decline in consumer confidence, the outlook for 2026 is one of a slowly 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 developments. The soon to be completed 200+ room Pullman Hotel and updated announcement of a proposed 25 storey building development by Templeton Group for a an additional 200+ room international luxury hotel with conference facilities, alongside residential, hospitality, wellness, and leisure spaces indicates positive signs for bringing more people into the area to boost the local economy, and is a major vote of confidence for the long term future.

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