

Auckland Airport (2022)

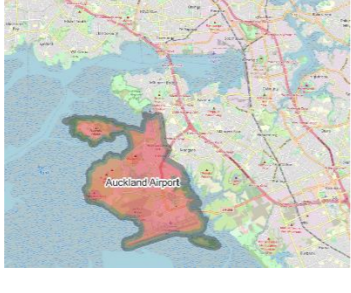
Auckland Airport is an important industrial precinct to the southeast of Auckland. The area is home to almost **25,000 jobs**, making it one of the region's largest industrial employment precincts. The precinct has grown due to its location near Auckland International Airport and a concerted development of industrial land targeting the logistics, technology, and light industrial sectors.

In addition to the special purpose zone for the airport and neighbouring light industrial zone there are conservation areas as well as a small residential area.

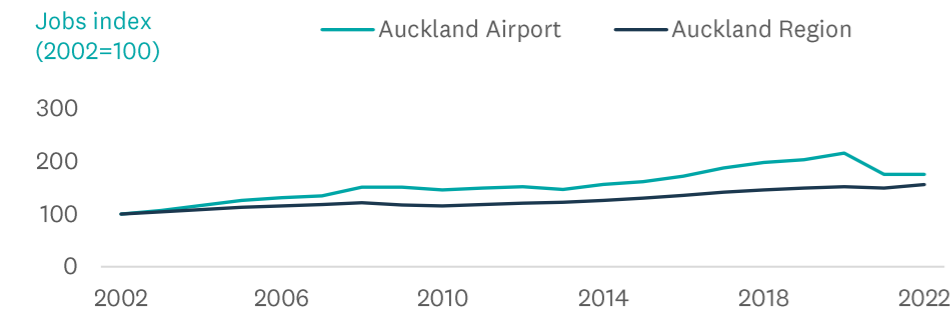
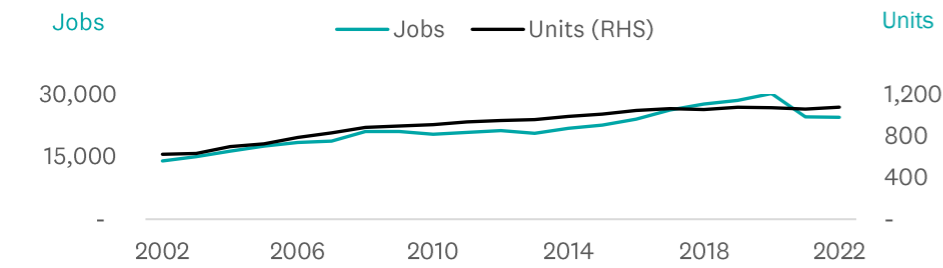
There has been a doubling of jobs located here compared to 2002. A recent decline due to the impact of the COVID-19 pandemic has slowed over the last year but not to the same extent as the wider region which has grown. Transport, postal & warehousing and manufacturing were the most affected sectors. Wholesale trade on the other hand grew in employment terms over the pandemic.

Basic Facts

	Auckland Airport	% of AKL
Population (2022 est.)	690	0.04%
Area	23.1 KM ²	0.5%
Jobs (2022)	25,500	3.1%
Jobs (2002-2022)	+10,500	1.7%
Business Units (2022)	1,077	0.5%
Business Units (2002-2022)	+453	0.5%



Jobs and Business Numbers



Sectors

Transport, postal & warehousing, wholesale trade and manufacturing are the main employing sectors in the Auckland Airport precinct. Transport, postal & warehousing has a location quotient of 9.1, meaning it is particularly concentrated in the area. Unsurprisingly, air & space transport and transport services are very concentrated there.

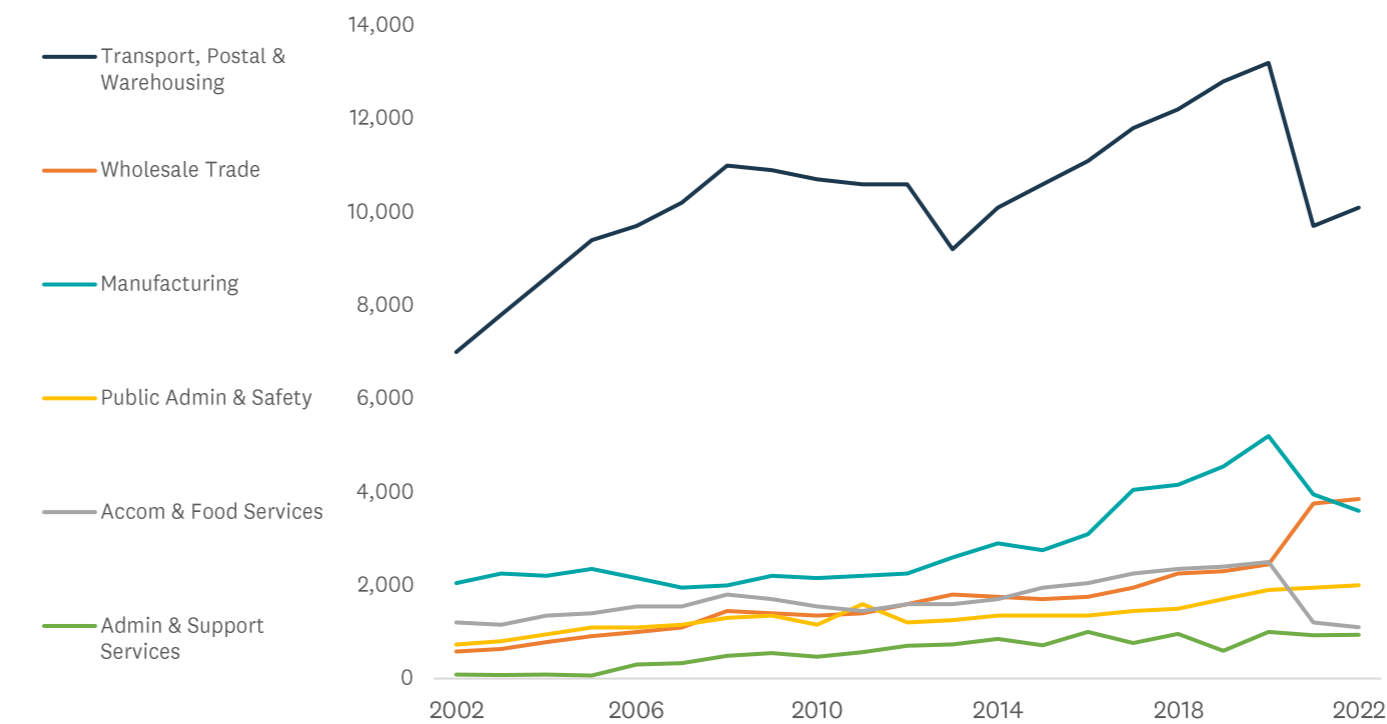
Broad Sector	Jobs	Auckland Airport %	AKL %	LQ
Transport, Postal & Warehousing	10,100	41.2%	4.5%	9.1
Wholesale Trade	3,850	15.7%	7.4%	2.1
Manufacturing	3,600	14.7%	9.6%	1.5
Public Administration & Safety	2,000	8.2%	4.6%	1.8
Accommodation & Food Services	1,100	4.5%	6.6%	0.7
Admin & Support Services	940	3.8%	6.0%	0.6

Transport, Postal & Warehousing	Jobs	LQ
Transport Support Services	3,550	14.4
Air & Space Transport	3,500	22.5
Warehousing & Storage Services	1,300	11.5
Road Transport	1,050	2.7

Wholesale Trade	Jobs	LQ
Grocery, Liquor & Tobacco Product Wholesaling	2,150	5.5
Other Goods Wholesaling	710	1.6
Machinery & Equipment Wholesaling	590	1.2
Basic Material Wholesaling	230	0.7

Manufacturing	Jobs	LQ
Polymer Product & Rubber Product Manufacturing	900	5.7
Food Product Manufacturing	850	1.7
Transport Equipment Manufacturing	670	5.8
Basic Chemical & Chemical Product Manufacturing	370	3.2

Sectors Over Time (jobs)



Sectoral Change

While transport has long been the area's biggest employment sector and its fastest growing, its importance has declined sharply as a result of the **COVID-19 pandemic**, there is evidence of a recovery from 2022. The sector grew 89% from 2002-2020 and then declined 31% over the next two years.

The airport precinct has also experienced significant growth in other sectors such as warehousing and manufacturing as the precinct has undergone development. While the Transport sector provided 50 per cent of jobs in 2002, this was 41 per cent by 2022.

Wholesale trade increased its share of employment from 9 per cent to 16 per cent over the same period. Wholesale trade was the only major sector in the area to have grown over the COVID-19 period.

Employment Growth and Decline

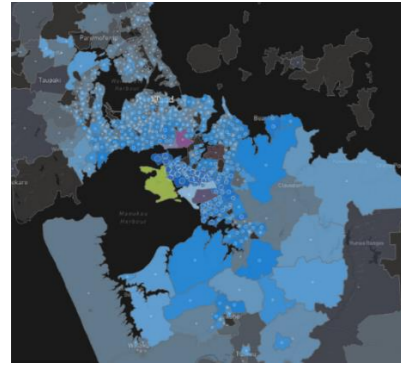
Sector	Job Growth 2012-2022	Auckland Airport Growth	AKL Growth
Wholesale Trade	2,250	141%	15%
Manufacturing	1,350	60%	11%
Public Admin & Safety	800	67%	29%
Admin & Support Services	240	34%	28%
Construction	210	95%	113%
Retail Trade	-360	-31%	30%
Accom & Food Services	-500	-5%	17%
Trans, Postal & Warehousing	-500	15%	29%

Transport, postal & warehousing grew strongly to 2020 before the impact of the pandemic was felt. Warehousing & storage saw the greatest employment growth over the two decades to 2022.

Air & space transport and transport support services outperformed warehousing in terms of job numbers growth over the 2002-2020 period but were much harder hit by COVID-19.

Accommodation & food services also struggled due to the pandemic seeing a doubling of employment between 2002-2020 and then seeing all that employment growth disappear over the next 2 years. Food services were hardest hit, possibly as managed isolation facilities near the airport were able to operate on government contracts as a part of the pandemic response.

Public administration & safety grew consistently with both public administration and public order & safety growing.



(Census 2018)

Commuting and Public Transit

Auckland Airport draws labour from across the Auckland region. 22,506 people travel to Auckland Airport for work while 105 people live and work in the Auckland Airport precinct. A total of 92% of arrivals are in a private car or company vehicle (compared to a regional figure of 73%). Just 43 people leave the area for work to areas like Penrose, Manukau, Wiri and East Tāmaki.

Auckland Airport is served by busses from Onehunga via Māngere as well as an airport service from Manukau. A proposed light rail route would connect the airport to Wynyard Quarter in the city centre.

Commercial Property Assessment

Commercial property market intelligence provided by Colliers provides an overview of demand and cost of office, industrial and retail premises across 67 employment areas in the Auckland Region. While these areas are not mapped to the Auckland Plan's key economic areas, they provide a useful insight into some of the drivers of industrial location change in the region.

Office space in Auckland is dominated by the CBD with some significant areas of supply in the region's larger centres. While the CBD has seen an increase in supply most other centres have remained flat and while rents have risen across the region the CBD commands a premium above other commercial centres.

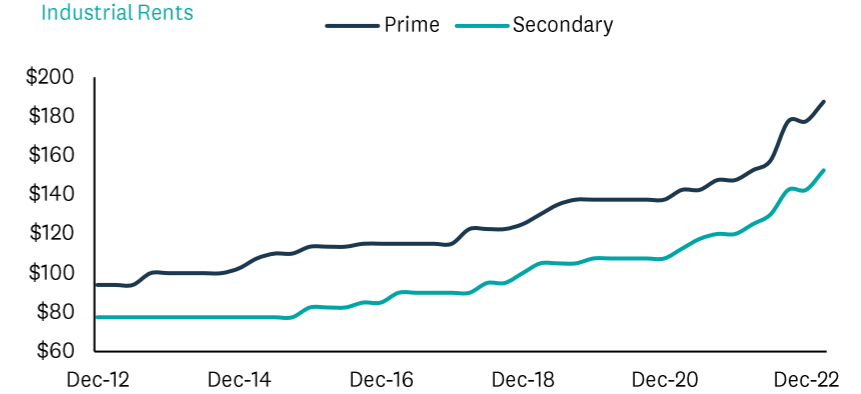
The last decade has seen an increase in prime industrial floorspace in the region, mostly driven by development at Auckland Airport and Highbrook, by far the largest areas of prime industrial space. The supply of secondary floorspace has declined in many areas and only grown regionally due to a notable increase in Manukau / Wiri.

Regionally, high street retail space has performed poorly compared to mall-based retail which has generally been more stable in terms of vacancy rates. Residential development across the region tends to support ongoing demand in nearby retail centres. While demand for retail space generally exerts an upward pressure on rental costs the COVID -19 trading restrictions saw a dip in most retail centres.

Auckland Airport has industrial, retail and office space. Most commercial space is industrial focused although a significant and growing amount of office space is also present. Prime vacancies stood at 0.7% as at February 2023.

While there is a very large supply of industrial space, vacancies are low due to high demand for prime grade space near the airport. Logistics and distribution are key occupiers along with some manufacturing. Investment in local roading plus State Highway 20 have improved connectivity.

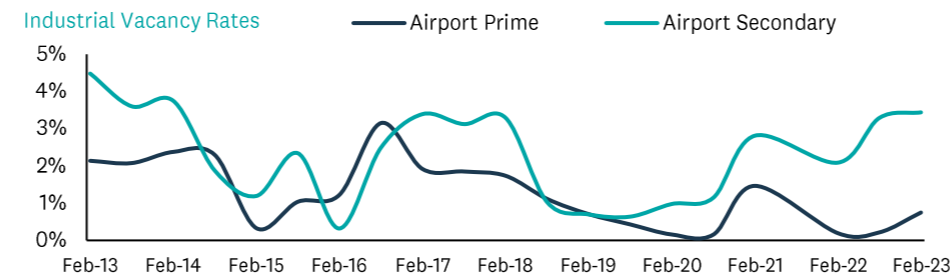
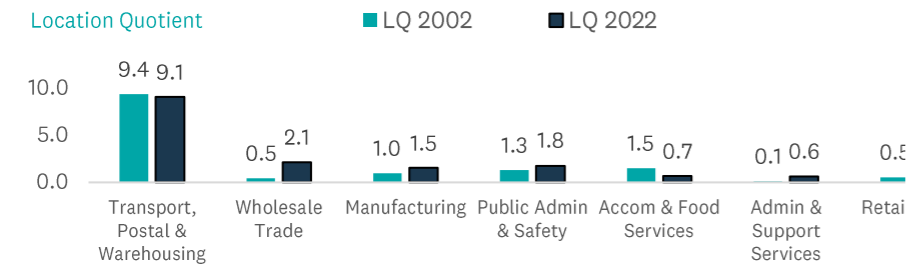
Industrial Rents



Rents have climbed steadily in line with other industrial precincts due to the long-term imbalance in supply and demand, particularly for prime grade stock.

Location Quotient (job concentration)

Since 2002 transport and warehousing related jobs have remained highly concentrated at the Auckland Airport precinct. Manufacturing and wholesale trade have become more concentrated in the area. Particularly for the manufacturing sector, the increase in employment goes against trends for many other areas of the Auckland region. Many of these manufacturing jobs are in transport related manufacturing although that dropped notably in the last two years. COVID-19 border restrictions may be a factor in that.



Industrial Vacancies and Rents (per sqm)	
Prime Vacancies (%)	0.7%
Secondary Vacancies (%)	3.4%
Prime Warehouse Rental (2013)	\$94
Prime Warehouse Rental (2023)	\$188 (+99%)
Secondary Warehouse Rental (2013)	\$78
Secondary Warehouse Rental (2023)	\$153 (+97%)

Rents have effectively doubled over the last decade.

Supply / Net Lettable Area	
Prime % of Total	68%
NLA (sqm)	1,465,645
NLA Change	+58%
Prime Change	+108%
Secondary Change	+4%

Despite increased capacity prime vacancies remain very low due to high demand. Most of the capacity increase has been in prime stock.

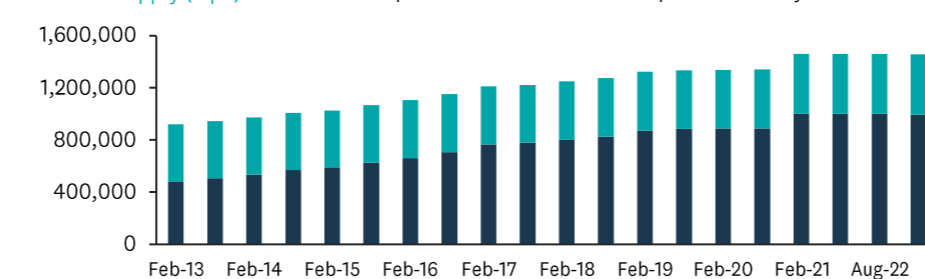
Land Use



- Business - City Centre Zone
- Business - Metropolitan Centre Zone
- Business - Town Centre Zone
- Business - Local Centre Zone
- Business - Neighbourhood Centre Zone
- Business - Mixed Use Zone
- Business - General Business Zone
- Business - Business Park Zone
- Business - Heavy Industry Zone
- Business - Light Industry Zone

Auckland Airport comprises the special purpose zone for the airport itself as well as a light industrial zone to the north, Airport Oaks.

Industrial Supply (sqm)



Industrial floorspace supply has increased rapidly over the last decade. Almost all of the new space is of prime grade. Lifting the share of prime premises from 52% 10 years ago to 68%.

The Airport Precinct is one of few in the region with developable greenfield land. Goodman Property Trust taking the 34ha Villa Maria site as its Māngere operations were wound up. Further planned developments may increase the retail and office component of the precinct.

Opportunities / Challenges

Continued investment targeted at larger corporate tenants who demand a higher amenity environment has seen the Airport precinct grow considerably over the last 20 years as it has been able to meet demand for prime industrial space that is in short supply in the region.

Further development capacity exists and there is scope to diversify the tenant base to include more retail and office space.

Assessment / Future

Roading improvements as well as improvements to SH20 make the area an attractive and accessible industrial precinct. Planned public transport investments such as a proposed light rail service from the City Centre to the airport would further improve accessibility, particularly for workers.

Given the high level of demand for prime industrial floorspace and the position of the Airport as a gateway the Airport is likely to remain a sought-after location for logistics, wholesale and manufacturing firms.

A 24,000 sqm retail centre is due to open in 2024 while Goodman Property Trust has plans for a industrial storehouse and distribution hub at the Villa Maria site.