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| **Auckland Region (2022)**  **Auckland** is home to over **800,000 jobs** making it the country’s largest employment centre.  The Auckland Economy has grown over the last 20 years, in part to serve the increased demand for goods and services as the population of the region has grown. There has been a fifty-six percent increase in the number of jobs located in the region compared to 2002. A prolonged period of growth in the construction sector as well as strong growth in professional services, healthcare, retail trade and accommodation & food services have provided much of the employment growth although almost all other sectors have shown some growth.  A recent decline is likely to be associated with the impact of the COVID-19 pandemic which has impacted different sectors in different ways with transport, postal & warehousing, accommodation & food services particularly affected.  **Basic Facts**   |  |  |  | | --- | --- | --- | |  | **Auckland** | **% of NZ** | | Population (2022 est.) | 1,695,200 | 33.1% | | Area | 4,941 KM2 | 1.8% | | Jobs (2022) | 836,200 | 34.9% | | Jobs (2002-2022) | +300,300 | 41.8% | | Business Units (2022) | 220,800 | 35.0% | | Business Units (2002-2022) | +92,841 | 44.4% | | **Sectors Over Time (jobs)** | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Broad Sector** | **Jobs** | **% of AKL** | **% of NZ** | **LQ** | | Prof, Scientific & Tech Services | 92,100 | 11.0% | 6.6% | 1.3 | | Healthcare & Social Assistance | 86,100 | 10.3% | 9.7% | 0.9 | | Retail Trade | 81,400 | 9.7% | 10.5% | 1.0 | | Manufacturing | 79,900 | 9.6% | 14.5% | 1.0 | | Construction | 71,700 | 8.6% | 4.8% | 1.0 | | Education & Training | 65,000 | 7.8% | 8.4% | 0.9 | | Wholesale Trade | 61,600 | 7.4% | 5.6% | 1.5 |  |  |  |  | | --- | --- | --- | | **Professional, Scientific & Technical Services** | **Jobs** | **LQ** | | Management & Related Consulting Services | 24,000 | 1.4 | | Architectural, Engineering & Technical Services | 21,500 | 1.2 | | Computer System Design & Related Services | 20,600 | 1.5 | | Legal & Accounting Services | 14,900 | 1.1 | | Advertising Services | 4,000 | 2.0 |  |  |  |  | | --- | --- | --- | | **Healthcare & Social Assistance** | **Jobs** | **LQ** | | Hospitals | 31,200 | 0.9 | | Allied Health Services | 15,900 | 1.0 | | Residential Care Services | 14,100 | 0.7 | | Medical Services | 6,600 | 0.9 | | Other Social Assistance Services | 6,600 | 0.9 | | Child Care Services | 5,800 | 1.2 | |
| **Jobs and Business Numbers** | **Employment Growth and Decline**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Sector** | **Job growth 2012-2022** | **Jobs (2022)** | **Auckland Growth** | **NZ Growth** | | Construction | 38,000 | 71,700 | 113% | 77% | | Prof, Scientific & Technical Services | 27,500 | 92,100 | 43% | 39% | | Healthcare & Social Assistance | 23,400 | 86,100 | 37% | 29% | | Retail Trade | 20,700 | 81,400 | 34% | 20% | | Accommodation & Food Services | 12,800 | 55,400 | 30% | 20% | | Admin & Support Services | 10,800 | 49,900 | 28% | 21% | | Public Administration & Safety | 8,700 | 38,400 | 29% | 33% | | Manufacturing | 8,200 | 79,900 | 11% | 12% | | Wholesale Trade | 8,200 | 61,600 | 15% | 17% | | Education & Training | 7,600 | 65,000 | 13% | 15% | | Financial & Insurance Services | 6,100 | 32,900 | 23% | 17% | | Transport, Postal & Warehousing | 5,500 | 37,900 | 17% | 12% | | Information Media & Telecoms | -2,200 | 16,900 | -12% | -15% | | |  |  |  | | --- | --- | --- | | **Retail Trade** | **Jobs** | **LQ** | | Supermarkets & Grocery Stores | 17,600 | 0.8 | | Pharmaceutical & Other Store-Based Retailing | 10,700 | 1.1 | | Clothing, Footwear & Personal Accessories Retail | 10,200 | 1.3 | | Hardware, Building & Garden Supplies Retailing | 8,100 | 0.9 | | Department Stores | 7,300 | 1.1 |  |  |  |  | | --- | --- | --- | | **Manufacturing** | **Jobs** | **LQ** | | Other Food Product Manufacturing | 5,300 | 1.5 | | Prof & Scientific Equipment Manufacturing | 5,300 | 2.3 | | Structural Metal Product Manufacturing | 4,950 | 1.0 | | Bakery Product Manufacturing | 4,400 | 1.1 | | Other Fabricated Metal Product Manufacturing | 3,750 | 1.3 | | Beverage Manufacturing | 3,500 | 1.2 | | Meat & Meat Product Manufacturing | 3,300 | 0.3 | | Printing | 3,050 | 1.5 | | Other Machinery & Equipment Manufacturing | 2,950 | 0.7 | |
| **Sectors**  Almost all sectors have grown in Auckland over the last decade. Seventy percent of growth is attributed to six sectors with construction being by far the biggest growth sector. Construction services and building construction have driven this growth with residential building construction and building installation services (plumbing and electrical) showing most growth. Construction can be a cyclical industry with periods of growth followed by periods of decline reflecting levels of activity and the economic climate across the wider economy.  Within professional services, architecture & engineering and computer systems design have driven most employment growth along with management consulting and legal & accounting services.  Professional, scientific & technical services, healthcare, manufacturing and retail are the main employing sectors in the Auckland region. The professional, scientific & technical services sector has a location quotient of 1.3 meaning it is more concentrated in the area than it is nationally. There is also a slight concentration of construction and wholesale trade employment in the region relative to the country as a whole.  Accommodation & food services saw sustained employment growth through to 2020 before the sector was impacted by the COVID-19 pandemic. Latest business demography data not shown on this chart indicates a return to growth in that sector. | **Sectoral Change**  While manufacturing had long been the region’s biggest employment sector, its importance has declined as a result of the growth in other sectors. While the manufacturing sector provided 15 per cent of Auckland jobs in 2002, this was 10 per cent by 2022. Some manufacturing sectors like professional & scientific equipment, structural metal product and meat and other food product manufacturing seeing strong growth. Printing, other transport equipment, clothing & footwear and basic ferrous metal manufacturing saw notable decline.  Print media publishing provides much of the reduction in employment in the information media & telecommunications sector.  Professional services increased its share of employment from 9 per cent to 11 per cent over the same period. Healthcare and construction were the only major sectors in the region to have grown over the COVID-19 period, although 2022 has seen a return to growth in all of the largest sectors other than education & training.  Hospital and allied health services (dentists, opticians and physiotherapists) have provided most employment growth in the healthcare sector. Residential care services employment has also grown.  Supermarkets, hardware, pharmaceuticals and department stores have driven most retail job growth. Cafes, restaurants and takeaways are responsible for almost all accommodation & food job growth. Administrative & support services employment growth is mostly in employment services (recruitment and labour hire). | |  |  |  | | --- | --- | --- | | **Construction** | **Jobs** | **LQ** | | Building Installation Services | 16,600 | 1.0 | | Residential Building Construction | 13,700 | 0.9 | | Heavy & Civil Engineering Construction | 13,300 | 1.0 | | Other Construction Services | 8,700 | 1.2 |  |  |  |  | | --- | --- | --- | | **Education & Training** | **Jobs** | **LQ** | | School Education | 33,600 | 0.9 | | Tertiary Education | 15,000 | 1.0 | | Pre-school Education | 9,400 | 1.2 |  |  |  |  | | --- | --- | --- | | **Wholesale Trade** | **Jobs** | **LQ** | | Grocery, Liquor & Tobacco Product Wholesaling | 13,300 | 1.3 | | Other Machinery & Equipment Wholesaling | 12,500 | 1.8 | | Furniture, Floor Coverings & Other Goods | 8,900 | 1.8 | | Pharmaceutical & Toiletry Goods Wholesaling | 3,900 | 2.1 | | Specialised Ind Machinery & Equipment Wholesale | 3,850 | 0.9 | |

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| **Location Quotient (job concentration)**  The Auckland region has overall a similar employment concentration to the country as a whole. It is slightly more concentrated in professional services as well as wholesale trade and these sectors have become more concentrated over the last 20 years. Manufacturing employment has become slightly less concentrated in the region relative to the country.  Information Media and Financial & Insurance Services both have location quotients (LQ) of 1.5 meaning they are concentrated in Auckland, especially in City Centre where the financial sector has a quotient of 3.7 and the LQ for information media is 2.7.    **Spatial Economy and Locational Change**  Most employment is located in central Auckland, with additional important locations south of the central city in an industrial belt that runs from Onehunga-Te Papapa across to East Tāmaki, and another further south in the Manukau, Wiri and Auckland Airport area.  Almost half of Auckland’s employment can be found in these three main employment areas, emphasising their importance. A further employment zone at North Harbour is also regionally significant, while West Auckland has no employment areas that are regional in scale.  Smaller employment areas in the north and west are sub-regionally important in terms of the opportunities they provide for the local labour markets.  As industries change and their space and infrastructure requirements change, with firms showing a preference for newer prime grade premises, employment areas have also changed. Industries have relocated to find areas that have premises that meet their needs, changing the spatial distribution of employment in different sectors.  **Larger and newer employment precincts** with more prime grade industrial stock have been better placed to attract firms in growth and higher value add sectors offering well-paying employment than other areas where a transition in sectoral mix to lower value add activity is evident. Precincts like East Tāmaki (Highbrook), Auckland Airport, North Harbour and Penrose have seen most employment growth, particularly in sectors such as manufacturing, wholesale trade and transport, postal & warehousing, sectors that have seen little or no growth elsewhere in the region.  Smaller, predominantly older areas like Onehunga-Te Papapa, Henderson, Avondale-New Lynn, Wairau Valley, Glen Innes-Panmure, Rosebank and Ōtāhuhu have seen little or no employment growth. This suggests a link between physical capacity and growth, with areas constrained by size and limited available development potential unable to attract a share of the growing economy, potentially limiting the region’s overall potential.  A transition away from traditional industrial uses in some of these low growth areas is well underway as they begin to serve a different role in the regional economy, with large format retail and administrative type office uses replacing industrial uses in some areas.  As a result, for some industries, particularly those that need to be in light industrial zones with available prime grade premises, locational choice has become very limited as other uses compete for sites. | **Commercial Property Assessment**  Commercial property market intelligence provided by Colliers[[1]](#endnote-1),[[2]](#endnote-2),[[3]](#endnote-3) provides an overview of demand for, and cost of, commercial premises across a number of industrial, office and retail centres 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.  While there has been a cooling of the economy, demand for **industrial premises** remains high, resulting in historically low vacancy rates. As of February, the overall vacancy rate stood at 1.7%. Vacancy rates have not exceeded 2.5% since late 2014. At the prime end of the quality spectrum there is a vacancy rate of just 0.5%. Prime grade premises in some industrial precincts are fully occupied.  Most established industrial precincts have limited scope for further development while construction costs, the current economic climate and high interest rates are barriers to redevelopment of existing stock. As a result, rental values are at historic highs.  Businesses looking to expand may look to relocate either within the region or out of the region to find large industrial sites. Northgate (100 Ha) and Ruakura (490 Ha) industrial parks outside Hamilton are positioned to capitalise on land availability, large lots, improved roading and inland port facilities to attract occupiers.  While **office space** is generally more readily available with vacancy rates higher, prime grade office space can be in high demand relative to secondary grade space, Green Star rated offices are also in high demand.  **Retail space** has been more heavily impacted by COVID-19 with rentals falling in many retail centres as vacancies rose due to the pandemic. On the whole, high-street retailing has performed less well than shopping mall developments. Consents issuance is at a low. Projects currently under construction are predominantly focused on bulk retail and specialist retailing centres such as the Auckland International Airport's Mānawa Bay outlet shopping centre.  **Commuting and Public Transit**  Auckland Transport Emissions Reduction Pathway (TERP) aims to reduce transport emissions by 64% by 2030. The TERP notes the more limited transport options available to some groups, often those in areas of high socio-economic deprivation. A goal of the TERP is to reduce the need for vehicle ownership by better and more frequent public transport serving the destinations these lower income groups tend to travel to, such as industrial workplaces and/or night shift work.  As at the 2018 Census, most journeys to work (73%) are by private or company vehicle with 11% by bus, train or ferry. Five percent walk or cycle while 10% work at home.  Auckland has a Rapid Transport Network that serves a number of (typically more central) employment precincts well, while many others are less well served as well as a strong northward service along the Northern Busway to Albany.  This variability of the network produces large variations across the region with areas of central Auckland having 35-45% of arrivals to work by private vehicle and areas farther from the centre approaching 80% of arrivals by private vehicle.  Improvements to the Northern Busway, near completion of the city rail link and further planned bus infrastructure should see improved access to the Rapid Transport Network. | **Future Growth**  Auckland Council has is required to produce a Future Development Strategy (FDS). The FDS has to show and where Auckland Council will provide sufficient development capacity to meet future growth needs over the next 30 years.  The recently produced FDS has a focus on a compact approach to growth prioritising investment in a limited number of priority areas. It notes the important role a small number of employment areas play in providing much of the region’s employment and the need to protect those areas for employment uses, acknowledging parts of the region, particularly west and eastern areas, are under provided for in terms of access to employment.  The FDS assumes the region will require 282,600 additional jobs over the next 30 years. Even if there is an increase in employment density, it is still estimated an additional 1,400 Ha of employment land will be needed.  While the FDS notes employment land potential in future urban areas, the FDS has removed some, and proposed delayed release of some other, Future Urban Zoned land. This means optimising use of existing employment land remains critical to the region’s ability to provide employment opportunities for its growing population.  **Opportunities / Challenges**  A successful economy supports improved productivity, prosperity, and wellbeing for its communities. As the country’s only city of scale and the main centre for many high value-add industries, Auckland is also key to the development of the New Zealand economy.  While much of Auckland’s recent growth has been in sectors associated with population growth it is also the centre of NZ’s technology sector[[4]](#endnote-4). The region was home to 112 of the country’s top 200 tech companies (TIN200) in 2022, and many of the largest growing manufacturers, software, and biotech companies. These tech exporters can help move the region’s economy towards fast growth, higher wages, and productivity. New sectors such as Foodtech, Fintech and Gaming have established in the region, although other new growth tech sectors like Healthtech and Greentech have been slower to establish than in other cities[[5]](#endnote-5).  Growth in future proof, high wage, export focused employment will not simply automatically flow to Auckland as the country’s largest centre. Auckland faces competition from alternative locations both at home and overseas. Comparator cites are actively planning for how to house tomorrow’s growth sectors in sustainable and connected employment precincts. The recent ***State of the City: Tāmaki Makaurau Auckland’s international performance*** iv report notes Auckland’s relative underperformance, relative to comparable cities, in several areas that limit the region’s competitiveness and attractiveness as a place for firms to locate including soft infrastructure around the innovation and knowledge ecosystem as well as places for firms to physically locate. Other cities take a stronger place-based approach to their job locations and infrastructure to attract those businesses keen to co-locate and cluster.  The region’s recent pattern of growth indicates the availability of high-quality employment sites attracts businesses able to offer quality employment opportunities. There is a spatial concentration of the region’s major tech companies, revealing locational preferences that are not necessarily easily replicated across the region. Ensuring space and adequate transport options are available, that meet the needs of the high value growth sectors the region wishes to attract, will be important for the development of the Auckland economy to provide access to quality economic opportunities in the future.  To deliver a sustainable, future proof, high wage economy requires a detailed appraisal of not just the quantity of employment land available. It needs to also consider the extent to which there is provision for a mix of sectors to locate in areas that meet their changing locational needs (location, infrastructure, amenity, quality of premises) as well as those of the sectors they benefit from co-locating with. This is needed to support their productivity, profitability and ability to grow.  This requires a vision for employment precincts that meet the needs of a range of current and future growth sectors across the region, so everyone has good access to good employment opportunities.  Striking a balance between managed transition of some areas to other higher density employment uses, the protection or consolidation of others who are home to sectors whose locational choices are constrained, and the provision for new industries that the region could attract and grow, is key. |

1. https://www.colliers.co.nz/en-nz/real-estate-research/colliers-essentials-akl-industrial-1h-23 [↑](#endnote-ref-1)
2. https://www.colliers.co.nz/en-nz/real-estate-research/colliers-essentials-auckland-cbd-office-1h-2023 [↑](#endnote-ref-2)
3. https://www.colliers.co.nz/en-nz/real-estate-research/colliers-essentials-auckland-retail-report-first-half-2023 [↑](#endnote-ref-3)
4. Auckland Tach Sector (TIN200), Tātaki Auckland Unlimited [↑](#endnote-ref-4)
5. *State of the City: Tāmaki Makaurau Auckland’s international performance* [↑](#endnote-ref-5)