


## Botany Junction (2022)

**Botany Junction** is largely a mix of industrial, retail and commercial areas south-east of Auckland City Centre and adjacent to East-Tāmaki industrial precinct and the Botany Junction mall. The area is home to almost **9,000 jobs** making it a significant employment precinct for the south-east of the region. The recently developed precinct has more than doubled in the two decades to 2022, adding almost **5,000** additional jobs.

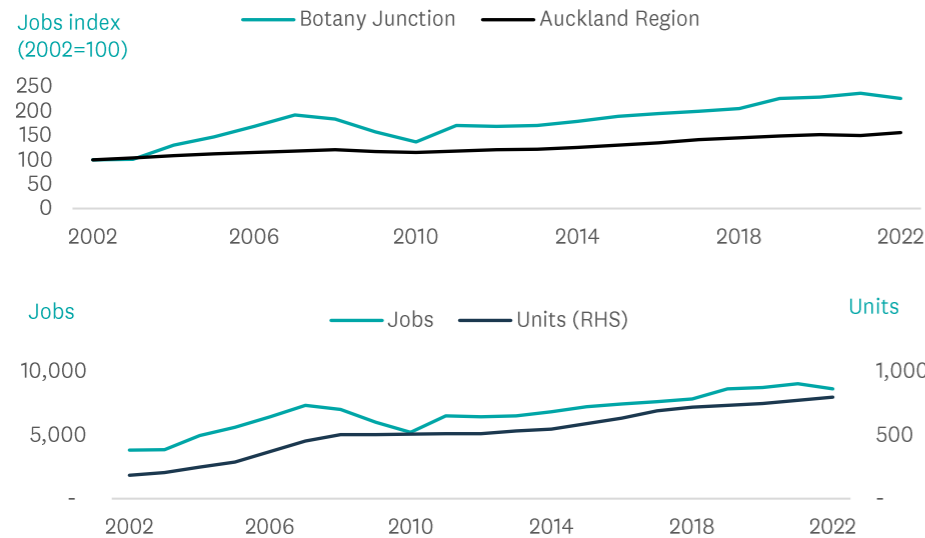
Much of the job growth occurred following periods of contraction in the early 2000s and following the Global Financial Crisis. Similarly, the number of firms operating in the precinct has been rising since the early 2000s.

Significant housing growth has taken place in surrounding areas, supporting growth.

### Basic Facts

	Botany Junction	% of AKL	
Population (2022 est.)	190	0.01%	
Area	2.5 KM <sup>2</sup>	0.1%	
Jobs (2022)	8,600	1.0%	
Jobs (2002-2022)	4,800	1.6%	
Business Units (2022)	795	0.4%	
Business Units (2002-2022)	612	0.6%	

### Jobs and Business Numbers



### Sectors

Manufacturing and administration & support services are the main employing sectors in Botany Junction. Both sectors have location quotients of over 2 meaning they are concentrated in the area relative to the wider Auckland region. The key subsectors are food, beverage and metal manufacturing. All of which are highly concentrated in Botany Junction relative to the wider Auckland region. Lion Nathan's relocation to the area brought a number of beverage manufacture jobs to the area.

Other key employment sectors in the precinct include professional services, retail trade, construction and wholesale trade.

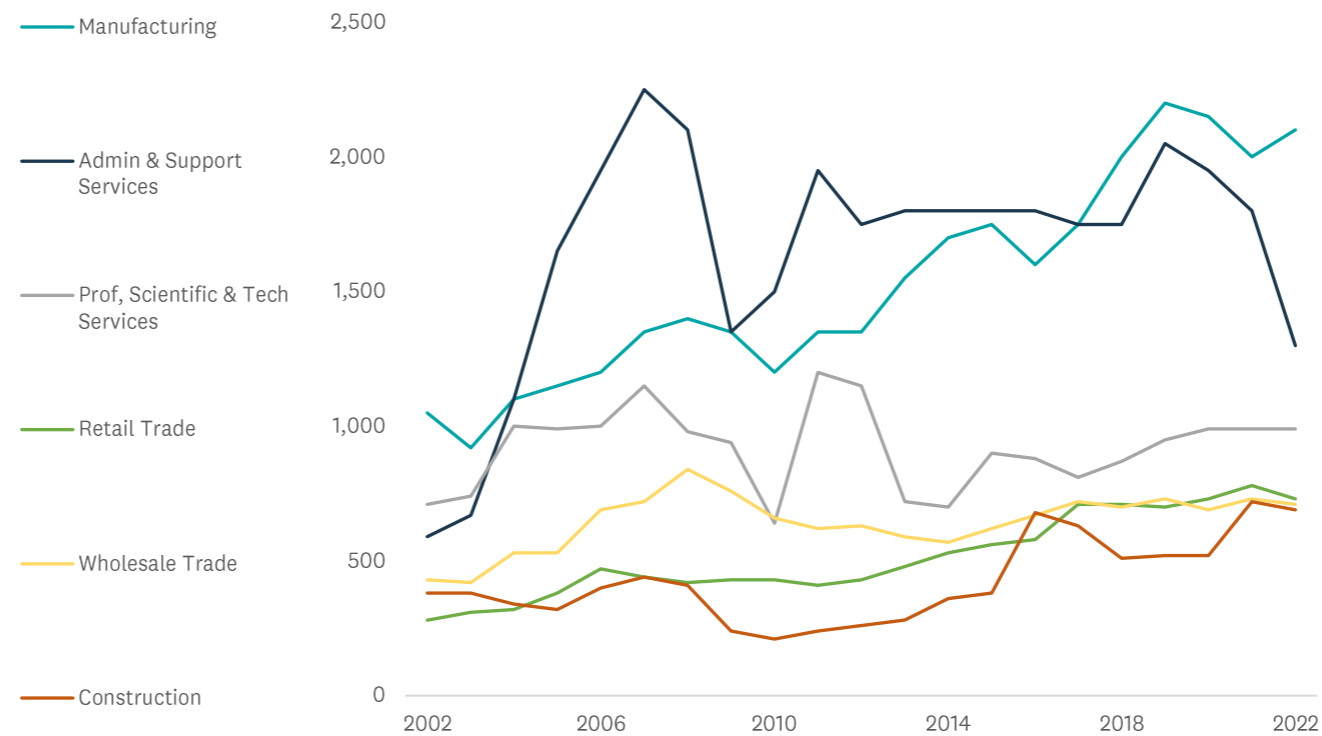
Broad Sector	Jobs	% of Botany Junction	% of AKL	LQ
Manufacturing	2,100	24.4%	9.6%	2.6
Admin & Support Services	1,300	15.1%	6.0%	2.5
Prof, Scientific & Tech Services	990	11.5%	11.0%	1.0
Retail Trade	730	8.5%	9.7%	0.9
Wholesale Trade	710	8.3%	7.4%	1.1
Construction	690	8.0%	8.6%	0.9
Transport, Postal & Warehousing	530	6.2%	4.5%	1.4

Manufacturing	Jobs	LQ
Food Product Manufacturing	560	3.2
Fabricated Metal Product Manufacturing	360	3.4
Beverage & Tobacco Product Manufacturing	320	8.8
Non-Metallic Mineral Product Manufacturing	200	5.7

Admin & Support Services	Jobs	LQ
Administrative Services	1,200	3.0
Building Cleaning, Pest Control & Other Services	110	0.9

Professional, Scientific & Technical Services	Jobs	LQ
Prof, Scientific & Tech Services (ex. Computer Services)	970	1.3
Computer System Design & Related Services	25	0.1

### Sectors Over Time (jobs)



### Sectoral Change

Manufacturing employment has been trending upwards, this differs from many other areas in the wider Auckland region where manufacturing employment has been consistently declining. The number of manufacturing jobs peaked at 2,200 in 2019 before declining slightly to 2,000 by 2021 and returning to growth in 2022.

Most other sectors of importance in Botany Junction have remained broadly flat through time with an upward trend in retail and construction jobs, particularly in more recent times. Administration & support service jobs saw significant growth in the mid-2000s (2003-2007) and remained broadly flat since before a decline in recent years.

### Employment Growth and Decline

Sector	Job Growth 2011-2021	Botany Junction Growth	AKL Growth
Manufacturing	750	56%	11%
Elect, Gas, Water & Waste Services	490	All new	69%
Construction	430	165%	113%
Transport, Postal & Warehousing	390	279%	17%
Retail Trade	300	70%	34%
Public Administration & Safety	160	533%	29%
Prof, Scientific & Technical Services	-160	-14%	43%
Administrative & Support Services	-450	-26%	28%

Beverage manufacturing and some fabricated metal manufacturing have driven manufacturing employment growth at Botany Junction with the relocation and transfer of operations of the Lion Brewery to Ormiston in 2010.

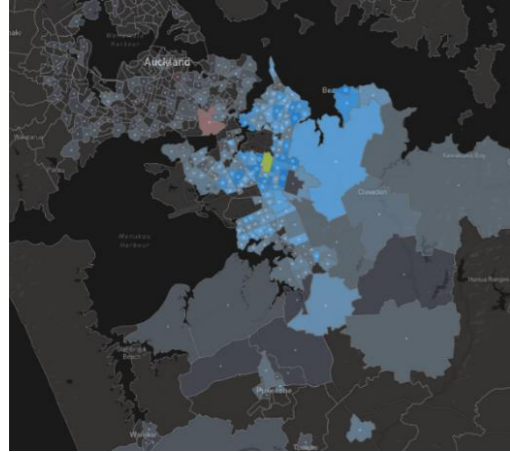
Waste treatment, disposal & remediation services provided all of the additional employment in the electricity, gas, water & waste services sector, establishing in the area in 2020.

Residential building and building installation services (e.g., plumbing, electrical) have driven construction sector job growth.

Road freight, road passenger and warehousing services have provided the majority of transport, postal & warehousing sector employment.

Motor vehicle, hardware and department store retailing has driven employment growth as residential development in the area has driven up demand for goods.

Administrative & support services fell sharply over the last 4 years as employment services (e.g., labour hire and recruitment services) fell sharply.



(Census 2018)

### Commuting and Public Transit

Botany Junction draws labour from south and east Auckland areas in the Auckland region. 5,220 people travel to Botany Junction for work while 12 people live and work there. 74% of arrivals are by private car, truck or van.

Bus service connecting Botany Junction to Ormiston, Middlemore, Manukau and Panmure service the area, although this is not part of the Rapid Transit Network.

### 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.

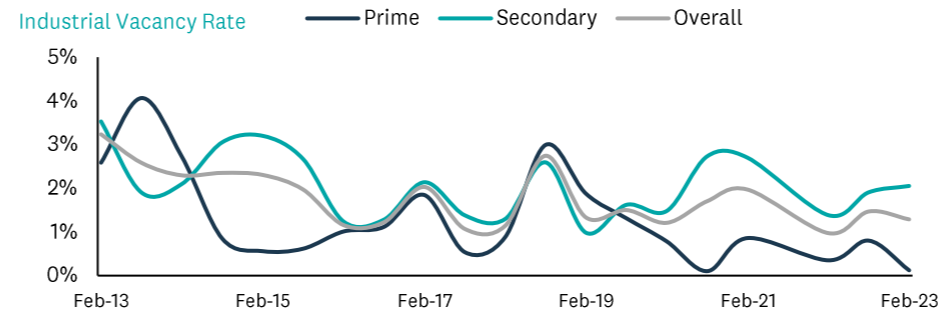
Office space in Auckland is dominated by the CBD with some significant areas of supply in the region's larger centres. While the CBD has seen an increase in supply most other centres have remained flat and while rents have risen across the region the CBD commands a premium above other commercial centres.

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.

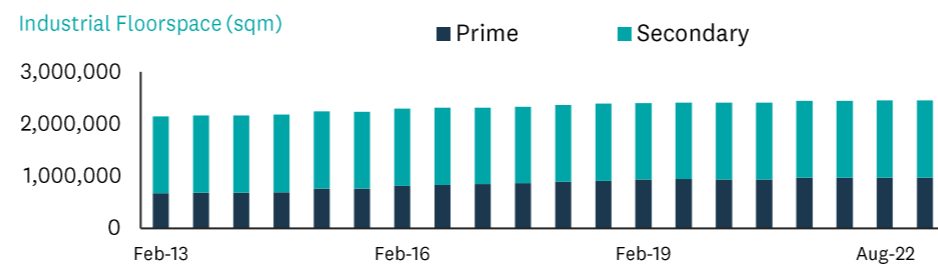
Regionally, high street retail space has performed poorly compared to mall-based retail which has generally been more stable in terms of vacancy rates. Residential development across the region tends to support ongoing demand in nearby retail centres. While demand for retail space generally exerts an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

**Botany Junction** is an extension to the south of the larger East Tāmaki and Highbrook industrial areas that has both industrial and office space. Information here relates to that wider agglomeration of those areas.

Demand for industrial space has been persistently high over time with the prime vacancy rate at just 0.4% as at February 2023 and the secondary rate at 2.5%.



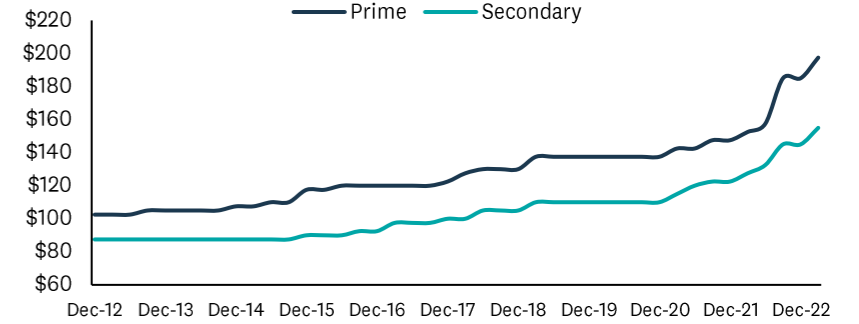
Demand comes from a wide range of sectors including manufacturing, wholesale trade, transport, postal & warehousing and construction. High levels of demand have seen rents increase and the shortage of prime stock has driven an equally steep increase in secondary rental prices.



Development at Highbrook and Botany Junction has increased floorspace in the wider area and lifted the overall quality.

Prime industrial rents have risen 93% over the last decade and secondary grade rents have risen 77% and are among the highest in the region.

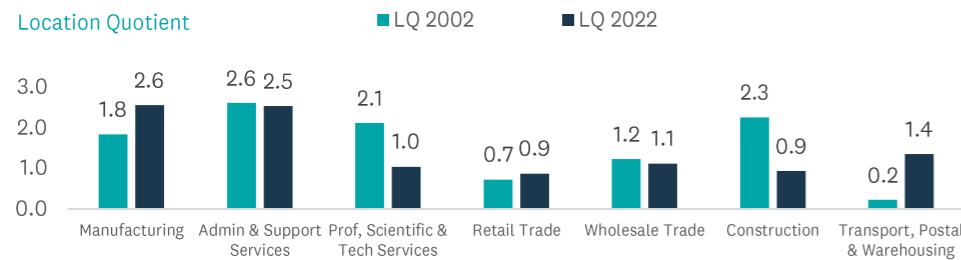
Lion Brewery is a major occupier within Botany Junction.



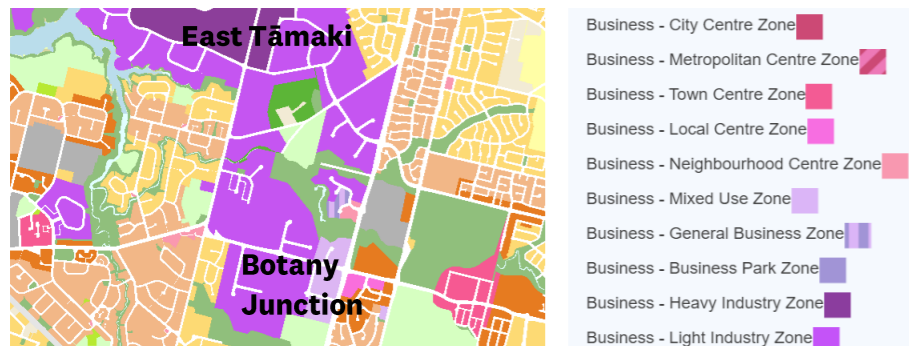
A growing office market with a focus on development of prime space has lifted the supply and quality of office space in the area. Three quarters of office space is prime grade with prime grade rents increasing 34% over the last decade.

### Location Quotient (job concentration)

Since 2002 manufacturing has become more concentrated in the Botany Junction area. This is not typical in the Auckland region where the manufacturing sector is generally becoming less concentrated in most industrial precincts. The location quotient for manufacturing increased from 1.8 to 2.6 at Botany Junction. Conversely, Auckland's construction and professional, scientific & technical services sector has grown faster in other areas compared to Botany Junction, making them less concentrated in the area.



### Land Use



**Botany Junction** is largely light industry zoned area to the South of the larger East Tāmaki Industrial precinct. The southeastern corner of Botany Junction has some mixed use and local centre zoning and is more retail oriented. The area is set within a largely urban and suburban mixed housing zone with a high proportion of new or recently build sub-divisions.

Industrial Vacancies and Rents (per sqm)		Office Rents
Prime Vacancies (%)	0.1%	Prime: \$325
Secondary Vacancies (%)	2.1%	+34% over 10yrs
Prime Warehouse Rental (2013)	\$103	Secondary: \$196
Prime Warehouse Rental (2023)	\$198 (+93%)	+15% over 10yrs
Secondary Warehouse Rental (2013)	\$88	
Secondary Warehouse Rental (2023)	\$155 (+77%)	

Supply / Net Lettable Area		Office Supply
Prime % of Total	40%	Office supply has increased over the last 10 years. Prime office space increased by 80% while secondary space decreased by 23%. Overall, there was a 35% increase.
NLA (sqm)	2,450,932	
NLA Change	+14%	
Prime Change	+45%	
Secondary Change	+0%	

### Opportunities / Challenges

While the area has benefited from improved infrastructure connecting it to other business areas and a growing local labour market, public transport to the area is limited. The increased level of amenity in the area as well as in neighbouring developments at Highbrook and Ormiston will maintain the appeal of the area.

As vacancy rates for industrial precincts across the region are low, rents have risen sharply, pushing up occupier costs.

### Assessment / Future

Botany Junction has grown rapidly over the last 20 years providing much in demand prime grade industrial and office space.

The area has managed to grow employment in its key sectors of manufacturing while other sectors have fluctuated over time but have generally grown overall.

With good motorway access and connectivity to the port and airport as well as a good mix of properties by size and value the area is likely to remain in high demand as a place for a wide range of businesses to locate.