


Grafton-Parnell (2022)

Grafton-Parnell is a mix of residential and commercial areas in central Auckland. The area is home to **27,000 jobs**, making it a significant employment precinct in the region. The precinct has grown through time, adding **12,200** additional jobs in the two decades to 2022.

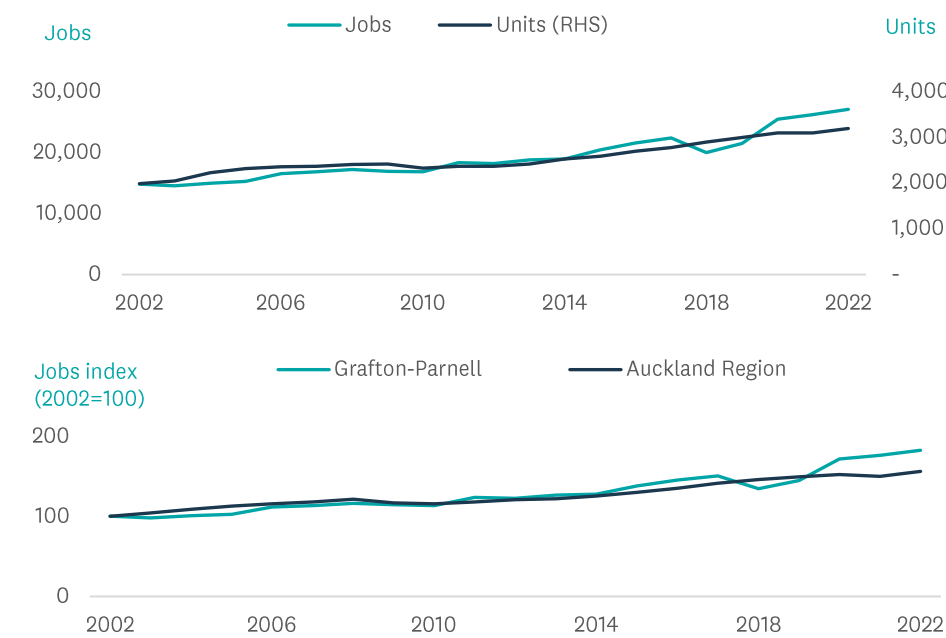
Job growth in the area has been consistent through time, except for a slight contraction between 2017 and 2018. The growth has been broadly consistent with the rest of the Auckland region, although recently has outpaced it.

The presence of Auckland Hospital and Auckland University buildings dominate Grafton's employment, which is quite different to Parnell's.

Basic Facts

	G-P	% of AKL	
Population (2022 est.)	5,650	0.3%	
Area	2.3 KM²	0.05%	
Jobs (2022)	27,000	3.2%	
Jobs (2002-2022)	+12,200	4.1%	
Business Units (2022)	3,183	1.4%	
Business Units (2002-2022)	+1,203	1.2%	

Jobs and Business Numbers



Sectors

Services industries are particularly prominent in the Grafton-Parnell area. Employment is largely driven by a few large employers. The largest employing sector has historically been the healthcare sector, driven by Auckland City Hospital. Healthcare & social assistance has a location quotient (LQ) 3.8, meaning it is almost four times more concentrated in the area than the wider Auckland region.

Other key sectors include professional services and education and training, particularly tertiary education, with the University of Auckland having a presence in the area.

Wholesale trade has a long-established presence in Parnell, most likely a result of its proximity to the port.

Broad Sector	Jobs	G-P %	AKL %	LQ
Healthcare & Social Assistance	10,660	39.5%	10.3%	3.8
Prof, Scientific & Tech Services	5,090	18.9%	11.0%	1.7
Education & Training	2,540	9.4%	7.8%	1.2
Accommodation & Food Services	1,370	5.1%	6.6%	0.8
Wholesale Trade	1,310	4.9%	7.4%	0.7
Administrative & Support Services	805	3.0%	6.0%	0.5
Construction	655	2.4%	8.6%	0.3

Healthcare & Social Assistance	Jobs	LQ
Hospitals	9,855	9.8
Medical & Other Healthcare Services	420	0.5
Social Assistance Services	360	0.9

Professional, Scientific & Technical Services	Jobs	LQ
Prof, Sci & Tech. Services (ex. Computer Services)	3,340	1.4
Computer System Design & Related Services	1,740	2.6

Education & Training	Jobs	LQ
Tertiary Education	2,135	4.4
Adult, Community & Other Education	250	1.1
Preschool & School Education	190	0.1

Sectoral Change

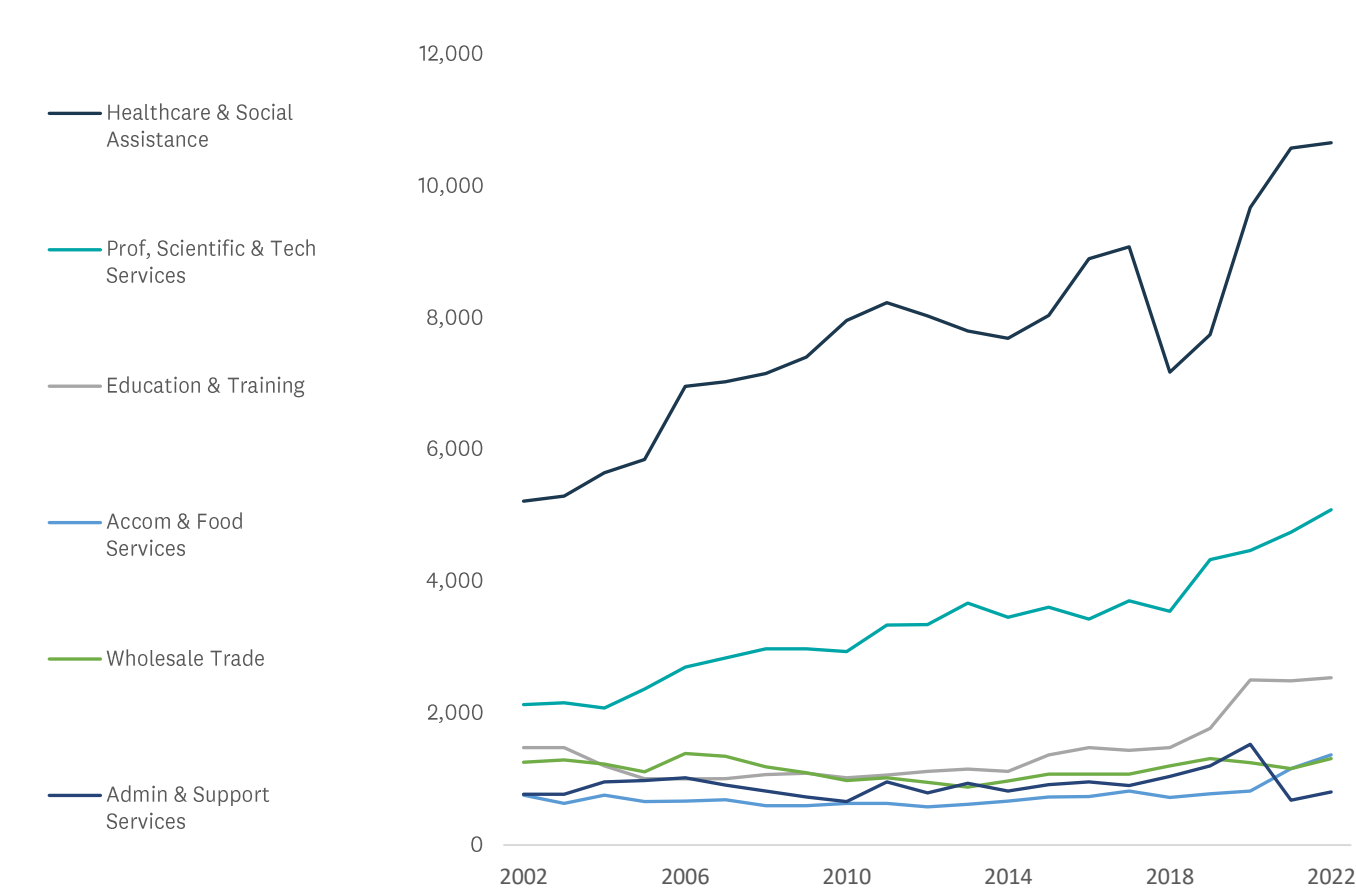
The healthcare sector continues to be the most important sector in the precinct due to the presence of Auckland City Hospital. Jobs in this sector have grown 33 percent since 2012, close to, but slightly behind the regional growth rate. Healthcare jobs experienced a contraction in 2017 before rebounding and continuing to grow through to 2022.

Professional services and education & training have also grown significantly in the area over the last decade, out pacing the regional growth rates.

Employment Growth and Decline

Sector	Job Growth 2012-2022	Grafton-Parnell Growth	AKL Growth
Healthcare & Social Assistance	2,630	33%	37%
Prof, Scientific & Technical Services	1,740	52%	43%
Education & Training	1,420	127%	13%
Accommodation & Food Services	790	136%	30%
Other Services	-15	-3%	26%

Sectors Over Time (jobs)



Three sectors, two of which are dominated by single institutions have shaped the employment picture in Grafton-Parnell over the last 20 years.

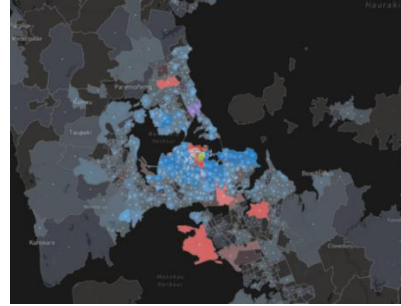
Healthcare & social assistance employment growth is dominated by hospital employment at Auckland City Hospital in Grafton although Parnell saw some employment growth in medical and other health services and social assistance services.

Professional services growth has been in architectural and engineering services, computer systems design and legal & accounting services which are mostly located in Parnell. Xero relocated their head office to Parnell in 2019.

Education & training jobs grew in Grafton where Auckland University has a presence, while Parnell saw some school education related job increases.

Accommodation & food services employment growth is almost all related to cafes & takeaways, mostly in Parnell.

Museum operation and sport & physical recreation activity saw employment increases in Parnell where the Auckland War Memorial Museum and Auckland Domain sports fields are located.



(Census 2018)

Commuting and Public Transit

Parnell-Grafton draws labour from and supplies labour to, largely central Auckland areas. 15,552 people travel to Parnell-Grafton for work while 792 people live and work there. Sixty-nine percent of arrivals are in a private vehicle (compared to a regional figure of 73%). 1,938 people leave the area for work mostly to Auckland city centre and Newmarket.

The area is very well served by public transport, is on the Rapid transit Network and will benefit from completion of the City Rail Link and the new Karangahape Road station.

Commercial Property Assessment

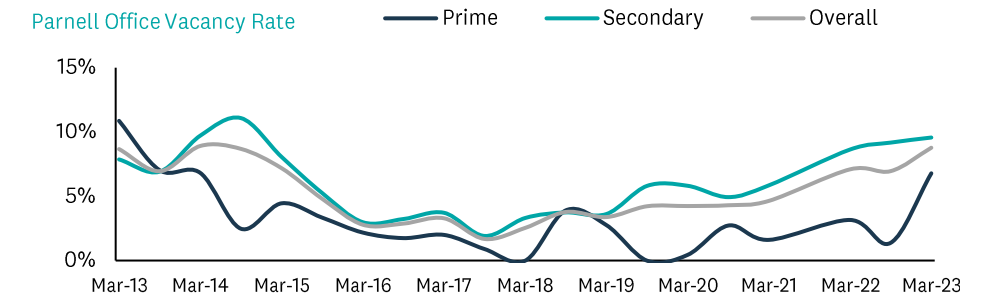
Commercial property market intelligence provided by Colliers provides an overview of demand and cost of office, industrial and retail premises across 67 employment areas in the Auckland Region. While these areas are not mapped to the Auckland Plan's key economic areas, they provide a useful insight into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

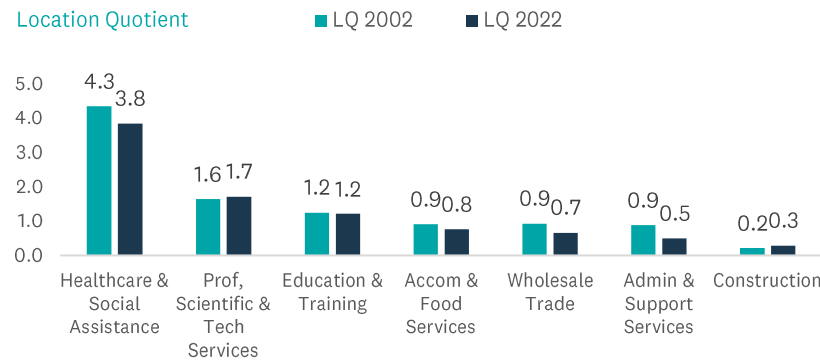
The total supply of office space in Parnell has been increasing over the past decade and there has been some significant redevelopments and new build premises that have attracted large floor plate occupiers. However, upon lease expiries, these larger occupiers have typically downsized or shifted to new premises. This has left periods of large floor plate vacancy, which can be more challenging to lease in a short timeframe. This often leads to smaller floor plate configurations being provided to match the prevalent occupier demand profile of sub-500 sqm tenancies and increase enquiry levels.



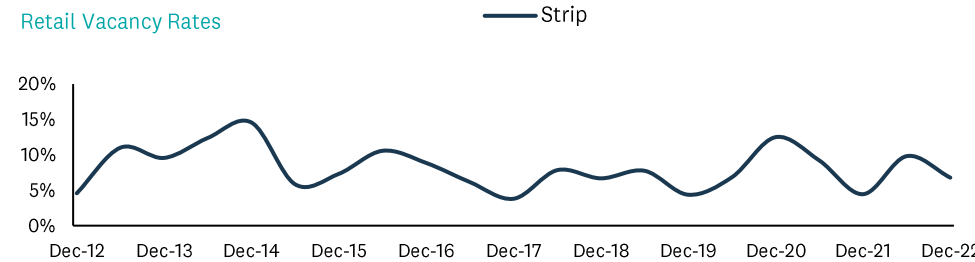
The quality of prime office space in the precinct in relation to other city fringe precincts has enabled a relatively positive rental environment with solid growth rates in the past few years. This is likely to continue.

Location Quotient (job concentration)

Concentrations of jobs relative to the wider Auckland region, across key employment sectors have not moved in the Grafton-Parnell area since 2002. Healthcare has become slightly less concentrated whereas all other key sectors are changed little.



Grafton-Parnell has both office and retail space. Colliers track office space in Grafton and both office and retail space in Parnell.



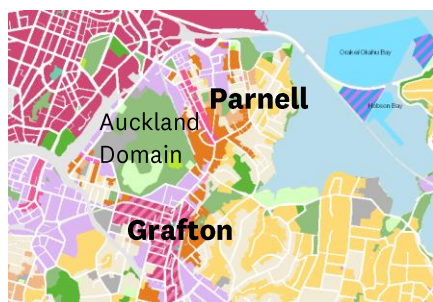
Demand for retail space in Parnell has been variable over the last 10 years, a result of the limited amount of supply. However, demand for good quality retail space in Parnell has seen space being absorbed relatively quickly.

Despite the small total supply of retail space, there is a high proportion of destination type shopping supported by Parnell's proximity to attractions like Auckland War Memorial Museum and Auckland Domain.

Grafton Office Vacancies and Rents (per sqm)	
Prime Vacancies (%)	9.7%
Secondary Vacancies (%)	14.7%
Prime Office Rental (2013)	\$263
Prime Office Rental (2023)	\$340 (+30%)
Secondary Office Rental (2013)	\$188
Secondary Office Rental (2023)	\$238 (+26%)

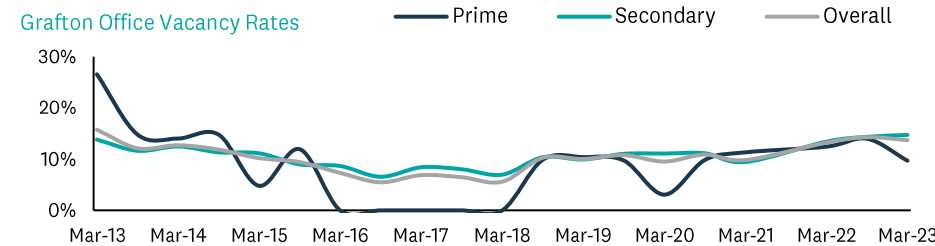
Grafton Office Supply (sqm)	
Prime share of Total:	20%
Supply:	137,502 (sqm)
NLA Change:	-13%
Prime Change:	+16%
Secondary Change:	-19%

Land Use



Grafton-Parnell is largely metropolitan centre zoned with some mixed use and town centre zoning. Auckland City Hospital sits in a special purpose zone to the west of Auckland Domain.

Despite Grafton's ongoing levels of high office vacancy rates in the precinct, especially in the secondary sector, the variety in building and occupier options supports a solid level of leasing activity. Given the high proportion of smaller office spaces to lease, as well as flexible office suites, there is often a number of small, shorter lease term agreements.



The total supply of office space has been reducing and there has been a number of residential developments in the area to take advantage of the benefits the precinct provides not only to employees, but also residents. Greater public transport connections from the CRL is likely to further office conversion and redevelopment into residential apartment developments.

Parnell Office Supply	
Prime Vacancies (%)	6.8%
Secondary Vacancies (%)	9.6%
Prime Office Rental (2013)	\$303 (+32%)
Prime Office Rental (2023)	\$400
Secondary Office Rental (2013)	\$204 (+34%)
Secondary Office Rental (2023)	\$271

Parnell Office Supply (sqm)	
Prime share of Total:	29%
Supply:	147,984 (sqm)
NLA Change:	-13%
Prime Change:	+16%
Secondary Change:	-19%

Opportunities / Challenges

Grafton-Parnell is an important city fringe office and retail location benefiting from its central location, ease of access, skilled local labour market, and strong demand.

Demand for central residential dwellings has led to some conversion of office space and a reduction in overall supply.

Continued improving access on completion of the City Rail Link should sustain the area's attractiveness as a place to locate.

Assessment / Future

Auckland Hospital and Auckland University are key anchors while the area's location makes it an attractive location for a range of other sectors requiring access to a skilled labour market.

Growth has largely tracked that of the region as a whole although the recent health sector employment increase associated with the hospital has seen a surge in employment in the area.