

## Milford-Takapuna (2022)

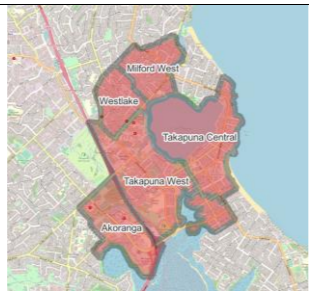
Milford-Takapuna is a mix of residential, retail, services and commercial areas north-east of Auckland City Centre. The area is home to over **28,000 jobs** making it a significant employment precinct. The precinct has added almost **9,000** additional jobs in the two decades to 2022.

While the number of jobs has increased over recent years, job growth in the wider Auckland region has outstripped local job growth. The number of firms operating in the precinct has largely tracked job growth.

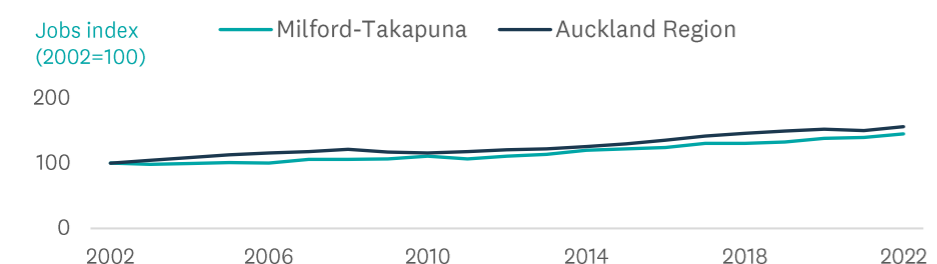
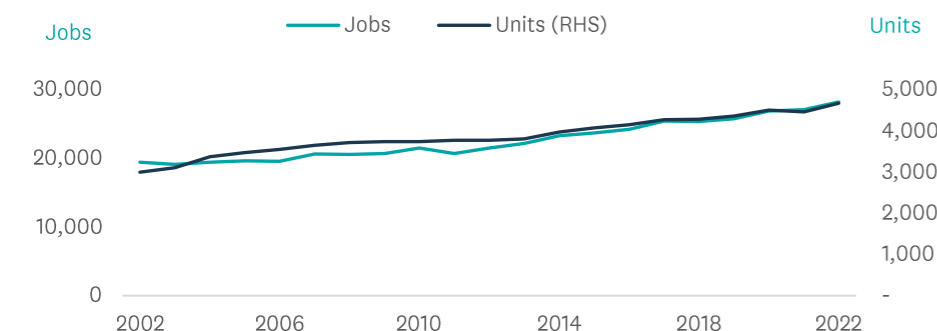
The 10ha Smales Farm Business Park has brought high quality modern office space and a high amenity environment that has attracted several large corporates and will grow further as development of the whole site is not yet complete. A number of insurance companies have a presence in Takapuna and at Smales Farm.

### Basic Facts

	Milford-Takapuna	% of AKL
Population (2022 est.)	16,520	1.0%
Area	7.1 KM2	0.1%
Jobs (2022)	28,210	3.4%
Jobs (2002-2022)	8,750	2.9%
Business Units (2022)	4,671	2.1%
Business Units (2002-2022)	1,674	1.7%



### Jobs and Business Numbers



### Sectors

The healthcare sector is the largest employer in the area due to the presence of North Shore Hospital and several other health employers located in its vicinity. The location quotient for healthcare related jobs is 3 meaning it is more concentrated in the area than in the broader Auckland region. A vast majority of those employed are hospital workers.

Other key employment sectors in the precinct include professional and financial services, as well as retail trade, although healthcare jobs are significantly higher than any other sector.

Broad Sector	Jobs	M-T%	AKL %	LQ
Healthcare & Social Assistance	8,670	30.7%	10.3%	3.0
Retail Trade	3,725	13.2%	9.7%	1.4
Prof, Scientific & Tech Services	2,865	10.2%	11.0%	0.9
Financial & Insurance Services	2,201	7.8%	3.9%	2.0
Education & Training	1,685	6.0%	7.8%	0.8
Information Media & Telecoms	1,658	5.9%	2.0%	2.9
Accom & Food Services	1,520	5.4%	6.6%	0.8

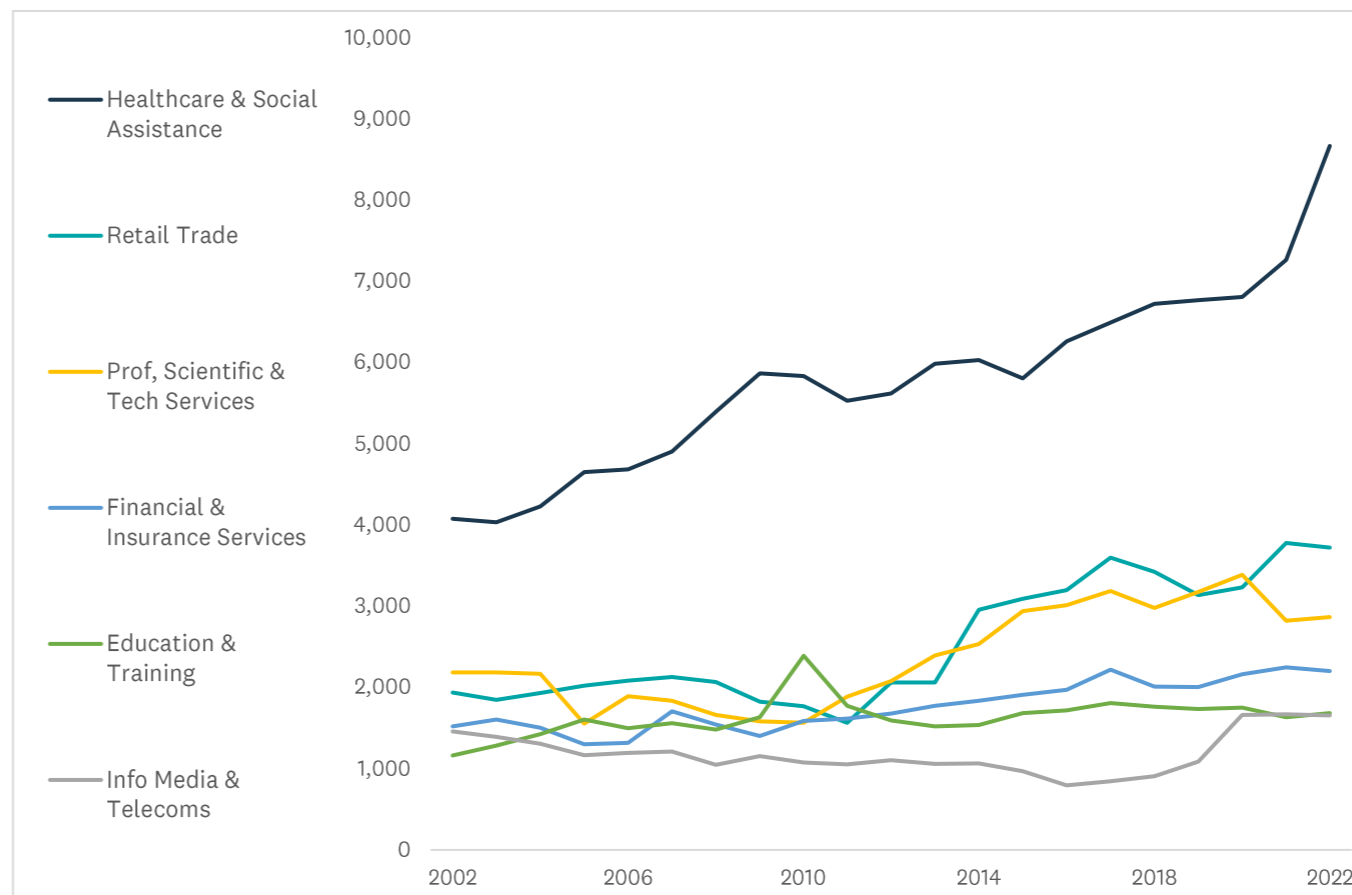
Healthcare & Social Assistance	Jobs	LQ
Hospitals	6,730	6.4
Medical & Other Healthcare Services	1,340	1.4
Residential Care Services	380	0.8
Social Assistance Services	253	0.6

Retail Trade	Jobs	LQ
Other Store-Based Retailing	2,910	1.8
Food Retailing	461	0.6

Professional, Scientific & Technical Services	Jobs	LQ
Prof, Scientific & Technical Services (ex. computers)	2,060	0.9
Computer System Design & Related Services	761	1.1

Finance & Insurance Services	Jobs	LQ
Insurance & Superannuation Funds	1,190	5.2
Auxiliary Finance & Insurance Services	761	2.5

### Sectors Over Time (jobs)



### Sectoral Change

Excluding the healthcare sector, job growth in the area has been driven by retail sector growth. Other key employment sectors like professional services have added job through the 2010s, however, these additions have been modest. Healthcare jobs however have risen steadily since the early 2000s with a steep trajectory relative to other areas in the wider Auckland region. Although growth for many key sectors has been largely stagnant, some sector jobs have moved out of Milford-Takapuna.

The area has seen a significant fall in other public sector jobs, with local government administration jobs falling sharply from 2016 as Auckland Council consolidated its staff at its central city offices.

### Employment Growth and Decline

Sector	Job Growth 2012-2022	Milford-Takapuna Growth	AKL Growth
Healthcare & Social Assistance	3,050	54%	37%
Retail Trade	1,665	81%	34%
Prof, Scientific & Tech Services	784	38%	43%
Construction	674	175%	113%
Wholesale Trade	609	93%	15%
Admin & Support Services	-227	-19%	28%
Transport, Postal & Warehousing	-365	-64%	17%
Public Administration & Safety	-1,170	-59%	29%

Healthcare employment growth is almost entirely attributable to the growth of North Shore Hospital although some medical & other healthcare service employment has occurred.

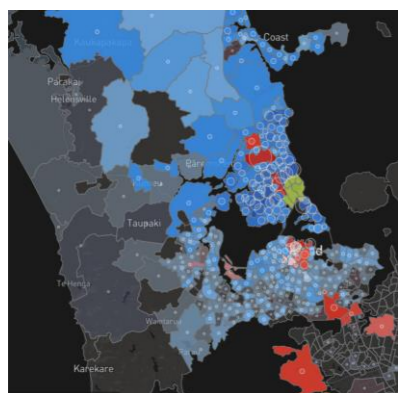
Retail growth is mostly a result of department store growth at Akoranga from 2014 onwards, possibly in relation to some changes at 'The Warehouse'.

Professional, scientific & technical services growth is mostly in Takapuna West and Takapuna Central with architects, legal & accounting, management consultancy and computer systems design seeing strong growth.

Building construction and installation (e.g., plumbing electrical) services have been the growth areas with the wider construction sectors, again in Takapuna West and Takapuna Central. Heavy and civil engineering construction also saw growth.

The fall in public administration & safety employment is a result of local government administration jobs peaking in central Takapuna in 2013 and declining sharply thereafter along with some central government administration employment decline.

Auckland Council has consolidated its offices within the central 135 Albert Street site in the City Centre over this time.



(Census 2018)

### Commuting and Public Transit

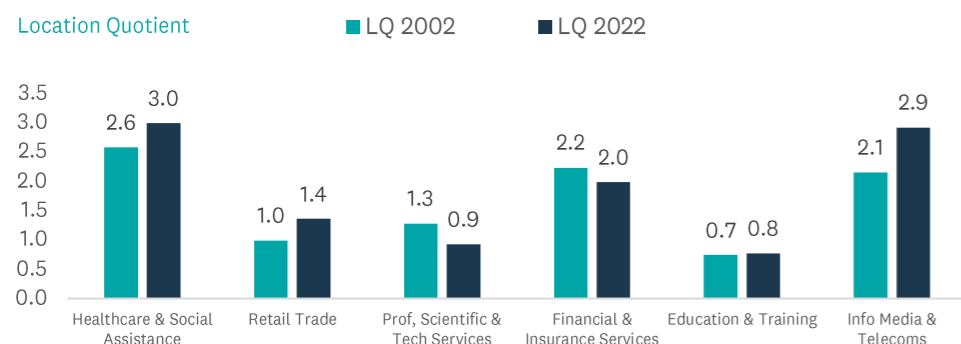
Milford-Takapuna draws labour from the north of the Auckland region. 17,316 people travel to Milford-Takapuna for work while 2,382 people live and work there. 71% of people arrive by private car, truck or van.

Milford-Takapuna is well served by public transport with the Northern Expressway having stations at Akoranga and Smales Farm being a part of the rapid transit network. Frequent network services connect Takapuna to the Central City, and to Albany.

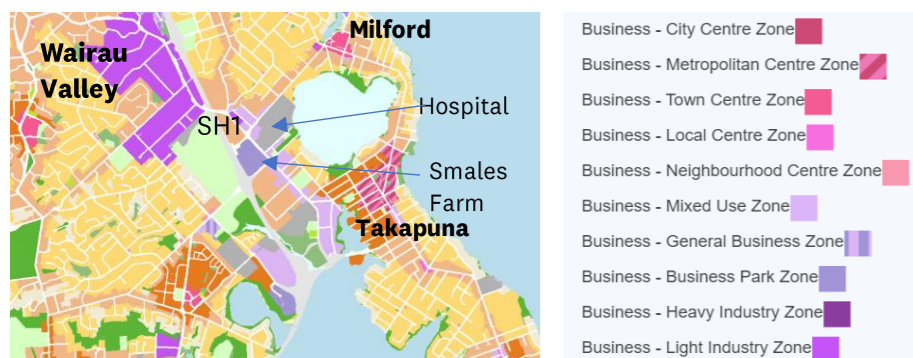
Any proposed alternative harbour crossing connecting to Takapuna would greatly enhance the area's connectivity.

### Location Quotient (job concentration)

Since 2002 retail trade in the Auckland region has become more concentrated in the Milford-Takapuna. The location quotient for retail trade employment increased from 1.0 to 1.4, reflecting increasing jobs in the sector more than elsewhere in the region. Information media sector employment also became more concentrated in the area.



### Land Use



Milford-Takapuna comprises office, retail and residential land uses with some light industrial zoned land immediately to the north of the precinct in Wairau Valley. Milford is zoned as a Town Centre while Takapuna is a Metropolitan Centre. North Shore Hospital occupies a special purpose zone west of Lake Pupuke and adjacent to that is the Smales Farm business park where further development of the site is underway.

Other special purpose zones occupy sizeable sites at Rosmini College and AUT North Shore Campus.

### Commercial Property Assessment

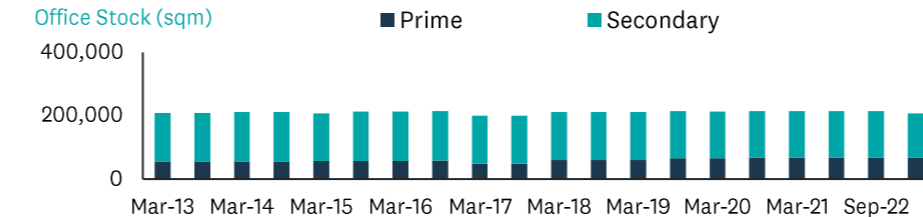
Commercial property market intelligence provided by Colliers provides an overview of demand and cost of retail and office space across a number of areas in the Auckland Region. While these areas are not mapped to the Auckland Plan's key economic areas, they provide a useful insight into some of the drivers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

Regionally retail space has performed differently if it is strip of high street retail 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.

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.

Milford-Takapuna has both office and retail space. Similar to the regional picture, mall retail space is outperforming strip retail. While retail space has contracted slightly over the last decade, growing residential development and population increases will help support retail in the area. Difficult trading due to COVID-19 restrictions and infrastructure works in Takapuna have seen a 7% fall in retail rents since early 2020.

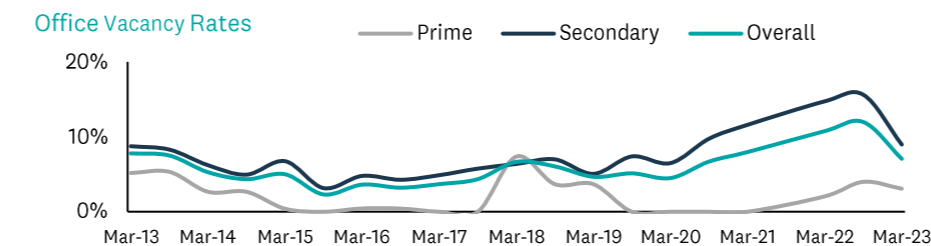
Office space in the area is in Takapuna, Smales Farm and Akoranga, with a number of national and international groups based in the area. Space is mostly secondary grade but prime has increased from 20% of stock in 2013 to 25% currently as the Smales Farm Business Park has developed further and new premises have been built at Akoranga (Warehouse Way). Vacancy rates for prime office space are low.



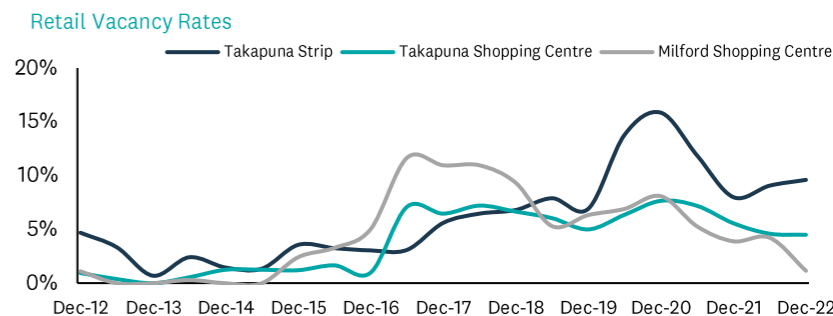
Average net face rents for prime office space within the precinct is currently at \$350 per sqm, one of the highest in metropolitan Auckland. Many premises have a large floor plate making them hard to lease when a tenant vacates, however the presence of large well-known businesses could attract other similar businesses to the area.

The Warehouse, AIA, Allianz, Partners Life, AON and OneNZ are well known occupiers.

While prime office space rentals have remained steady at around \$350 per sqm, new build space can be in excess of \$600 per sqm to reflect the return required to make development feasible.



A large, highly skilled local labour force also makes the area attractive as an office location while a growing and affluent local population have maintained demand more so than in many other areas where COVID restrictions and prevailing economic conditions have proven challenging.



A fall in demand for strip retail space along with infrastructure works disruption and COVID-19 restrictions caused a spike in vacancy rates and a drop in rents although residential development should mean this is a short-term phenomenon as a relatively affluent local catchment population grows.

Office Vacancies and Rents (per sqm)	
Prime Office Vacancies (%)	3.1%
Secondary Office Vacancies (%)	9.0%
Prime Rental (2013)	\$305
Prime Rental (2023)	\$350 (+15%)
Secondary Rental (2013)	\$228
Secondary Rental (2023)	\$273 (+20%)

Retail vacancies vary across the area:

Takapuna Strip – 9.6%  
Takapuna Mall – 4.6%  
Milford Mall – 4.2%

Supply / Net Lettable Area	
Prime % of Total	25%
NLA (sqm)	207,538
NLA Change (10yr)	- 1%
Prime Change	+ 20%
Secondary Change	- 8%

The share of office space that is prime has increased with Smales Farm a key development of high amenity prime space with good public transport links.

### Opportunities / Challenges

Growth of a relatively affluent local population of skilled labour and the increased connectivity of the area will support demand for space in both the retail and office markets.

While retail is important, the vast majority of it is within the area's two malls with limited opportunity for expansion. These malls outperform the main high street offering in Takapuna in terms of occupancy and rental values.

A number of second tier large finance and insurance firms are located in the area providing opportunity to attract similar type businesses that enjoy the area's amenity, connectivity, access to labour and reduced costs compared to the City Centre.

### Assessment / Future

North Shore Hospital, Smales Farm plus office space at Warehouse Way and AUT campus provide strong employment anchors to the area and provide high amenity space that has attracted finance & insurance and information media & telecommunications firms.

Continued residential growth and the area's high level of amenity and proximity to the central city will see the area continue to grow. Any proposed alternative harbour crossing connecting to Takapuna would greatly enhance the area's connectivity.