

## Mount Wellington Industrial (2022)

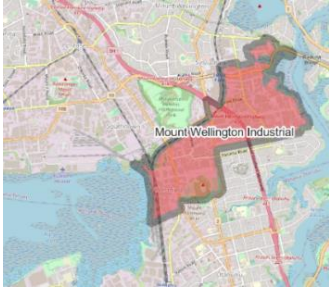
**Mount Wellington Industrial** is largely an industrial area south-east of Auckland City Centre. The area is home to almost **18,000** jobs, making it a significant employment precinct. The precinct has added **5,400** additional jobs in the two decades to 2022.

While the number of jobs significantly increased from 2000 to 2009, job growth has stagnated, remaining largely flat since 2009. The wider Auckland region job growth has been stronger than in the precinct recently. The number of firms operating in the precinct has also been flat since the early 2000s.

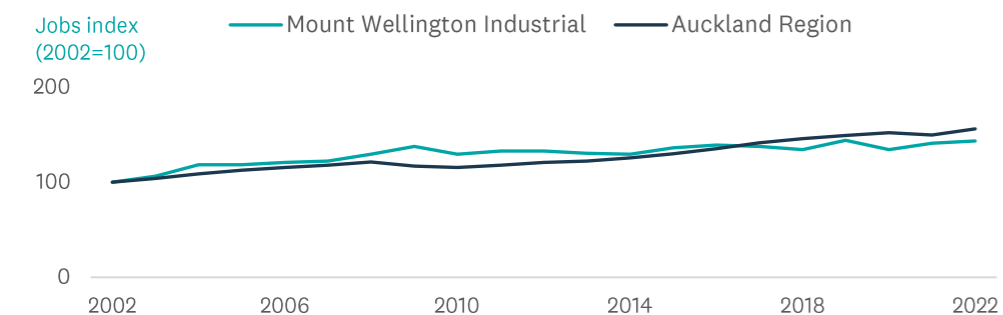
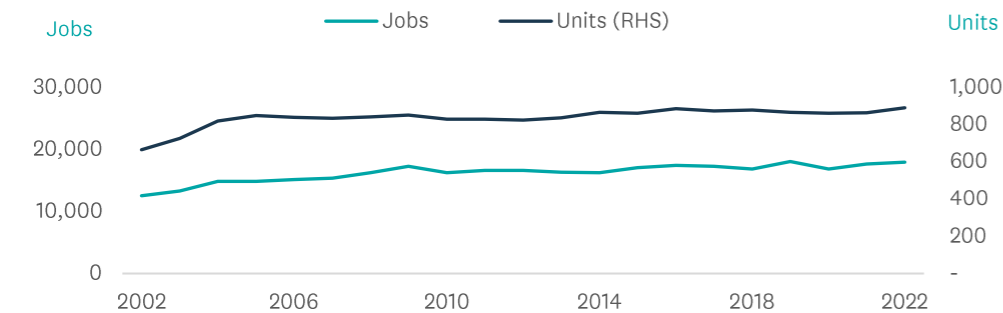
Wholesale trade is the main employment sector, ahead of manufacturing which has seen a steady decline over the last decade.

### Basic Facts

	Mt Wellington Industrial	% of AKL
Population (2022 est.)	50	0.003%
Area	3.3 KM <sup>2</sup>	0.1%
Jobs (2022)	17,900	2.1%
Jobs (2002-2022)	5,400	1.8%
Business Units (2022)	888	0.4%
Business Units (2002-2022)	225	0.2%



### Jobs and Business Numbers



### Sectors

Wholesale trade is the main employing sector in the Mount Wellington Industrial precinct. Wholesale trade has a location quotient of 3.5, meaning it is more concentrated in Mount Wellington Industrial area relative to the wider Auckland Region.

Consistent with many other precincts in the wider Auckland region, manufacturing is the second key employer in the area.

Other key employment sectors in the precinct include construction, professional services, and public administration and safety.

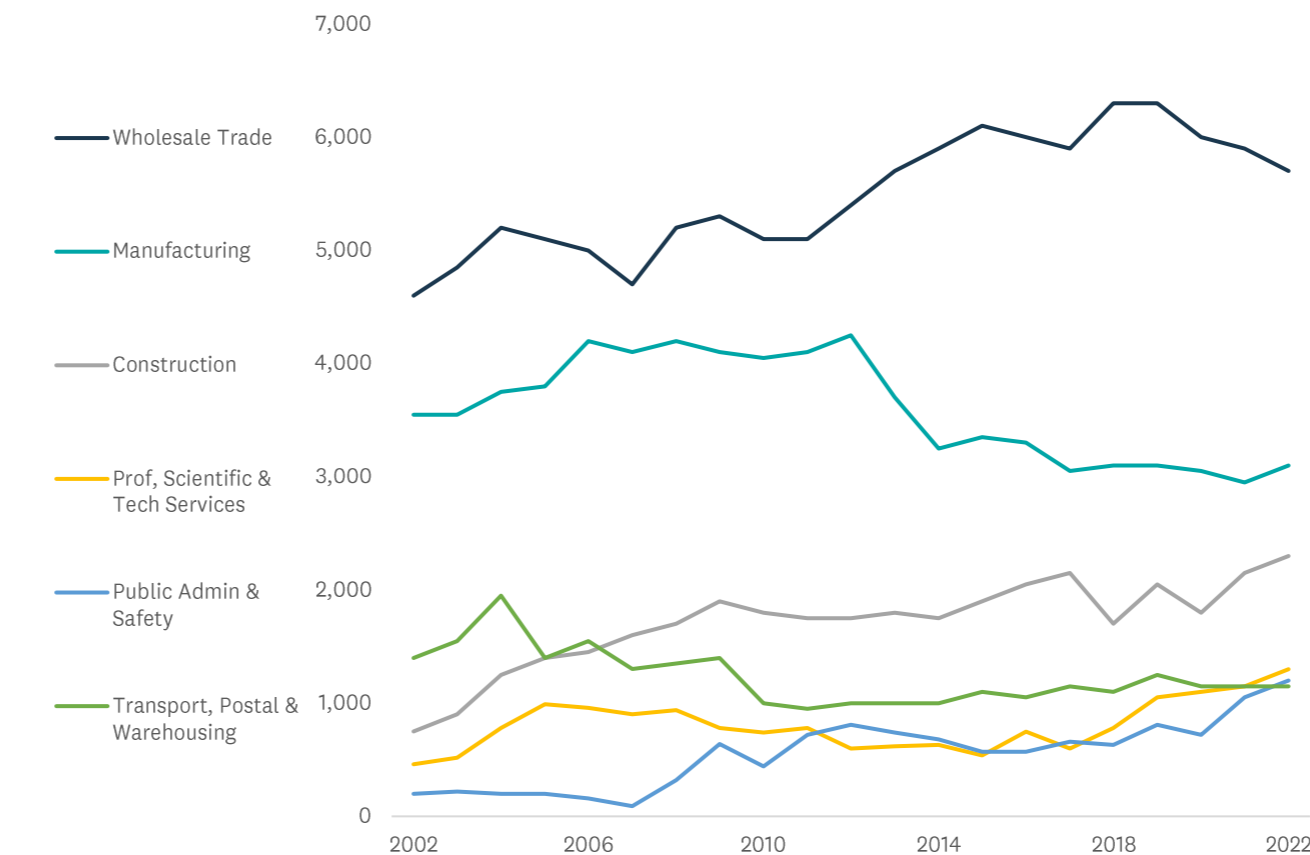
Broad Sector	Jobs	Mt Wgtn Industrial %	AKL %	LQ
Wholesale Trade	5,700	31.8%	7.4%	4.3
Manufacturing	3,100	17.3%	9.6%	1.8
Construction	2,300	12.8%	8.6%	1.5
Prof, Scientific & Tech Services	1,300	7.3%	11.0%	0.7
Public Admin & Safety	1,200	6.7%	4.6%	1.5
Transport, Postal & Warehousing	1,150	6.4%	4.5%	1.4
Admin & Support Services	1,100	6.1%	6.0%	1.0

Wholesale Trade	Jobs	LQ
Grocery, Liquor & Tobacco Product Wholesaling	1,900	6.7
Machinery & Equipment Wholesaling	1,300	3.7
Basic Material Wholesaling	1,050	4.5
Other Goods Wholesaling	960	2.9

Manufacturing	Jobs	LQ
Food Product Manufacturing	1,200	3.3
Machinery & Equipment Manufacturing	570	1.8
Fabricated Metal Product Manufacturing	300	1.4

Construction	Jobs	LQ
Heavy & Civil Engineering Construction	1,250	4.4
Construction Services	870	1.0
Building Construction	140	0.4

### Sectors Over Time (jobs)



### Sectoral Change

The importance of the manufacturing sector for employment has been trending downward since the early 2000s. This is consistent with other precincts in the Auckland region. The fall was especially acute in 2012 to 2015 where a sharp downturn was experienced.

As manufacturing employment has been falling, wholesale trade has been rising although since 2019 a decline is evident. Wholesale trade represents 33 percent of total jobs in the area. Construction, professional services and education sector jobs have also grown, offsetting the almost 1,200 fewer manufacturing jobs in the area since 2012.

### Employment Growth and Decline

Sector	Job Growth 2012-2022	Mt Wellington Industrial Growth	AKL Growth
Prof, Scientific & Tech Services	700	117%	43%
Construction	550	31%	113%
Education & Training	430	165%	13%
Public Admin & Safety	390	48%	29%
Wholesale Trade	300	6%	15%
Retail Trade	-70	-14%	34%
Manufacturing	-1,150	-27%	11%

Architectural, engineering & technical services have been the main driver of professional services growth along with computer systems design.

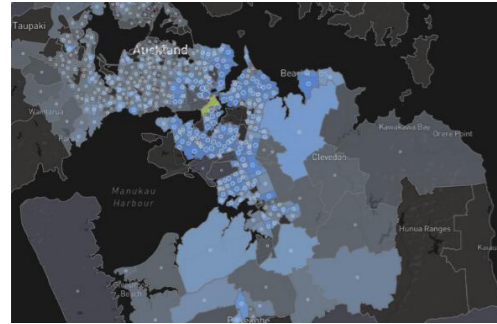
Heavy & civil engineering, building installation services and other construction services have provided most of the construction sector employment growth.

Education & training employment increased within the tertiary education sector. NZMA, a large private tertiary provider has its Sylvia Park campus in Mount Wellington.

Public administration & safety employment growth was driven by the public order & safety sector.

Within manufacturing, food processing, printing, fabricated metals and polymers manufacturing have declined the most in employment terms although almost all manufacturing sectors have experienced either some decline or little or no growth.

Motor vehicle parts retailing declined in the area, leading to much of the loss of retail employment in the area.



(Census 2018)

### Commuting and Public Transit

Mount Wellington Industrial draws labour from various areas in central, south and to a lesser extent west Auckland. 12,477 people travel to Mount Wellington Industrial for work while 12 people live and work there. 73% of people travel to work by private car, truck or van.

A train station at the adjacent Sylvia Park services the northern end of Mount Wellington Industrial.

Buses connect the area to Māngere, Point Chevalier, Otahuhu, Panmure and Glen Innes.

### 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.

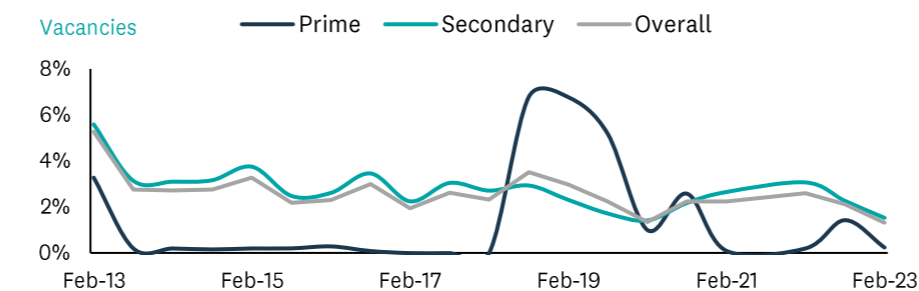
Office space in Auckland is dominated by the CBD with some significant areas of supply in the region's larger centres. While the CBD has seen an increase in supply most other centres have remained flat and while rents have risen across the region the CBD commands a premium above other commercial centres.

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.

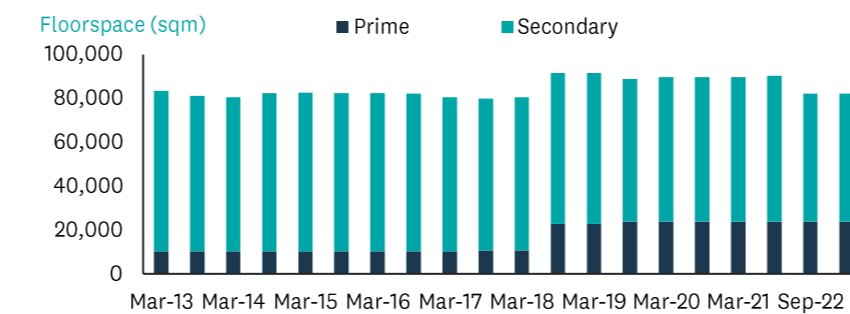
**Mount Wellington Industrial** is one of Auckland's longest established industrial precincts and, with nearly 1.6 million sqm of industrial floorspace, one of its largest industrial precincts in the region.

Vacancy rates are low, and the precinct appeals to a wide range of users with food production, engineering and logistics companies all attracted to the precinct due to its excellent transport links and proximity to a skilled workforce.

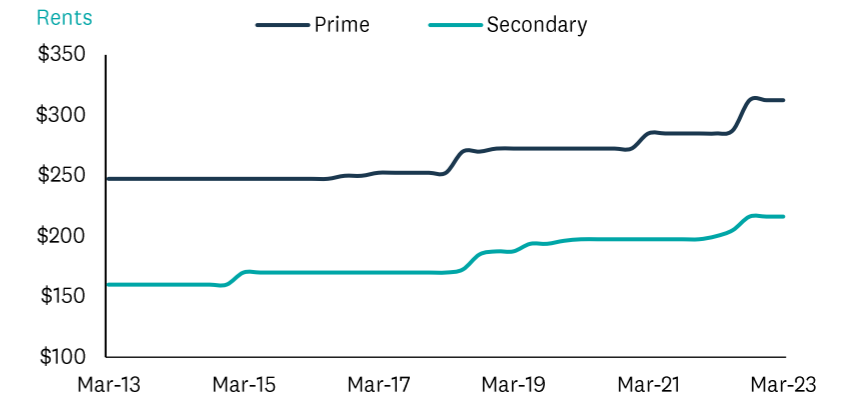


PBT, DHL and Tip Top are key tenants of the area.

Floorspace has remained fairly constant over the last 10 years with limited scope for development of new sites although demand may see some secondary stock upgraded. The lack of prime grade stock in the area may see businesses seeking better quality accommodation relocate to other areas.



Development at nearby Sylvia Park has improved public transport services in the area, strengthening demand.



High levels of demand and limited capacity to increase supply has provided an upward pressure on rental costs.

Industrial Vacancies and Rents (per sqm)	
Prime Vacancies (%)	0.2%
Secondary Vacancies (%)	1.55
Prime Warehouse Rental (2013)	\$108
Prime Warehouse Rental (2023)	\$203 (+88%)
Secondary Warehouse Rental (2013)	\$90
Secondary Warehouse Rental (2023)	\$158 (+75%)

The precinct is a favoured investment destination given strong occupier fundamentals.

Supply / Net Lettable Area	
Prime % of Total	16%
NLA (sqm)	1,592,610
NLA Change	-3%
Prime Change	+14%
Secondary Change	-5%

The addition of new supply relies on the redevelopment of existing premises, as there is a scarcity of greenfield land in the precinct.

### Opportunities / Challenges

Mount Wellington's central location and connectivity makes it attractive for a range of industrial occupiers although rental increases have pushed up costs for business in the area and there is limited scope for new development.

### Assessment / Future

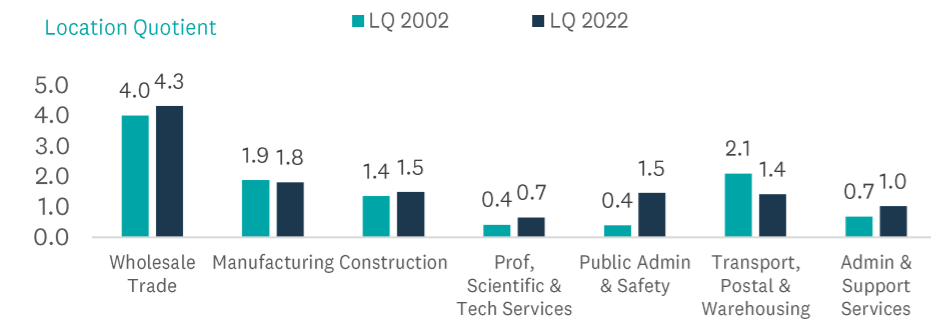
Mount Wellington has seen employment growth lag that of the region as a whole, with notable decline in manufacturing employment over the last 20 years. This has largely offset growth in professional services, education and public administration, which have become increasingly concentrated in the area, signalling a slight shift in the role Mount Wellington's industrial precinct will play in the wider regional economy.

While construction sector growth has added jobs it has grown at a much lower rate than across the region as a whole.

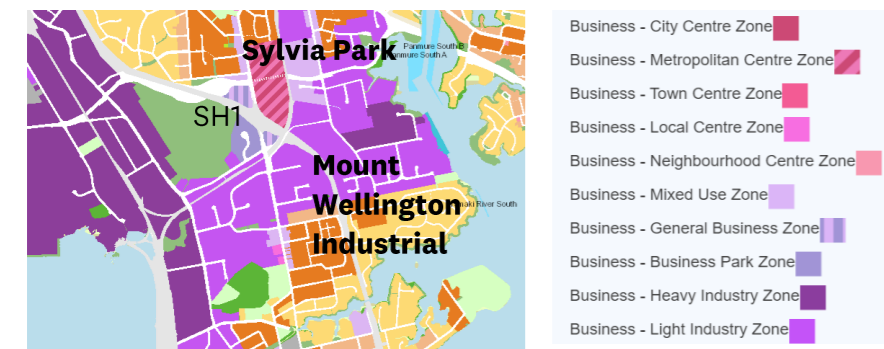
Development of mall and office space at adjacent Sylvia Park has seen public transport improvements benefit Mount Wellington.

### Location Quotient (job concentration)

Since 2002 transport, postal & warehousing and, to a lesser extent, manufacturing jobs have become less concentrated in the area. Public administration & safety has become more concentrated in the area. Wholesale trade and public administration have become more concentrated.



### Land Use



**Mount Wellington Industrial** is largely light industrial zoned area. To the east is Penrose, a large heavy and light industrial area. Otahuhu lies to the south and Sylvia Park, a large retail centre is to the north.