

## Newmarket (2022)

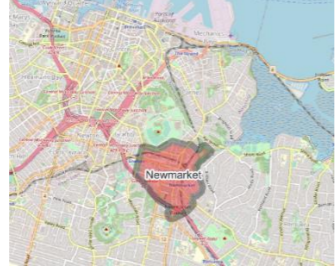
**Newmarket** is a mix of residential, retail, services and commercial areas, immediately southeast of Auckland City Centre. The area is home to over **20,000 jobs**, making it a significant employer in the region. Over **7,000** additional jobs are located here compared to 2002.

A number of utilities companies have offices in Newmarket, while the University of Auckland has established a campus on the former Lion Brewery site, beverage manufacturing being an employer in the area until 2011.

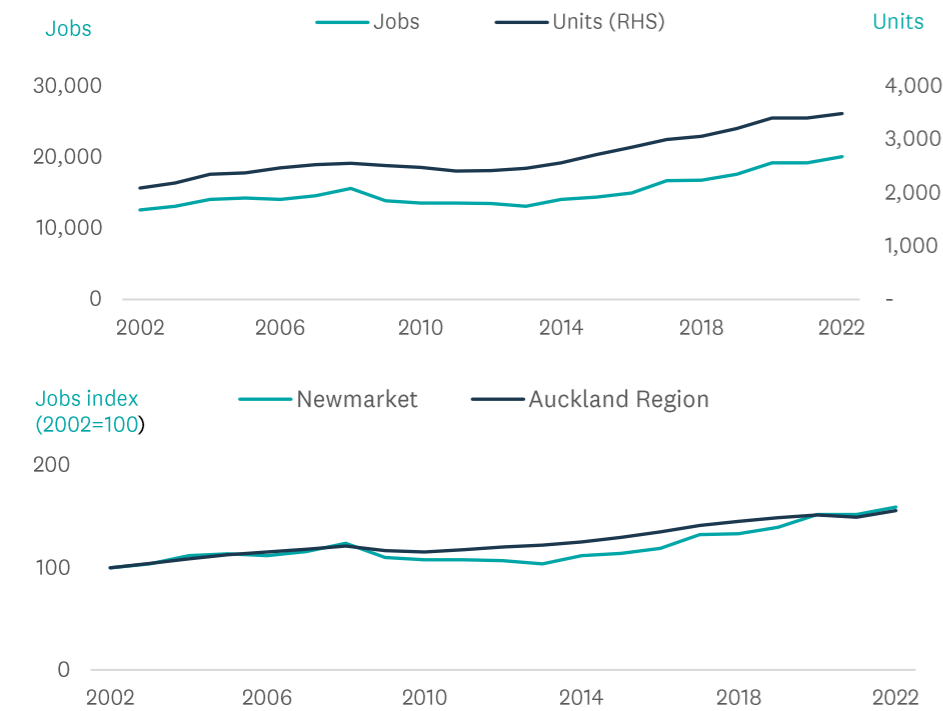
Significant redevelopment of the Westfield Mall at Newmarket is seen in the dip in the sector during construction and then rapid growth on completion.

### Basic Facts

	N'mkt	% of AKL
Population (2022 est.)	3,890	0.2%
Area	1.1 KM <sup>2</sup>	0.0%
Jobs (2022)	20,100	2.4%
Jobs (2002-2022)	7,500	2.5%
Business Units (2022)	3,489	1.6%
Business Units (2002-2022)	1,398	1.4%



### Jobs and Business Numbers



### Sectors

Professional, scientific, & technical services and retail trade are the main employing sectors in Newmarket. Most location quotients for the precinct are below two, however electricity, gas, water & waste services are highly concentrated in Newmarket due to the presence of Watercare, Mercury Energy (electricity generation and retail) and Vector Ltd (electricity distribution).

Broad Sector	Jobs	Newmarket %	AKL %	LQ
Retail Trade	3,500	17.4%	9.7%	1.8
Prof, Scientific & Tech Services	3,500	17.4%	11.0%	1.6
Admin & Support Services	2,050	10.2%	6.0%	1.7
Electricity, Gas, Water & Waste Services	1,800	9.0%	0.7%	12.5
Wholesale Trade	1,550	7.7%	7.4%	1.0
Accom & Food Services	1,550	7.7%	6.6%	1.2
Financial & Insurance Services	1,450	7.2%	3.9%	1.8

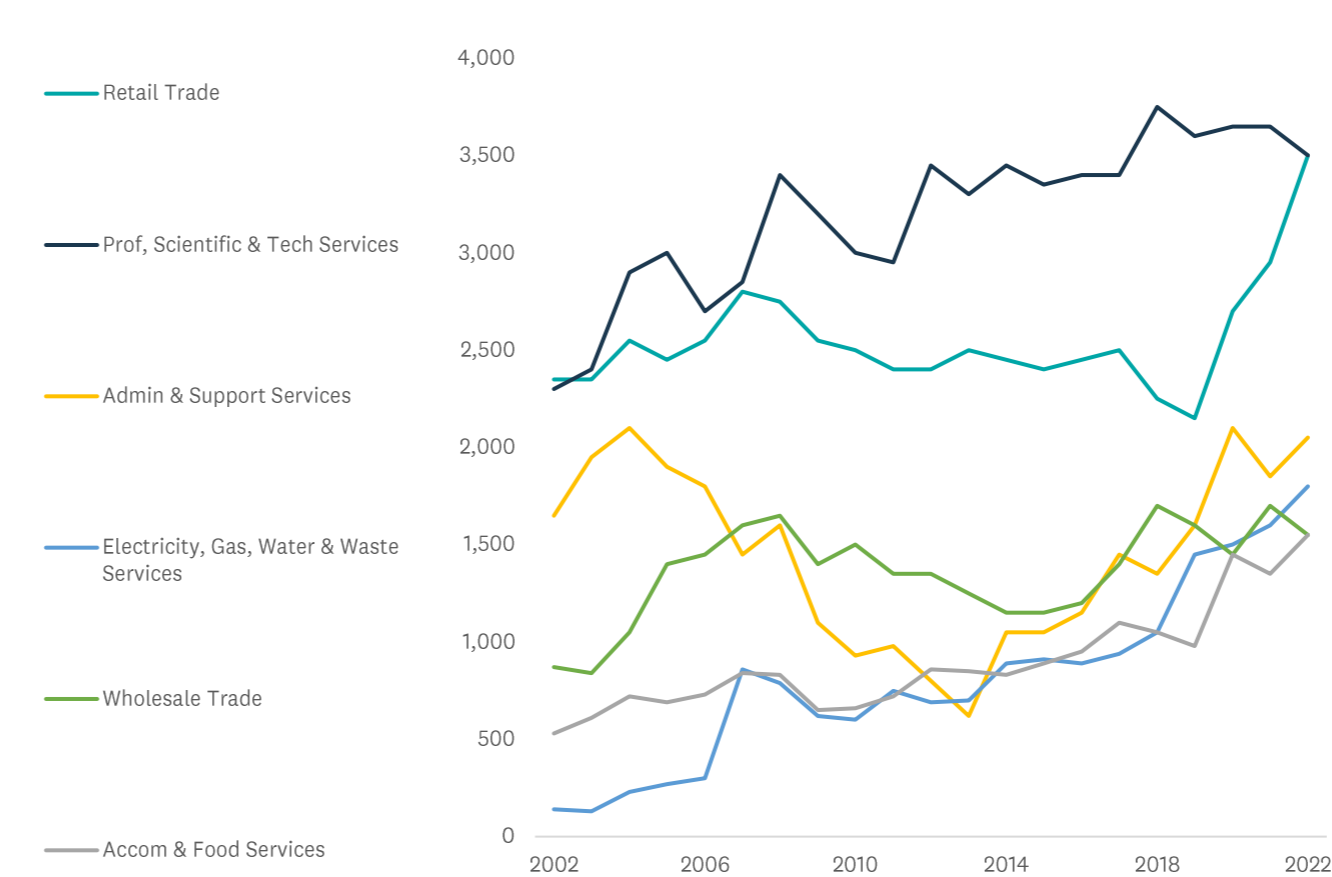
Professional, Scientific & Technical Services	Jobs	LQ
Prof, Scientific and Technical (ex. Computers)	2,900	1.7
Computer System Design & Related Services	590	1.2

Retail Trade	Jobs	LQ
Other Store-Based Retailing	2,750	2.5
Food Retailing	280	0.5
Non-Store Retailing & Retail Commission Based	260	2.4

Admin & Support Services	Jobs	LQ
Administrative Services	1,850	2.0

Electricity, Gas, Water & Waste Services	Jobs	LQ
Electricity Supply	1,100	21.8
Water Supply, Sewerage and Drainage Services	730	28.9

### Sectors Over Time (jobs)



### Sectoral Change

Professional, scientific & technical service and electricity sector jobs in the precinct have been trending up strongly since 2000. Financial services jobs experienced a strong spike upwards in 2017 but have fallen sharply more recently. Retail trade jobs have also grown sharply in recent times following the redevelopment of the Westfield mall.

Clothing, Footwear and Personal Accessories Retailing is by far the largest retail employment category. Most of the professional services jobs are in architectural, engineering and technical services and management consultancy services.

### Employment Growth and Decline

Sector	Job Growth 2012-2022	Newmarket Growth	AKL Growth
Admin & Support Services	1,250	156%	28%
Elect, Gas, Water Waste Services	1,110	161%	69%
Retail Trade	1,100	46%	34%
Accom & Food Services	690	80%	30%
Construction	640	1,067%	113%
Education & Training	530	133%	13%
Manufacturing	360	450%	11%
Information Media & Telecoms	-120	-23%	-12%

Retail growth is mostly a result of clothing and department store growth at Westfield Mall from 2019 onwards. The development also saw an increase in café and restaurant employment.

Professional, scientific & technical services growth is mostly due to architects, management consultancy and computer systems design seeing strong growth.

Electricity, gas, water & waste services employment growth is almost entirely attributable to Watercare, Vector and Mercury.

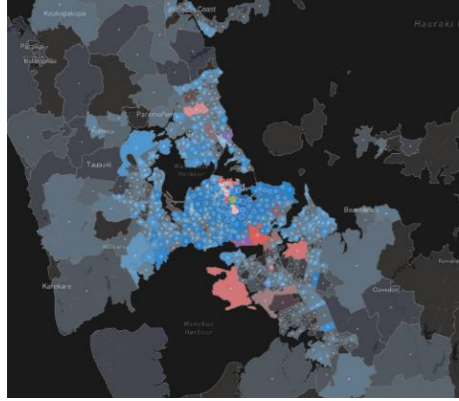
The growth in administrative & support services is mostly due to employment services growth.

While construction sector employment has grown across the whole construction sector, its steep rate of growth over the last decade is a result of construction sector employment having fallen to very low levels in the decade to 2012.

Manufacturing growth is also from a very small base in 2012.

Finance & insurance employment has fallen steeply in recent years with a relocation of ANZ staff to a new facility at Sylvia Park.

Information media & telecommunications also saw a decline with the relocation of 2degrees from Newmarket in to the central city.



(Census 2018)

### Commuting and Public Transit

Newmarket draws labour from across the Auckland region. 13,866 people travel to Newmarket for work while 465 people live and work there. 56% of people travel to work by private car, truck or van.

Newmarket is very well connected by the public transport network with trains from the City Centre, the west and south of the region and buses to many destinations across the isthmus plus both Inner and Outer Link services.

The completion of the City Rail Link will increase the frequency of trains, improving accessibility to the precinct and connectivity with the CBD.

### Commercial Property Assessment

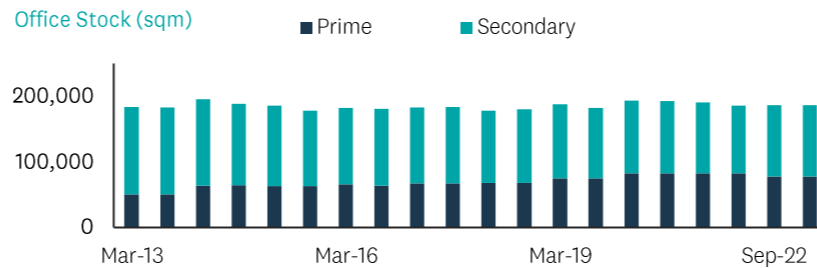
Commercial property market intelligence provided by Colliers provides an overview of demand and cost of office, industrial and retail premises across 67 employment areas in the Auckland Region. While these areas are not mapped to the Auckland Plan's key economic areas, they provide a useful insight into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

**Newmarket** has both office and retail space. Office space in the area has seen strengthening demand with a number of large utility providers in the area. Space is mostly secondary grade but prime has increased from 28% of stock in 2013 to 42% currently. Vacancy rates for prime office space are low.

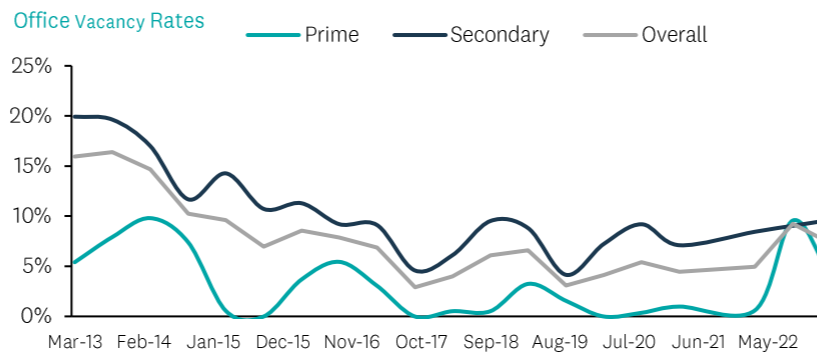


Average net face rents for prime office space within the precinct are currently at \$410 per sqm, one of the highest in metropolitan Auckland.

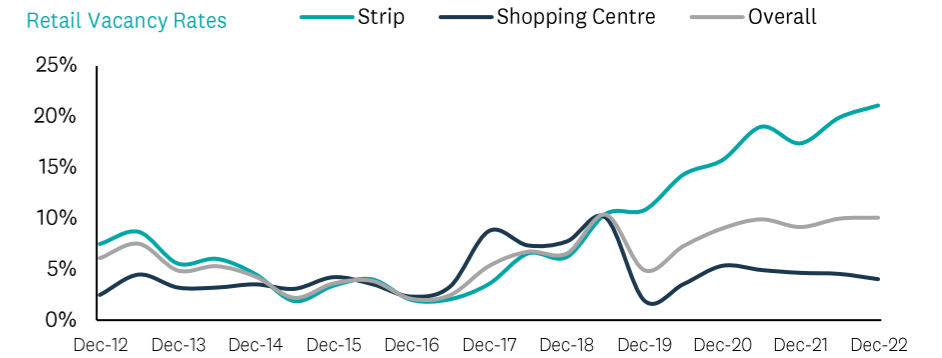
Fragmented ownership limits the opportunity for major brownfield development.

Watercare, Vector, Mercury, and 2 Degrees are well known occupiers.

While prime office space rentals are high at around \$410 per sqm, new build space can be in excess of \$700 per sqm to reflect the return required to make development feasible. Changing work patterns, build costs and competition from other uses such as residential could impact office space availability.

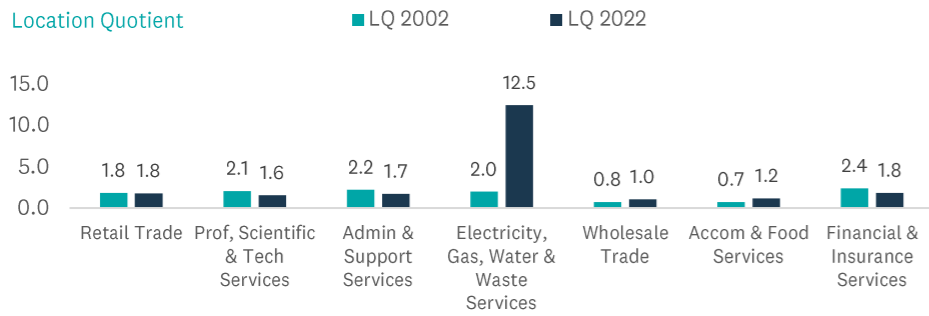


Similar to the regional picture, mall retail space is outperforming strip retail. While retail space contracted slightly over the period of the Westfield Mall redevelopment, there is now almost double the retail space there was a decade ago on completion. Almost two thirds of retail space is now within the mall.



### Location Quotient (job concentration)

Electricity, water & waste services employment in the Auckland region has become significantly more concentrated in the Newmarket area between 2002 and 2022, following relocation of Mercury Energy (now Vector Ltd as the electricity distribution company) staff to a new site in the area. The location quotient has increased from 2.0 to 12.5 over that period. Location quotients for other key sectors are broadly unchanged.



### Land Use



**Newmarket** is largely metropolitan centre zoned with some mixed-use zoned areas.

Office Vacancies and Rents (per sqm)	
Prime Vacancies (%)	4.0%
Secondary Vacancies (%)	9.6%
Prime Rental (2013)	\$310
Prime Rental (2023)	\$400 (+32%)
Secondary Rental (2013)	\$202
Secondary Rental (2023)	\$271 (+34%)

### Retail Vacancies

Newmarket Strip – 9.6%

Newmarket Mall – 4.6%

Supply / Net Lettable Area	
Prime % of Total	42%
NLA (sqm)	186,169
NLA Change (10yr)	+1.3%
Prime Change	+53.8%
Secondary Change	-18.6%

The share of retail space that is mall based has increased with Westfield's large redevelopment increasing mall retail space from 27,000 sqm to over 100,000 sqm. This is double the amount of strip retail space.

### Opportunities / Challenges

Investment in retail, leisure and hospitality facilities have improved amenity for workers, residents and visitors.

While retail is important, the vast majority of it is within the recently redeveloped Westfield Mall, with limited opportunity for further expansion.

A number of utilities companies 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

The mall and a number of large utilities firms provide strong employment anchors to the area that has high amenity in terms of its retail and entertainment offer.

Continued residential growth, improved connectivity and the area's high level of amenity and proximity to the City Centre will see the area continue to grow.