


## Newton (2022)

Newton is a mix of residential and commercial areas just south of Auckland City Centre. The area is home to **14,800 jobs**, making it a significant employment precinct.

The precinct had grown in line with the regional growth rate for most of the two decades to 2022 although this started to fall away in 2015 and has declined since 2020. The area has added **2,850** additional jobs over the last two decades.

While employment has grown, this has been at a slower rate than seen regionally. An increase in business numbers indicates smaller businesses are becoming more common in the area while some larger employers in sectors like information, media and telecommunications have left.

### Basic Facts

	Newton	% of AKL	
Population (2022 est.)	5,390	0.3%	
Area	1.3 KM <sup>2</sup>	0.0%	
Jobs (2022)	14,800	1.8%	
Jobs (2002-2022)	+2,850	0.9%	
Business Units (2022)	519	0.2%	
Business Units (2002-2022)	+315	0.3%	

### Jobs and Business Numbers



### Sectors

The Newton area is mostly focused on employment relating to services and other higher skilled professions. This is different to many other areas that have historically been centred on goods producing sectors and retail more recently.

Professional services in the key employing sector in the area with a strong concentration of computer related services relative to the wider Auckland region (with a location quotient of 2.5), although employment has fallen recently. Management consultancy services employment also fell recently.

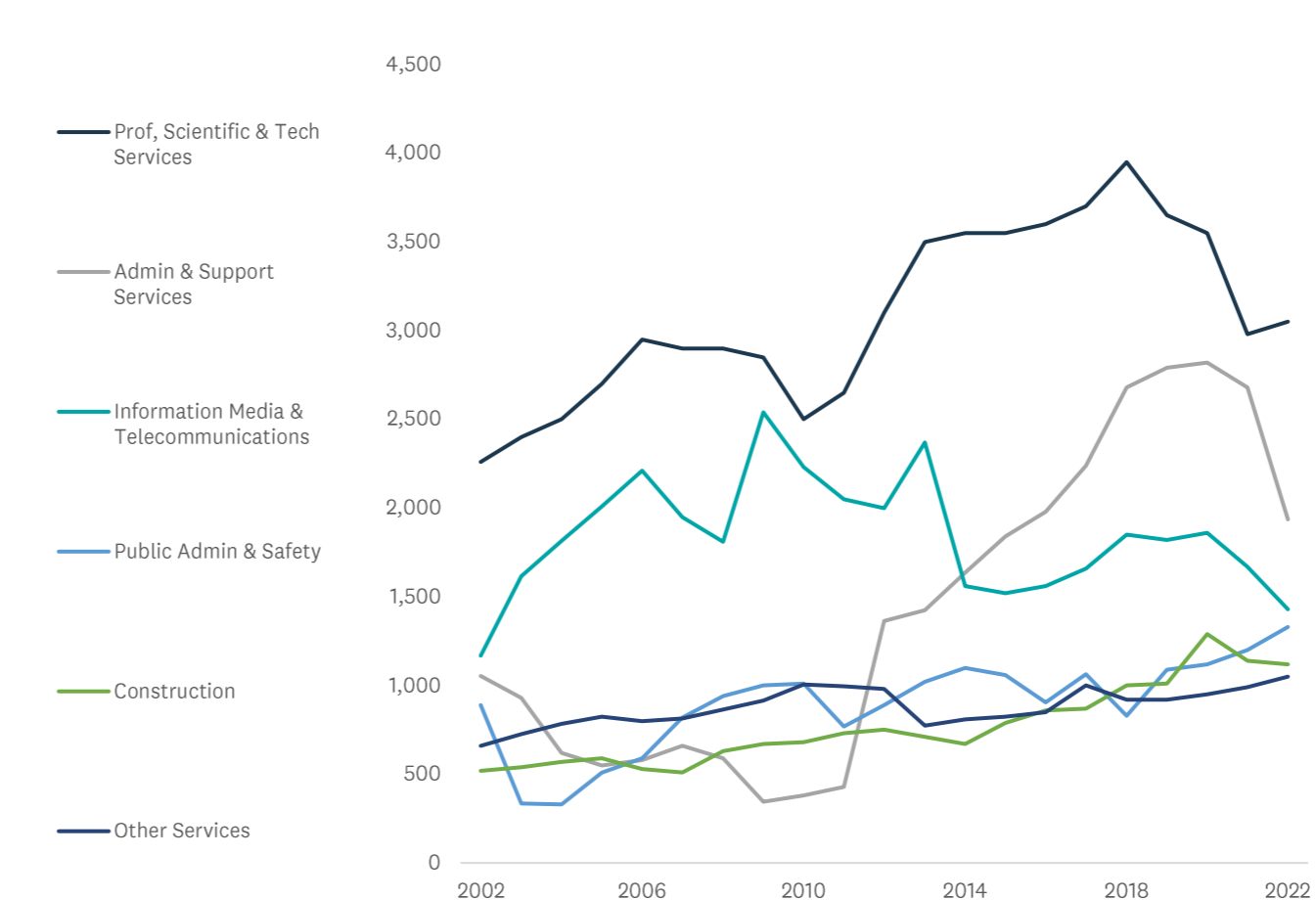
Broad Sector	Jobs	% of Newton	% of AKL	LQ
Prof, Scientific & Tech Services	3,050	20.6%	11.0%	1.9
Admin & Support Services	1,935	13.1%	6.0%	2.2
Information Media & Telecoms	1,430	9.7%	2.0%	4.8
Public Admin & Safety	1,330	9.0%	4.6%	2.0
Construction	1,120	7.6%	8.6%	0.9
Other Services	1,050	7.1%	3.2%	2.2
Wholesale Trade	850	5.7%	7.4%	0.8

Professional, Scientific & Technical Services	Jobs	LQ
Prof, Scientific & Tech Services (excl. Computer Systems)	2,120	1.7
Computer System Design & Related Services	920	2.5

Admin & Support Services	Jobs	LQ
Administrative Services	1,685	2.5
Building Cleaning, Pest Control & Other	230	1.1

Information Media & Telecommunications	Jobs	LQ
Internet Service Providers, Web Search Portals	665	15.0
Broadcasting (except Internet)	590	10.5

### Sectors Over Time (jobs)



### Sectoral Change

Job growth in Newton has been mixed. Most key sectors, including public administration, construction and other services have experienced solid growth but have been outstripped by a three standout sectors notable for a pattern of rapid growth and more recent decline.

Admin & support services experienced a boom in job growth, beginning in 2011. This rise began to stagnate, before contracting from 2020 as growth in employment services was more than offset by a decline in building cleaning services. Professional services also experienced good growth following the GFC, however it too stagnated, reaching a peak around 2018.

### Employment Growth and Decline

Sector	Job Growth 2012-2022	Newton Growth	AKL Growth
Admin & Support Services	570	42%	28%
Public Administration & Safety	440	49%	29%
Healthcare & Social Assistance	410	132%	37%
Construction	370	49%	113%
Retail Trade	210	51%	34%
Financial & Insurance Services	-350	-73%	23%
Information Media & Telecoms	-570	-29%	-12%
Wholesale Trade	-730	-46%	15%

Professional service growth, particularly in architecture, management consultancy and computer services has been strong, although overall growth over the last decade did not match that of the previous decade.

Administrative & support services growth was mainly due to employment services (e.g., recruitment and labour hire).

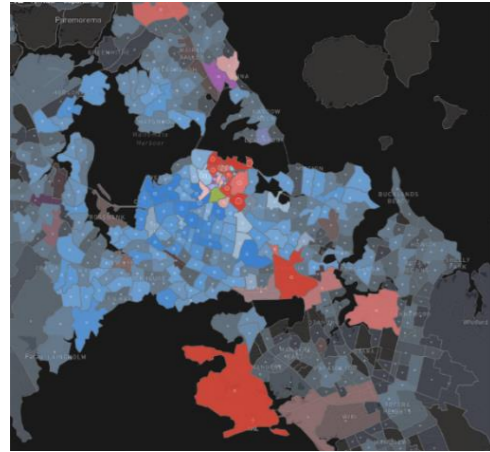
Central government and public order & safety have driven public administration employment growth.

Wholesale trade has steadily declined over the last 20 years with job losses in the machinery, pharmaceutical and furniture wholesaling sectors.

Newton has long been associated with print and broadcast media and telecommunications, typically large entities whose relocations or staffing level changes have influenced employment numbers in the area.

Jobs in the sector grew through the early to mid-2000s but have since fallen in importance with print publishing, television & radio broadcasting and telecommunications services seeing a fall in employment, something also seen across the wider region. Growth has been seen in the data processing and web hosting sub-sector, offsetting some of the wider losses in the sector.

Finance & insurance employment has fallen in asset investment, health & general insurance and auxiliary finance services.



(Census 2018)

### Commuting and Public Transit

Newton draws labour from areas close to central Auckland as well as the north and west. 11,217 people travel to Newton for work while 489 people live and work there. 61% of people travel to work by private car, truck or van.

The City Rail Link and upgraded Mount Eden Train Station will improve access to the area which is also well served by the bus network.

### Commercial Property Assessment

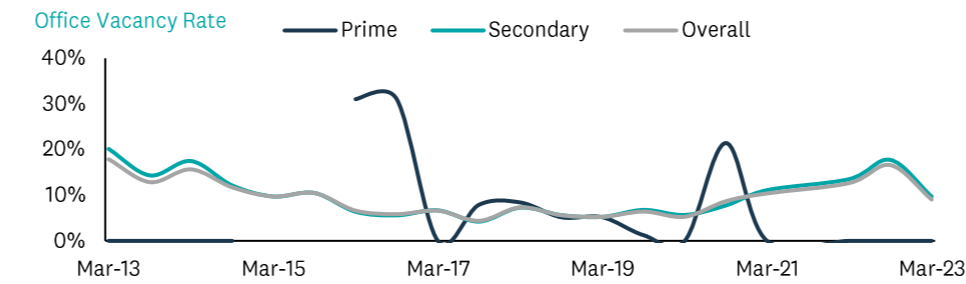
Commercial property market intelligence provided by Colliers provides an overview of demand and cost of office, industrial and retail premises across 67 employment areas in the Auckland Region. While these areas are not mapped to the Auckland Plan's key economic areas, they provide a useful insight into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

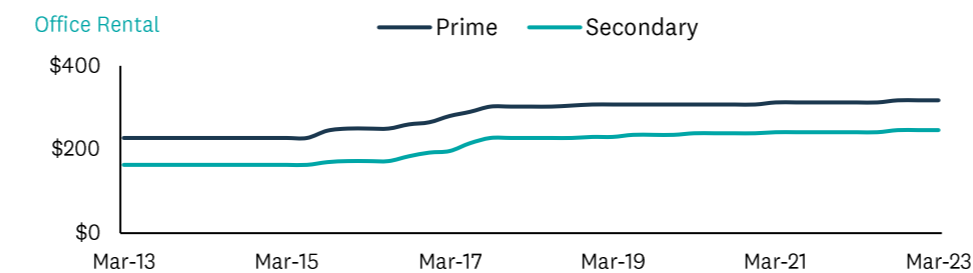
Regionally, high street retail space has performed poorly compared to mall-based retail which has generally been more stable in terms of vacancy rates. Residential development across the region tends to support ongoing demand in nearby retail centres. While demand for retail space generally exerts an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

**Newton** is a key city fringe mixed-use precinct with access to SH1 and SH16. The completion of the City Rail Link and new Mt Eden station will support nearby public transport connections. The area has high levels of amenity and a skilled local labour force.



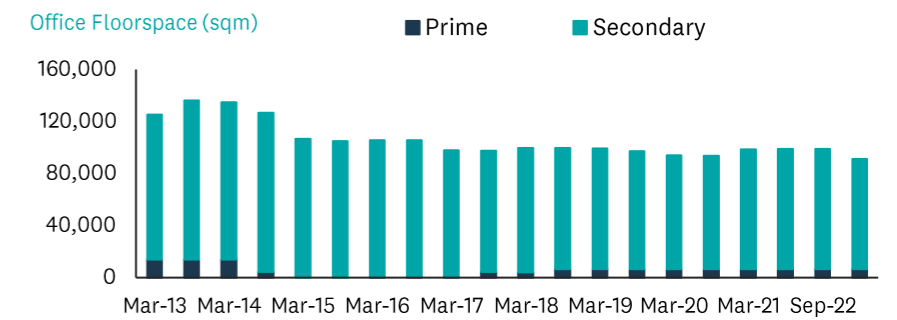
The prime office space is in limited supply but high demand while vacancies in secondary space are relatively high.

A few large employers are located in Newton alongside many small and medium sized enterprises. Watershed, Rhema Media, Oxfam and Tend Healthcare are located in the area. Key office developments in the precinct include D-72, Site 3, Kiwi Bacon Factory, and other smaller standalone premises of older and more modern design.



Rental rates have increased over time and low / decreasing vacancy will maintain an upward pressure on rents which are amongst the highest in the region outside of the City Centre.

Unlike most other employment areas, Newton's share of prime office space has fallen relative to the amount of secondary space. The supply of prime office stock has fallen over the last decade and makes up a smaller share (7%) of the total than 10 years ago (11%).

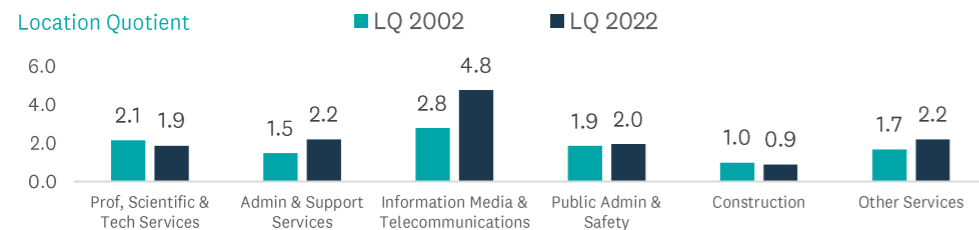


As secondary space is in lower demand, overall vacancies are high compared to other areas and could see refurbishment of older premises to meet the demand for prime office space

### Location Quotient (job concentration)

Following strong growth job growth over the first half of the last 20 years and a subsequent decline, information & media jobs have overall become more concentrated in the Newton area as the sector regionally has gradually trended downwards over that period.

Consistent with the strong job growth in the sector, administration & support services employment has become more concentrated in the area. The location quotient has risen from 1.5 to 2.2 in the two decades to 2022.



### Land Use



**Newton** is largely mixed use zoned with some town centre zoning. To the east are the educational and medical area of Grafton and the retail / office precinct of Newmarket. The area is surrounded by residential developments that are expected to increase in density as planning allows and the City Rail Link is completed. A special character area is designated in part of Newton placing some restrictions on development and redevelopment.

Office Vacancies and Rents (per sqm)	
Prime Vacancies (%)	0%
Secondary Vacancies (%)	9.7%
Prime Office Rental (2013)	\$228
Prime Office Rental (2023)	\$318 (+40%)
Secondary Office Rental (2013)	\$163
Secondary Office Rental (2023)	\$246 (+51%)

The cost of commercial property in Newton has increased steadily over the past three decades. There are now an increasing number of properties sold between \$2m and \$4.9m.

Office Supply / Net Lettable Area	
Prime % of Total	7%
NLA (sqm)	91,206
NLA Change (10 yrs)	-27%
Prime Change	-55%
Secondary Change	-24%

Impacting office supply has been the increase in the number of residential apartments built in the area.

### Opportunities / Challenges

Newton has long been associated with telecommunications and print & broadcast media, typically large entities whose relocations or staffing changes have influenced local job numbers. Recognising the value of the creative sector, Albert-Eden and Waitemata local boards support attracting innovative and creative businesses to the area<sup>1</sup>.

Much of the office stock in Newton is older secondary grade stock. Fragmented ownership is something of a barrier to major upgrades of the existing stock.

Good access to the CBD and improvements from the City Rail Link could attract investment to upgrade some of the area's older office stock.

### Assessment / Future

Newton has a strong public and private sector office presence with media and broadcasting and a range of professional services locating there due to its proximity to the City Centre as well as a skilled local labour force. Its proximity to the City Centre and improved transport links will maintain demand to locate in the area although its attractiveness for residential development could limit employment growth.

<sup>1</sup> Newton and Eden Terrace Plan 2016-2046