Onehunga-Te Papapa Industrial (2022)

Onehunga-Te Papapa Industrial is largely industrial areas on the southern fringe of central Auckland. The area is home to **8,800 jobs**, making it a significant industrial employment precinct for central south Auckland. In recent times, the number of jobs and employers have declined. There were **600** less jobs in the precinct in 2022 when compared to 2002.

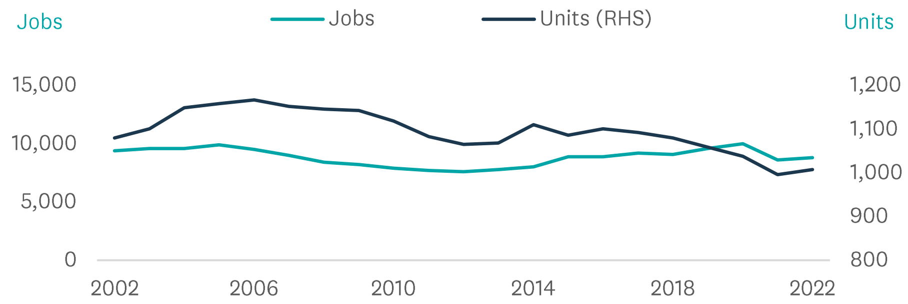
The manufacturing sector has been in a steady decline for some years while wholesale trade has also declined but at a slower rate. Elsewhere in the region wholesale trade has grown.

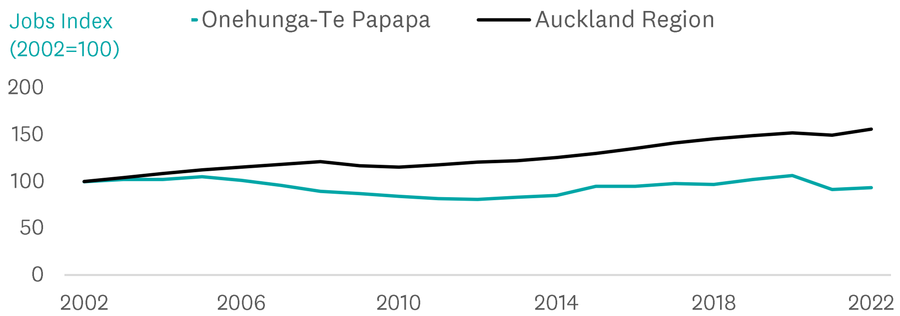
The construction sector has seen employment growth to replace many of the jobs lost, growing at a similar rate to that seen across the region.

Basic Facts

	Onehunga-Te Papapa	% of AKL
Population (2022 est.)	1,220	0.1%
Area	3 KM²	0.1%
Jobs (2022)	8,800	1.1%
Jobs (2002-2022)	-600	-0.2%
Business Units (2022)	1080	0.5%
Business Units (2002-2022)	-72	-0.1%

Jobs and Business Numbers





Sectors

Manufacturing and wholesale trade are the main employing sectors in Onehunga-Te Papapa. Both wholesale trade and manufacturing have location quotients of almost 2, meaning the sectors are particularly concentrated in Onehunga-Te Papapa. Non-metallic mineral and fabricated metal product manufacturing sub-sectors are particularly concentrated in Onehunga-Te Papapa.

Recent construction sector growth has seen it become roughly equal to wholesale trade in local employment numbers.

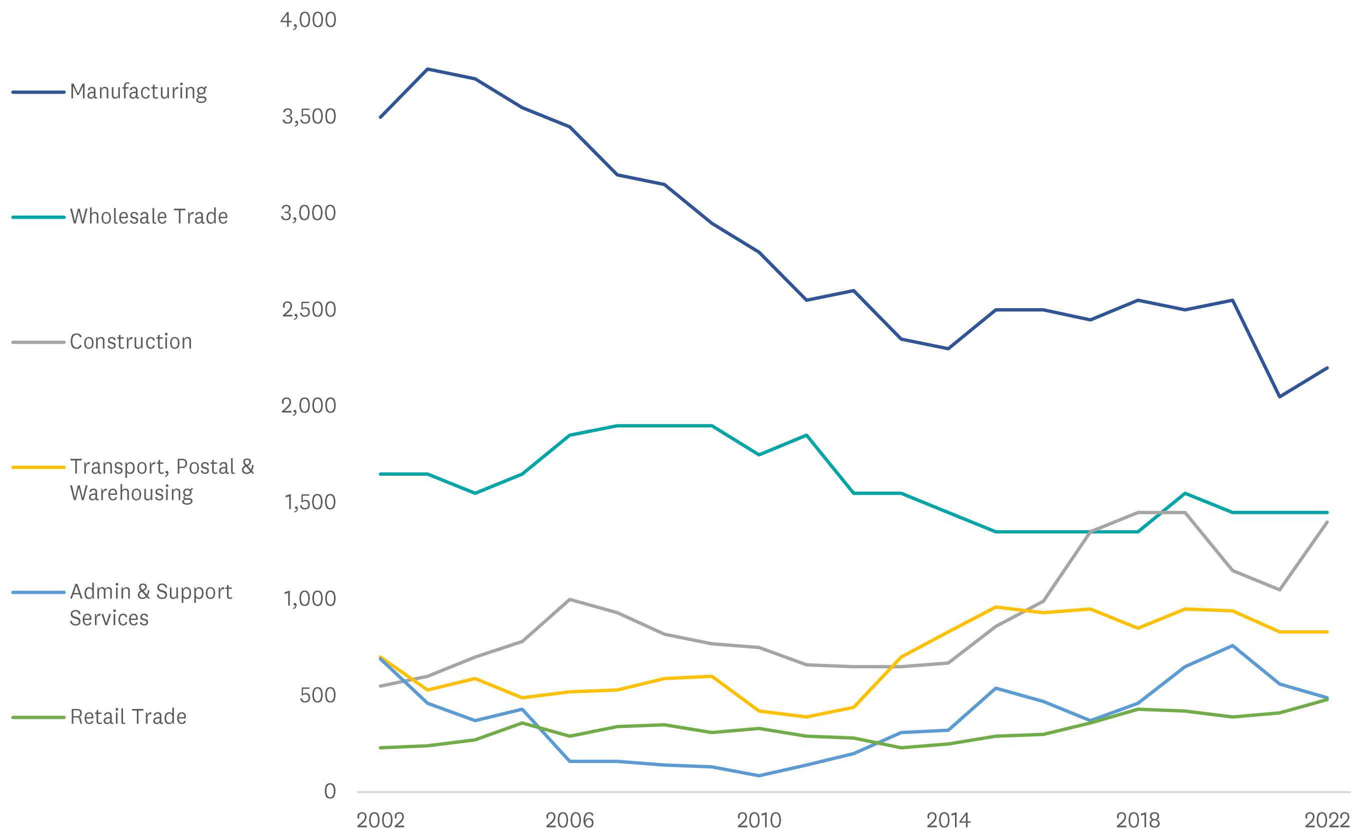
Broad Sector	Jobs	Onehunga-Te Papapa %	AKL %	LQ
Manufacturing	2,200	25.0%	9.6%	2.6
Wholesale Trade	1,450	16.5%	7.4%	2.2
Construction	1,400	15.9%	8.6%	1.9
Transport, Postal & Warehousing	830	9.4%	4.5%	2.1
Admin & Support Services	490	5.6%	6.0%	0.9
Retail Trade	480	5.5%	9.7%	0.6
Prof, Scientific & Tech Services	360	4.1%	11.0%	0.4

Manufacturing	Jobs	LQ
Fabricated Metal Product Manufacturing	530	4.9
Machinery & Equipment Manufacturing	440	2.9
Non-Metallic Mineral Product Manufacturing	330	9.2
Polymer Product & Rubber Product Manufacturing	270	4.8

Wholesale Trade	Jobs	LQ
Basic Material Wholesaling	570	5.0
Other Goods Wholesaling	390	2.4
Machinery & Equipment Wholesaling	270	1.6
Motor Vehicle & Motor Vehicle Parts Wholesaling	110	2.5

Construction	Jobs	LQ
Construction Services	890	2.1
Heavy & Civil Engineering Construction	330	2.4

Sectors Over Time (jobs)



Sectoral Change

Manufacturing sector has long been the area's biggest employer. However, its importance has been trending down since 2002. While the sector provided 37 per cent of jobs in 2002, this was 25 per cent by 2022.

Jobs in wholesale trade, the second largest employer in the precinct, have remained broadly flat through time. Construction is the only sector to have significantly risen as an employer in the area, with transport, postal & warehousing also seeing some growth.

Employment Growth and Decline

Sector	Job Growth 2012-2022	Onehunga-Te Papapa Growth	AKL Growth
Construction	750	115%	113%
Transport, Postal & Warehousing	390	89%	17%
Admin & Support Services	290	145%	28%
Public Administration & Safety	265	353%	29%
Retail Trade	200	71%	34%
Elect, Gas, Water & Waste Services	190	158%	69%
Wholesale Trade	-100	-6%	15%
Manufacturing	-400	-15%	11%
Prof, Scientific & Technical Services	-550	-60%	43%

Construction sector growth has come across the much of the construction sector with heavy & civil engineering, building installation services (e.g., plumbing, electrical), building completion services (e.g., plastering, glazing), site preparation and residential building construction all contributing to construction sector employment growth.

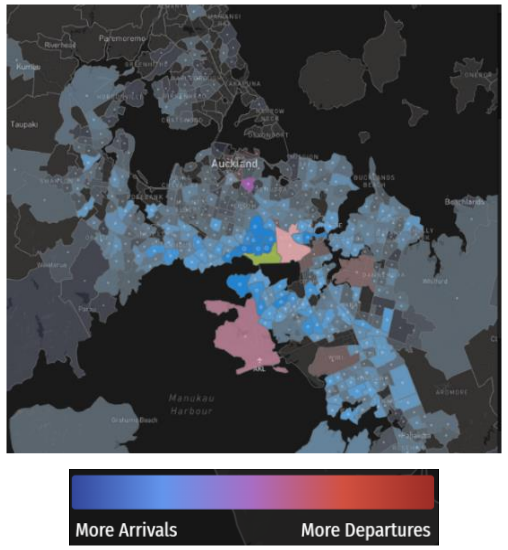
Transport, postal & warehousing has grown due to road freight and road passenger transport growth.

Administrative & support services has seen growth over the last decade with employment services (e.g., labour hire and recruitment), packaging & labelling services and other administrative services all growing over the last 10 years.

Public order & safety services were the source of public administration & safety employment growth.

Manufacturing employment has declined in the textiles and clothing sub-sectors as well as printing.

Professional services employment decline followed a large fall in management consultancy employment in 2018.



(Census 2018)

Commuting and Public Transit

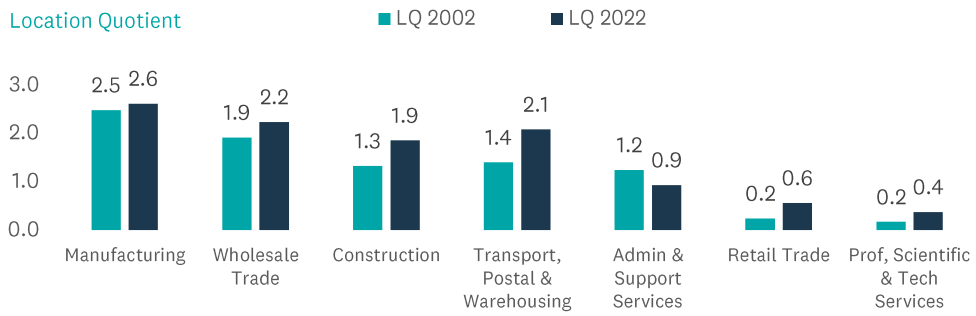
Onehunga-Te Papapa draws labour from and supplies labour to various sub-regions of the Auckland region. 7,008 people travel to Onehunga-Te Papapa for work while 93 people live and work in Onehunga-Te Papapa. 65% of arrivals are by private car, truck or van.

Onehunga-Te Papapa is on the Auckland Rapid Transit Network with a train station on the Onehunga line connecting Te Papapa to the city centre.

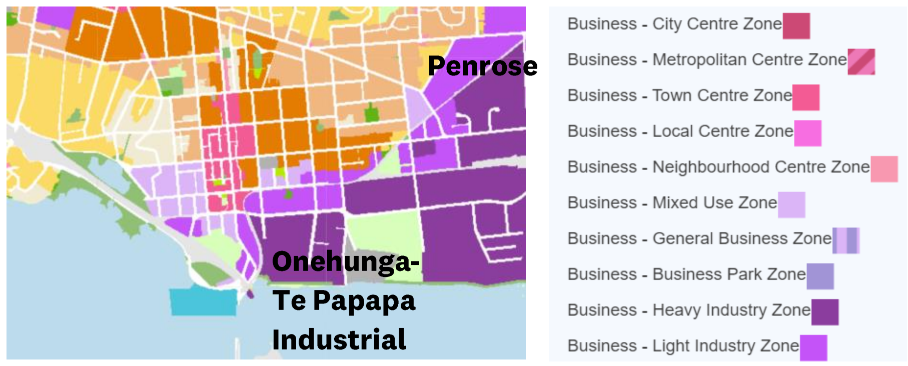
Buses provide connections to New Lynn, Otahuhu, Glen Innes and Sylvia Park.

Location Quotient (job concentration)

The Onehunga-Te Papapa Industrial area has become more concentrated in construction sector employment relative to the wider Auckland region with an increase in the location quotient from 1.3 in 2002 to 1.9 in 2022. Transport, postal & warehousing has also become more concentrated in the area. The location quotient increased from 1.4 to 2.1 in the two decades to 2022. Professional services increased although that included a rapid increase in employment between 2006 and 2017 and rapid decline after that.



Land Use



Onehunga-Te Papapa is largely light and heavy industry zone to the south of Onehunga Town Centre and west of the larger Penrose Industrial zone.

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.

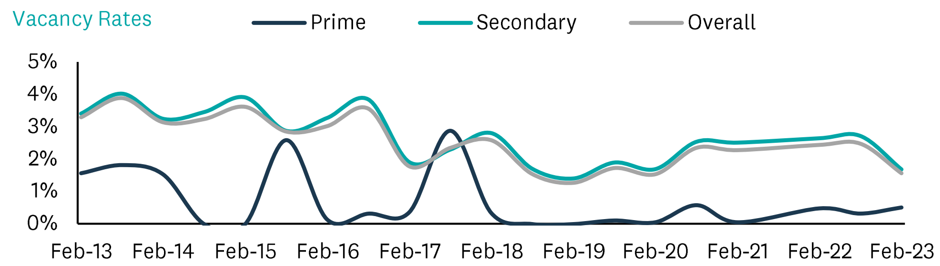
Office space in Auckland is dominated by the CBD with some significant areas of supply in the region's larger centres. While the CBD has seen an increase in supply most other centres have remained flat and while rents have risen across the region the CBD commands a premium above other commercial centres.

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.

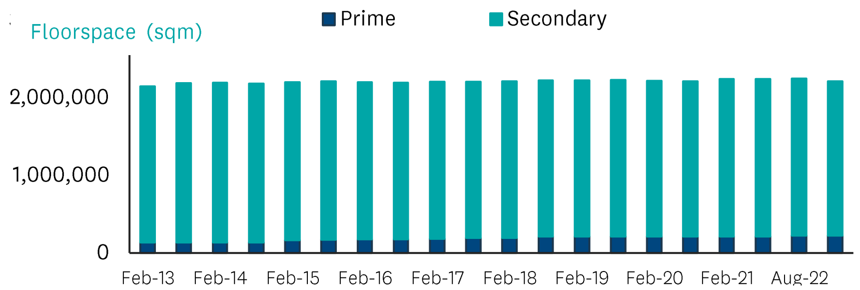
Regionally, high street retail space has performed poorly compared to mall-based retail which has generally been more stable in terms of vacancy rates. Residential development across the region tends to support ongoing demand in nearby retail centres. While demand for retail space generally exerts an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

Onehunga-Te Papapa is monitored by Colliers with Onehunga-Te Papapa data also taking in **Penrose** Industrial, a much larger industrial precinct that makes up the greater share of the premises that are monitored.

Demand for industrial workspace within the Onehunga & Penrose precinct has remained consistently high for an extended period of time.

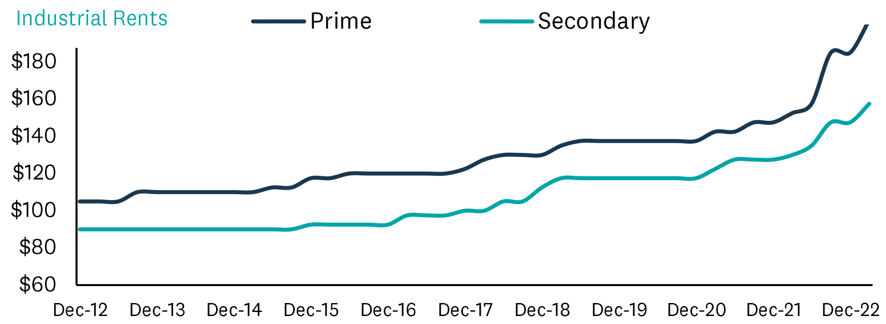


The demand for space is evident across a wide range of sectors, with manufacturing, engineering, wholesale trade, and logistics companies located in the area. Peter Berghaus safety equipment is located at Onehunga-Te Papapa.



The majority of the stock is secondary grade premises, with prime grade buildings accounting for just 10% of the total.

Over the past decade, there has been minimal change in the overall stock, with the total floor area increasing by only 17,250 sqm, reflecting the limited availability of greenfield development land within the precinct. An increase in prime stock to replace secondary stock removed from the market has seen this small net increase in floorspace.



With high levels of demand and limitations on increasing supply rents for but prime and secondary space have increased notably.

Between March 2022 and March 2023, average face rents for warehouses increased by approximately 21.5%. This increase was primarily driven by the prime grade sector, reflecting the limited availability of high-grade stock within the precinct.

Onehunga/Penrose Ind. Vacancies and Rents (per sqm)	
Prime Vacancies (%)	0.5%
Secondary Vacancies (%)	1.7%
Prime Warehouse Rental (2013)	$105
Prime Warehouse Rental (2023)	$203 (+93%)
Secondary Warehouse Rental (2013)	$90
Secondary Warehouse Rental (2023)	$158 (+75%)

Over the past decade, average face rentals for warehouses have experienced an annual average compound growth rate of 6.05%

Onehunga/Penrose Industrial Supply	
Prime % of Total	10%
NLA (sqm)	2,212,336
NLA Change	3%
Prime Change	68%
Secondary Change	-1%

While there are some opportunities for upgrading the stock through brownfield redevelopment, such possibilities are limited due to the high costs involved and the fragmented nature of land holdings.

Opportunities / Challenges

As an old established industrial zone with aging secondary grade stock and few options for new development, the Onehunga-Te Papapa Industrial precinct has not seen the growth that newer and emerging industrial areas have seen.

The current climate of high construction costs, couple with fragmented land ownership is likely to hinder the redevelopment of older stock to meet the demand for prime grade premises.

Assessment / Future

With good road access to the ports and to adjacent industrial precincts supporting agglomeration economics, and with heavy industrial land scarce across the region, demand for sites in the area is likely to remain.

Longer term, redevelopment of the Onehunga Wharf area by Eke Panuku could see a change in use in that part of the wider industrial precinct in support of the urban regeneration of Onehunga town centre.