

Penrose (2022)

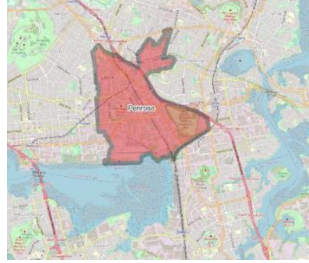
Penrose is largely an industrial and services area south of Auckland City Centre. The area is home to over **30,000 jobs**, making it the region's second largest industrial employment precinct. The precinct has grown due to its location near Auckland's major rail and roading routes. Almost **11,000** additional jobs are located here compared to 2002.

The precinct comprises both heavy and light industrial zones and borders the Onehunga-Te Papapa industrial and Mount Wellington industrial precincts.

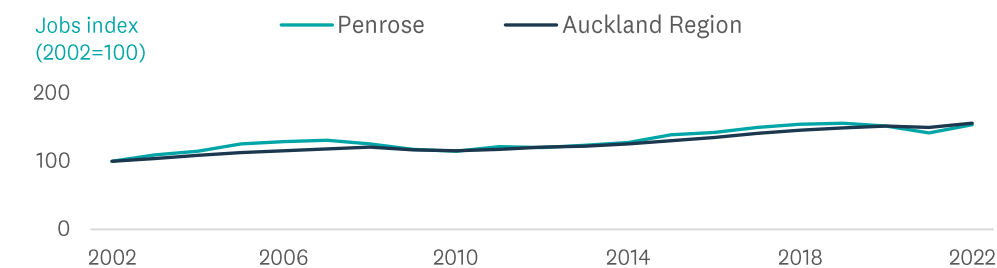
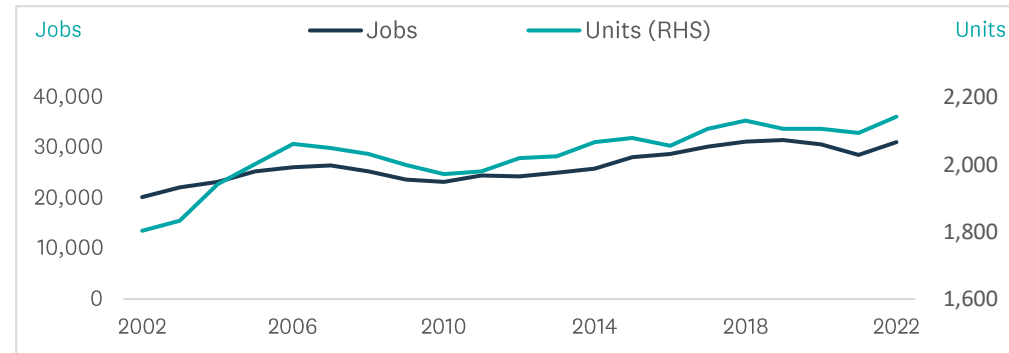
Recent years have seen a decline in the area's traditional manufacturing focus with administrative, health and professional services increasingly important employment sectors.

Basic Facts

	Penrose	% of AKL
Population (2022 est.)	920	0.1%
Area	6.4 KM ²	0.1%
Jobs (2022)	31,100	3.7%
Jobs (2002-2022)	10,900	3.6%
Business Units (2022)	2,142	1.0%
Business Units (2002-2022)	339	0.3%



Jobs and Business Numbers



Sectors

Wholesale trade and manufacturing have long been the main employing sectors in Penrose. Wholesale trade has a location quotient of almost 2, meaning it is concentrated in Penrose relative to the wider Auckland region. Construction sector growth over the last 20 years has seen it become just as important as wholesale trade and manufacturing.

Other key employment sectors in the precinct include administrative services & support, professional services, and transport, postal & warehousing.

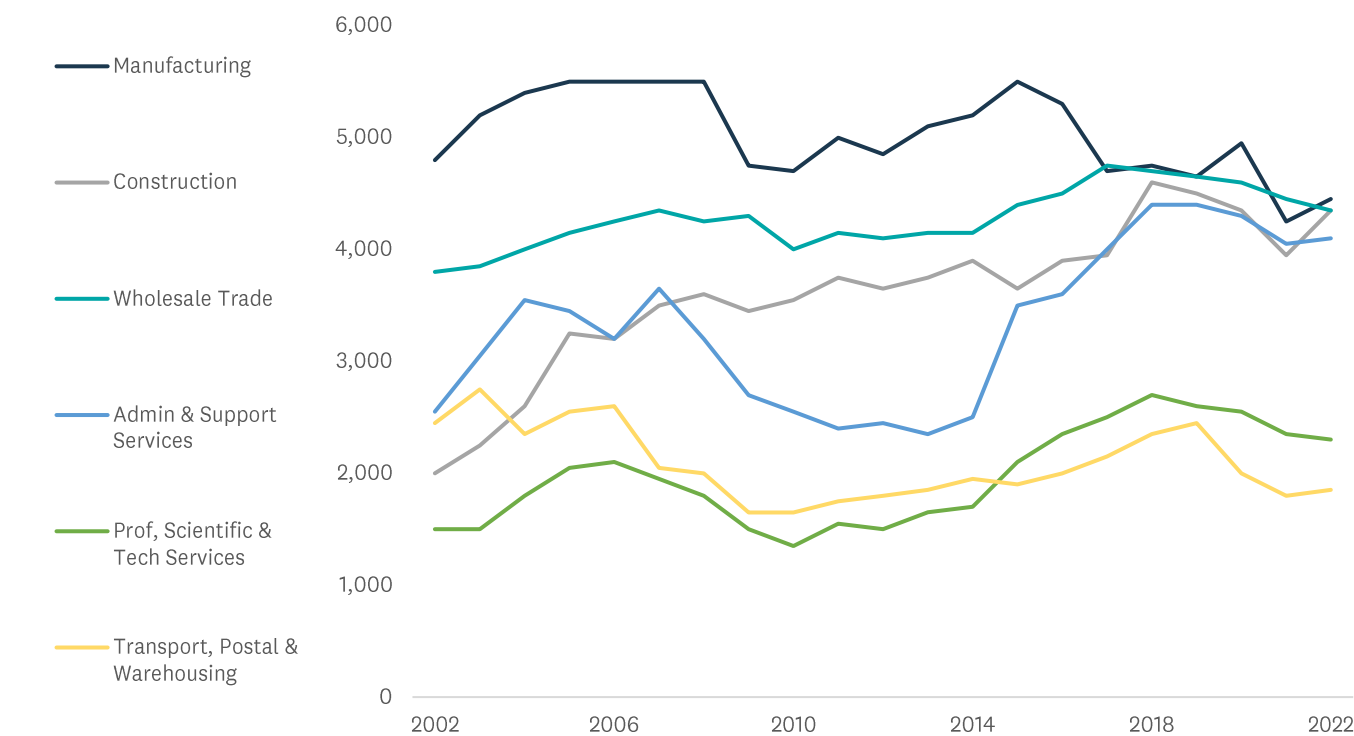
Broad Sector	Jobs	Penrose %	AKL %	LQ
Manufacturing	4,450	14.3%	9.6%	1.5
Construction	4,350	14.0%	8.6%	1.6
Wholesale Trade	4,350	14.0%	7.4%	1.9
Admin & Support Services	4,100	13.2%	6.0%	2.2
Prof, Scientific & Tech Services	2,300	7.4%	11.0%	0.7
Transport, Postal & Warehousing	1,850	5.9%	4.5%	1.3
Healthcare & Social Assistance	1,650	5.3%	10.3%	0.5

Manufacturing	Jobs	LQ
Food Product Manufacturing	780	1.2
Machinery & Equipment Manufacturing	740	1.4
Fabricated Metal Product Manufacturing	590	1.6
Non-Metallic Mineral Product Manufacturing	470	3.7

Construction	Jobs	LQ
Construction Services	1,450	2.9
Heavy & Civil Engineering Construction	2,150	1.4

Wholesale Trade	Jobs	LQ
Machinery & Equipment Wholesaling	1,550	2.6
Basic Material Wholesaling	1,050	3.6
Other Goods Wholesaling	800	1.4
Grocery, Liquor & Tobacco Product Wholesaling	620	1.3

Sectors Over Time (jobs)



Sectoral Change

Manufacturing had long been the area's biggest employment sector. This has been declining over time, consistent with many other areas in the wider Auckland region. The number of jobs in the wholesale trade and construction sectors have grown and are now equally important employers in the area.

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

Transport, postal & warehousing has declined overall although in recent years growth in postal, courier delivery & pick up services slowed employment decline in the sector. The sector is, however, far less concentrated in the area than it was in 2002.

Employment Growth and Decline

Sector	Job Growth 2012-2022	Penrose Growth	AKL Growth
Admin & Support Services	1,650	67%	28%
Healthcare & Social Assistance	920	126%	37%
Public Administration & Safety	900	225%	29%
Prof, Scientific & Tech Services	800	53%	43%
Construction	700	19%	113%
Retail Trade	700	117%	34%
Financial & Insurance Services	640	125%	23%
Information Media & Telecoms	-160	-14%	-12%
Manufacturing	-400	-8%	11%

Allied health services (e.g., dentists, optometrists, physiotherapists), other healthcare services and residential care service have driven job growth in the healthcare sector.

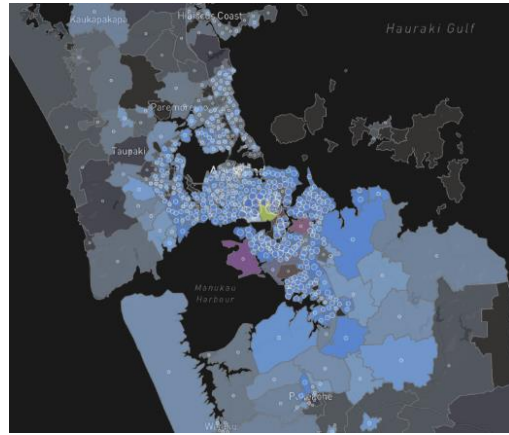
Public order & safety services were the source of public administration & safety employment growth.

Architectural, engineering & technical services have been the main driver of professional services growth.

Heavy & civil engineering, building installation services (e.g., plumbing, electrical) and non-residential building construction have provided most of the construction sector employment growth.

Motor vehicles, hardware and supermarket retail have provided most of the retail sector employment growth.

While manufacturing has declined overall, some sub-sectors like food manufacturing and converted paper products manufacturing have increased.



(Census 2018)

Commuting and Public Transit

Penrose draws labour from across the Auckland region. 24,225 people travel to Penrose for work while 102 people live and work there. 68% of arrivals are by private car, truck or van.

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

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

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.

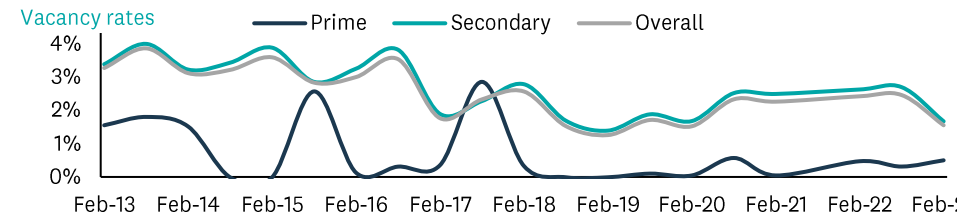
Office space in Auckland is dominated by the CBD with some significant areas of supply in the region's larger centres. While the CBD has seen an increase in supply most other centres have remained flat and while rents have risen across the region the CBD commands a premium above other commercial centres.

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.

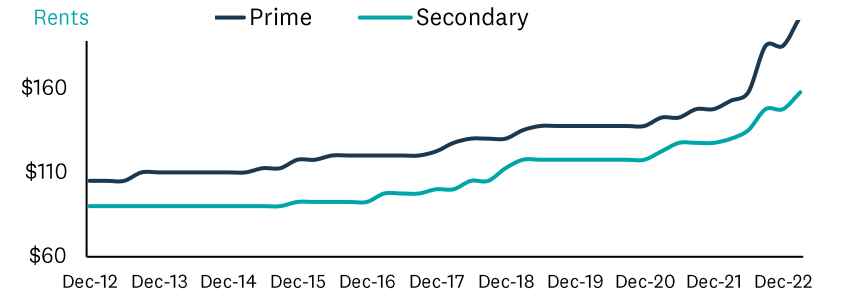
Regionally, high street retail space has performed poorly compared to mall-based retail which has generally been more stable in terms of vacancy rates. Residential development across the region tends to support ongoing demand in nearby retail centres. While demand for retail space generally exerts an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

Penrose is monitored by Colliers with Penrose data also taking in Onehunga-Te Papapa Industrial.

Demand for industrial workspace within the Onehunga & Penrose precinct has remained consistently high for an extended period of time and reflects the many advantages which the precinct offers businesses.



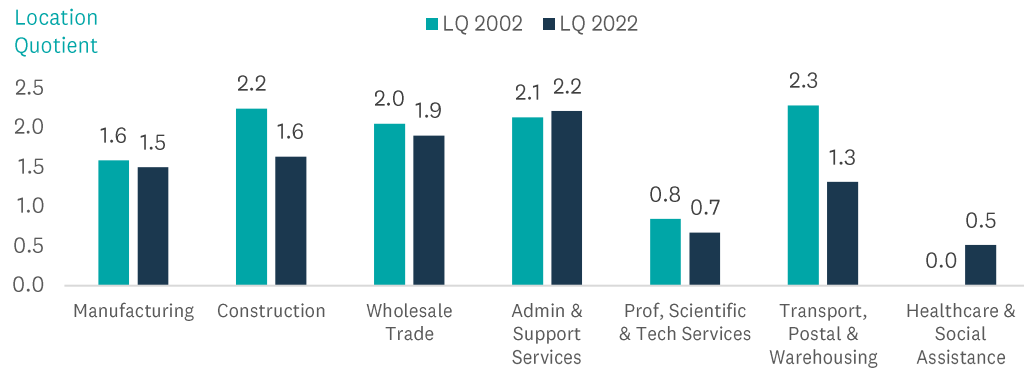
The demand for space is evident across a wide range of sectors, with manufacturing, engineering, wholesale trade, and logistics companies located in the area. Fletcher, Visy Glass and Mainfreight are key occupiers.



With high levels of demand and limitations on increasing supply rents for both 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.

Location Quotient (job concentration)

Since 2002, Penrose job concentration has not changed greatly when compared to the wider Auckland region. Consistent with its overall decline in job numbers, manufacturing has become less concentrated in the area. Despite job growth in the construction sector in the area, the construction sector has become less concentrated in Penrose given much stronger growth across the region.



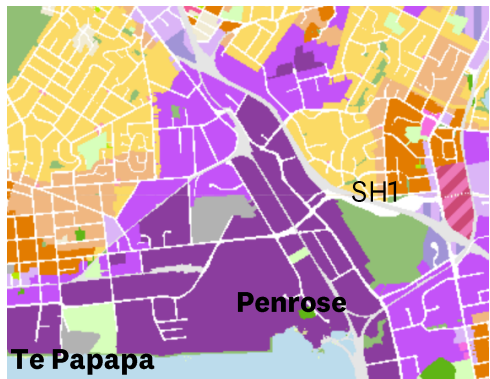
Vacancies and Rents (per sqm)	
Prime Vacancies (%)	0.5%
Secondary Vacancies (%)	1.7%
Prime Warehouse Rental (2013)	\$105
Prime Warehouse Rental (2023)	\$203 (+93%)
Secondary Warehouse Rental (2013)	\$90
Secondary Warehouse Rental (2023)	\$158 (+75%)

Over the last decade, the overall vacancy rate has ranged between 1.3% and 3.6%, with an average of 2.4%.

Supply / Net Lettable Area	
Prime % of Total	10%
NLA (sqm)	2,212,336
NLA Change	3%
Prime Change	68%
Secondary Change	-1%

Prime grade stock has seen a modest increase of only 87,220 sqm over the past decade, slightly outpacing the removal of secondary grade premises.

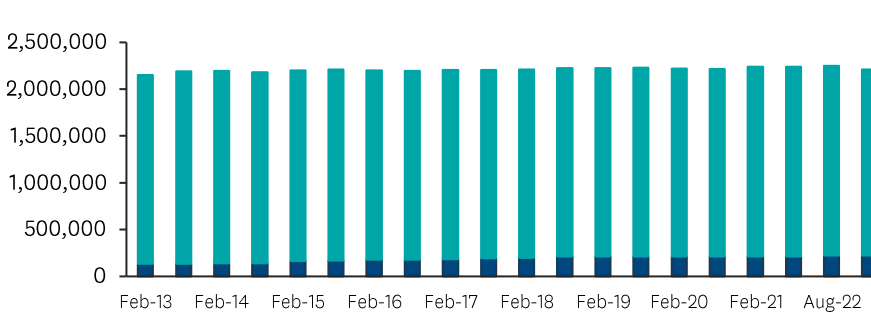
Land Use



- Business - City Centre Zone
- Business - Metropolitan Centre Zone
- Business - Town Centre Zone
- Business - Local Centre Zone
- Business - Neighbourhood Centre Zone
- Business - Mixed Use Zone
- Business - General Business Zone
- Business - Business Park Zone
- Business - Heavy Industry Zone
- Business - Light Industry Zone

Penrose is largely light and heavy industry zone to the east of the smaller Onehunga-Te Papapa Industrial zone.

Floorspace (sqm)



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.

Opportunities / Challenges

Despite high demand there are limited opportunities to increase capacity within the Penrose industrial precinct. A shift away from manufacturing to more administrative employment in the area is evident.

Assessment / Future

Employment growth in Penrose has broadly tracked that of the region as a whole.

Penrose benefits from direct links to the motorway network and easy access to Auckland's City Centre and both its seaport and airport ensuring a high level of demand for premises across a broad range of sectors.

Heavy industrial zoning in Penrose makes the area attractive to a broad range of industries.

Proximity to a substantial workforce living within neighbouring suburbs support a range of sectors.