

Ponsonby (2022)

Ponsonby is a mix of residential, retail, and services areas immediately west of Auckland City Centre. The area is home to almost **18,000 jobs**, making it a significant employment precinct. The precinct has grown by over a third in the last two decades to 2022, adding almost **6,700 additional jobs** over that period.

While the number of jobs has increased, the wider Auckland region has outpaced local job growth slightly for much of the last 20 years. Employment was somewhat flat for a period from 2018 but has since returned to growth.

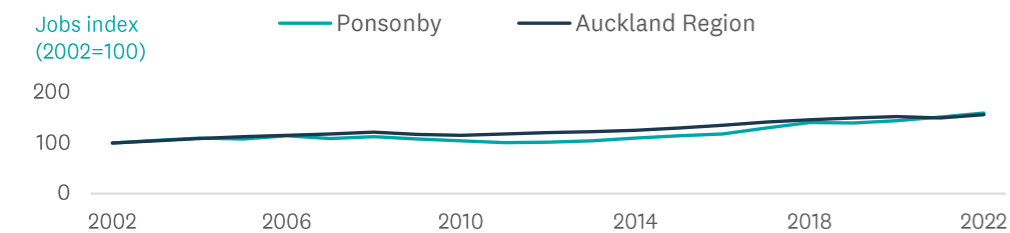
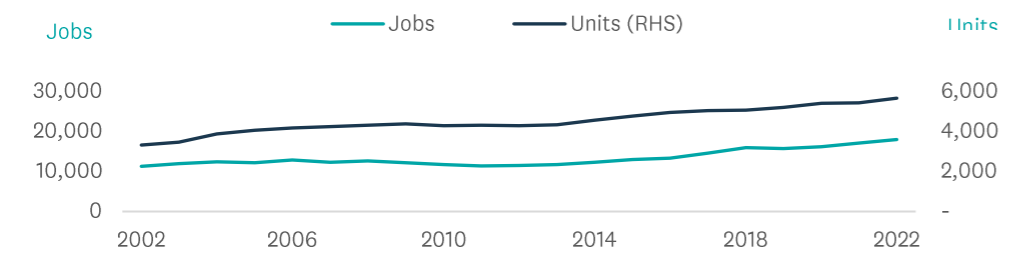
As an established city fringe suburb, there is limited scope for new development however demand has supported a number of refurbishments of office and retail space.

Basic Facts

	Ponsonby	% of AKL
Population (2022 est.)	15,4,570	0.9%
Area	3.7 KM ²	0.0%
Jobs (2022)	17,920	2.1%
Jobs (2002-2022)	+6,670	2.2%
Business Units (2022)	5,643	2.6%
Business Units (2002-2022)	+2,334	0.0%



Jobs and Business Numbers



Sectors

The Ponsonby area is largely centred around services and retail. Professional services are by far the key service sector employer, followed by retail trade and accommodation & food services. Professional scientific & technical services sector has a location quotient of 2, meaning it is more concentrated in Ponsonby relative to the wider Auckland region.

Other key employment sectors in the precinct include construction, administrative & support services and Information media & telecommunications jobs. Construction sector employment has grown notably over the last 10 years at a much faster rate than seen across the region.

Broad Sector	Jobs	Ponsonby %	AKL %	LQ
Prof, Scientific & Tech Services	3,850	21.5%	11.0%	2.0
Retail Trade	1,940	10.8%	9.7%	1.1
Construction	1,920	10.7%	8.6%	1.2
Accom & Food Services	1,780	9.9%	6.6%	1.5
Healthcare & Social Assistance	1,710	9.5%	10.3%	0.9
Information Media & Telecoms	1,075	6.0%	2.0%	3.0
Admin & Support Services	995	5.6%	6.0%	0.9

Professional, Scientific & Technical Services	Jobs	LQ
Prof, Scientific & Technical Services (ex. Computer)	2,845	1.9
Computer System Design and Related Services	1,006	2.3

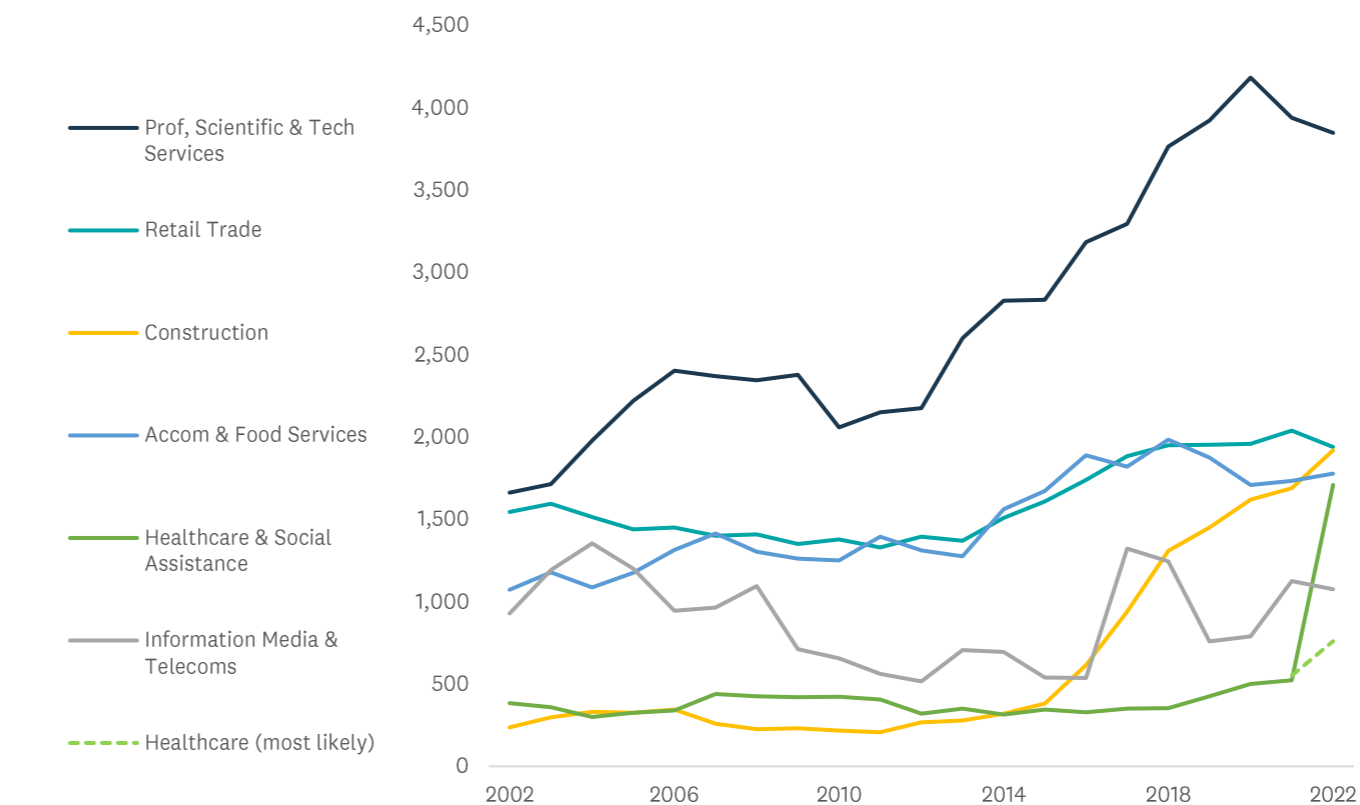
Retail Trade	Jobs	LQ
Other Store-Based Retailing	965	0.9
Food Retailing	492	1.0
Motor Vehicle & Motor Vehicle Parts Retailing	394	3.0

Construction	Jobs	LQ
Construction Services	798	0.9
Building Construction	728	1.8

Accommodation & Food Services	Jobs	LQ
Food & Beverage Services	1,720	1.6

Healthcare & Social Assistance	Jobs	LQ
Medical & Other Healthcare Services	1,606	2.6

Sectors Over Time (jobs)



Sectoral Change

Professional services employment has consistently trended up since the early 2000s, with the exception of a slight contraction following the GFC and periods of flat growth in the mid-2000s and recently from 2020 to 2022. Similarly, the construction sector has expanded greatly since 2015.

Other key sectors in the area have recorded gains in job number since the early 2000s, but much more modestly. Information media and telecommunications employment has varied widely over the last 20 years with no significant net gain over the two decades but overall growth since the sector hit troughs in 2012 and 2016.

Employment Growth and Decline

Sector	Job Growth 2012-2022	Ponsonby Growth	AKL Growth
Prof, Scientific & Tech Services	1,675	77%	43%
Construction	1,652	616%	113%
Healthcare & Social Assistance	1,390	434%	37%
Information Media & Telecoms	559	108%	-12%
Retail Trade	545	39%	34%
Accom & Food Services	467	36%	30%
Manufacturing	-80	-14%	11%
Wholesale Trade	-271	-24%	15%

Professional services employment growth has been in architectural and engineering services, advertising, computer systems design and management consultancy.

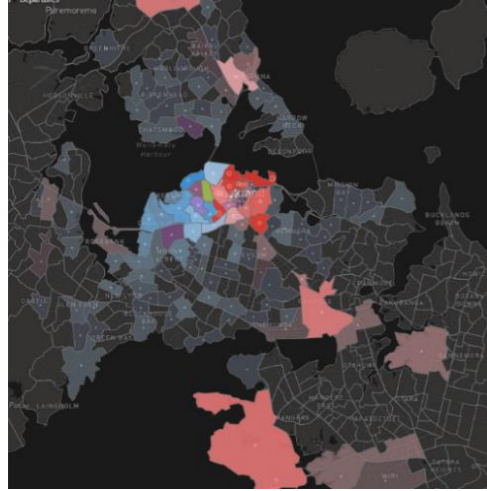
Construction job growth has come from across the sector in both residential and residential building construction as well as heavy & civil engineering, building installation (e.g., plumbing, electrical), building completion (e.g., plastering, tiling, glazing) and other building services (e.g., landscaping, construction machinery hire).

Healthcare and social assistance saw a large increase over the 2021-22 year with a large increase in allied health services in Freemans Bay.

This appears to be a misallocation of staff of Whakarongorau Aotearoa that opened in 2021, with the national workforce counted as being at the Freeman's Bay site. A more likely allocation of employment is also graphed.

Retail employment growth has mostly been in clothing, supermarkets and hardware retailing along Ponsonby Road and Great North Road (Ponsonby East and Grey Lynn East SA2 areas)

Similarly, accommodation & food services employment growth has focused on the cafes, restaurants and bars along Ponsonby Road.



(Census 2018)

Commuting and Public Transit

Ponsonby mostly draws labour from specific areas close to central Auckland. 8,856 people travel to Ponsonby for work while 2109 people live and work there. 56% of people arrive at work in a private car, van or truck.

The area is well serviced by buses with routes along Ponsonby Road into the City Centre and North Shore.

Both the Inner and Outer Link services are routed along Ponsonby Road linking the area to Auckland's other inner suburbs.

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.

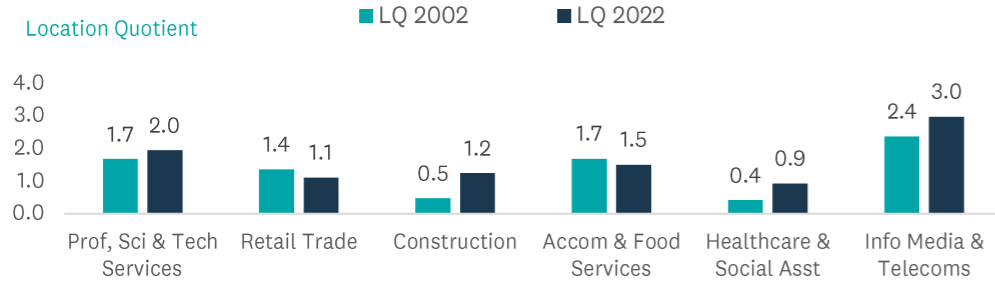
The popularity of the precinct as a retail destination and the low vacancy rate apparent over a long period have enabled rents to remain high, with only a small decline experienced post Covid-19.

The onset of Covid-19 impacted vacancy rates, however, only slightly and the popularity of the area, supported by a strong and affluent catchment has lessened the overall impact on demand.



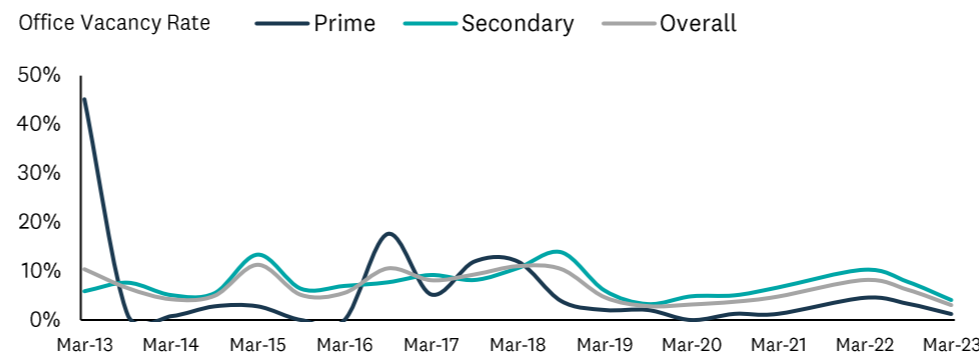
Location Quotient (job concentration)

Consistent with the growth in overall job numbers, the professional services sector in the Auckland region has become more concentrated in Ponsonby since the early 2000s. Its location quotient has increased from 1.7 to 2.0 over the past two decades. Construction, health and information media & telecommunications have also concentrated in the area whereas retail trade and accommodation & food services employment has become less concentrated, showing similar levels of growth as seen regionally.



Ponsonby has both office and retail space and is a key city fringe office precinct.

The area provides good motorway and public transport connections, high levels of amenity, and is in proximity to a number of highly-populated suburban areas.



Office Vacancies and Rents (per sqm)	
Prime Vacancies (%)	1.2%
Secondary Vacancies (%)	4.1%
Prime Office Rental (2013)	\$270
Prime Office Rental (2023)	\$448 (+66%)
Secondary Office Rental (2013)	\$178
Secondary Office Rental (2023)	\$276 (+56%)

Retail Vacancies

Strip: 0.9%
Shopping Centre: 10%

Retail Rents (sqm)

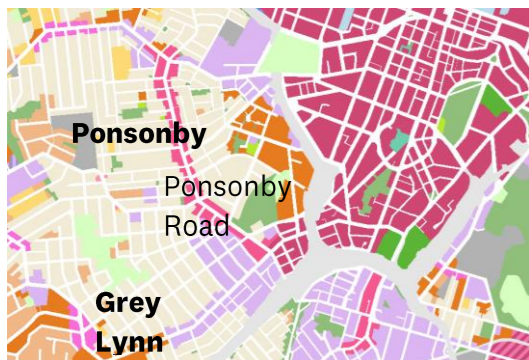
Prime: \$1,150
Secondary: \$650

Supply / Net Lettable Area	
Prime % of Total	36%
NLA (sqm)	89,753
NLA Change (10yrs)	-1.9%
Prime Change	+ 209%
Secondary Change	- 29.2%

Retail Supply (sqm)

Total: 24,102
Strip: 22,648
Shopping Centre: 1,454
10-year change: +4.7%

Land Use

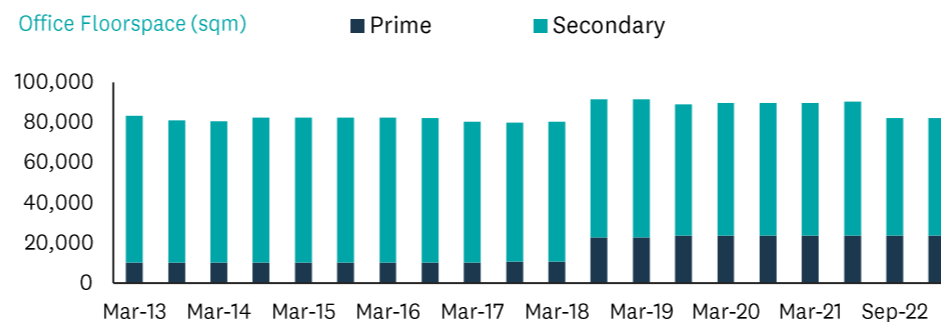


- Business - City Centre Zone
- Business - Metropolitan Centre Zone
- Business - Town Centre Zone
- Business - Local Centre Zone
- Business - Neighbourhood Centre Zone
- Business - Mixed Use Zone
- Business - General Business Zone
- Business - Business Park Zone
- Business - Heavy Industry Zone
- Business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

Ponsonby is a mix of residential, town centre and mixed-use zoning in the suburbs of Ponsonby and Grey Lynn. Most economic activity takes place along Ponsonby Road and Great North Road.

Office development and refurbishment activity that has taken place over the past decade, underway and projected to continue, has helped to boost the demand and the rental profile. The gap between prime and secondary rental levels and the high levels of demand provides a significant opportunity for redevelopment.

There is currently just under 89,800 sqm of total office space, with 32,500 sqm prime quality and 57,300 sqm of secondary quality space. Total office space has been relatively stable since 2018.



Opportunities / Challenges

While there are limited sites for development, Ponsonby is in demand due to its central location and high levels of amenity and has seen rising rents and land value growth. This, and the gap between prime and secondary rental values, supports the refurbishment and redevelopment of space for retail and upper floor office space.

Assessment / Future

Ponsonby is a key employment area on the city fringe with high levels of amenity and a mix of retail, hospitality and professional services employment with easy access to a well skilled labour force.

The area is likely to remain in demand as a boutique destination retail and hospitality area and location for a wide range of small professional services firms.

Demand may see some refurbishment of premises and allow for some intensification of employment in the area.