

## Wiri (2022)

Wiri is a largely commercial and industrial area south of Auckland's city centre and adjacent to Manukau town centre. The area is home to over **18,000 jobs**, making it a significant industrial employment precinct. The precinct has grown, and **9,600** additional jobs were located here in 2022, compared to 2002.


The last 20 years have seen significant investment in the Wiri Inland Port (opened in 2005) and rail connection (2010) to the Port of Auckland in the central city, supporting a number of distribution and logistics businesses in Wiri. The Department of Corrections have also built two facilities in Wiri bringing a significant number of public administration and safety jobs.

A range of sectors have grown in the area in recent years including, construction, Administrative & support services, wholesale trade and retail trade.

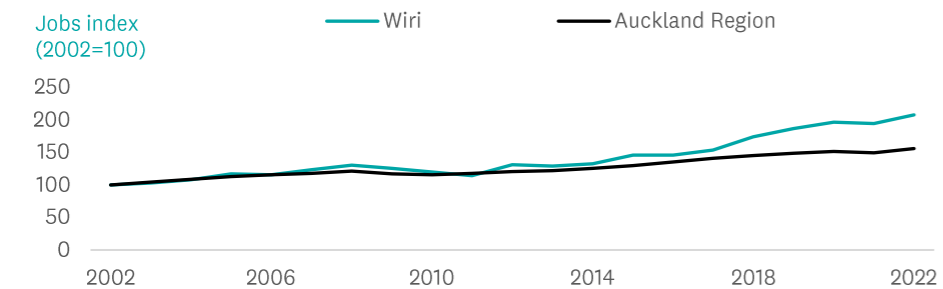
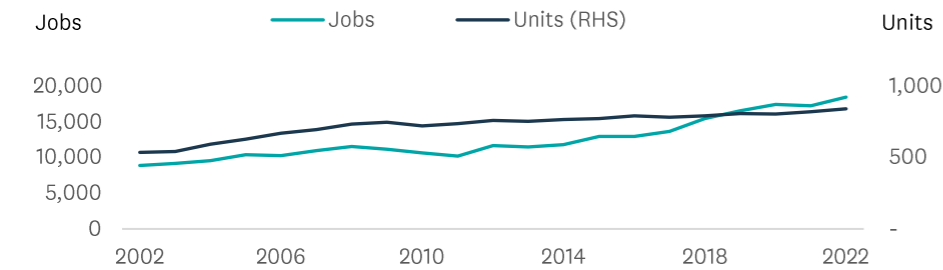
Demand for floorspace in Wiri is high with prime industrial premises fully occupied as of February 2023. The level of demand is reflected sharp increases in rental costs.

### Basic Facts

	Wiri	% of AKL
Population (2022 est.)	1,310	0.1%
Area (SA2 157600)	8 KM <sup>2</sup>	0.2%
Jobs (2022)	18,500	2.2%
Jobs (2002-2022)	9,600	3.2%
Business Units (2022)	843	0.4%
Business Units (2002-2022)	306	0.3%



### Jobs and Business Numbers



### Sectors

Manufacturing and wholesale trade are the main employing sectors in Wiri. The manufacturing sector has a location quotient of over 1.6, meaning it is slightly concentrated in Wiri. The location quotients of the highest employers within the manufacturing sub-sectors are all above 3, indicating high concentration particular types of manufacturing in Wiri.

Growth in public administration & safety and construction have lessened the area's focus on manufacturing.

Broad Sector	Jobs	Wiri %	AKL %	LQ
Manufacturing	4,450	24.1%	9.6%	2.5
Wholesale Trade	2,850	15.4%	7.4%	2.1
Construction	2,050	11.1%	8.6%	1.3
Transport, Postal & Warehousing	1,450	7.8%	4.5%	1.7
Public Admin & Safety	1,400	7.6%	4.6%	1.6
Admin & Support Services	1,350	7.3%	6.0%	1.2
Healthcare & Social Assistance	1,350	7.3%	10.3%	0.7

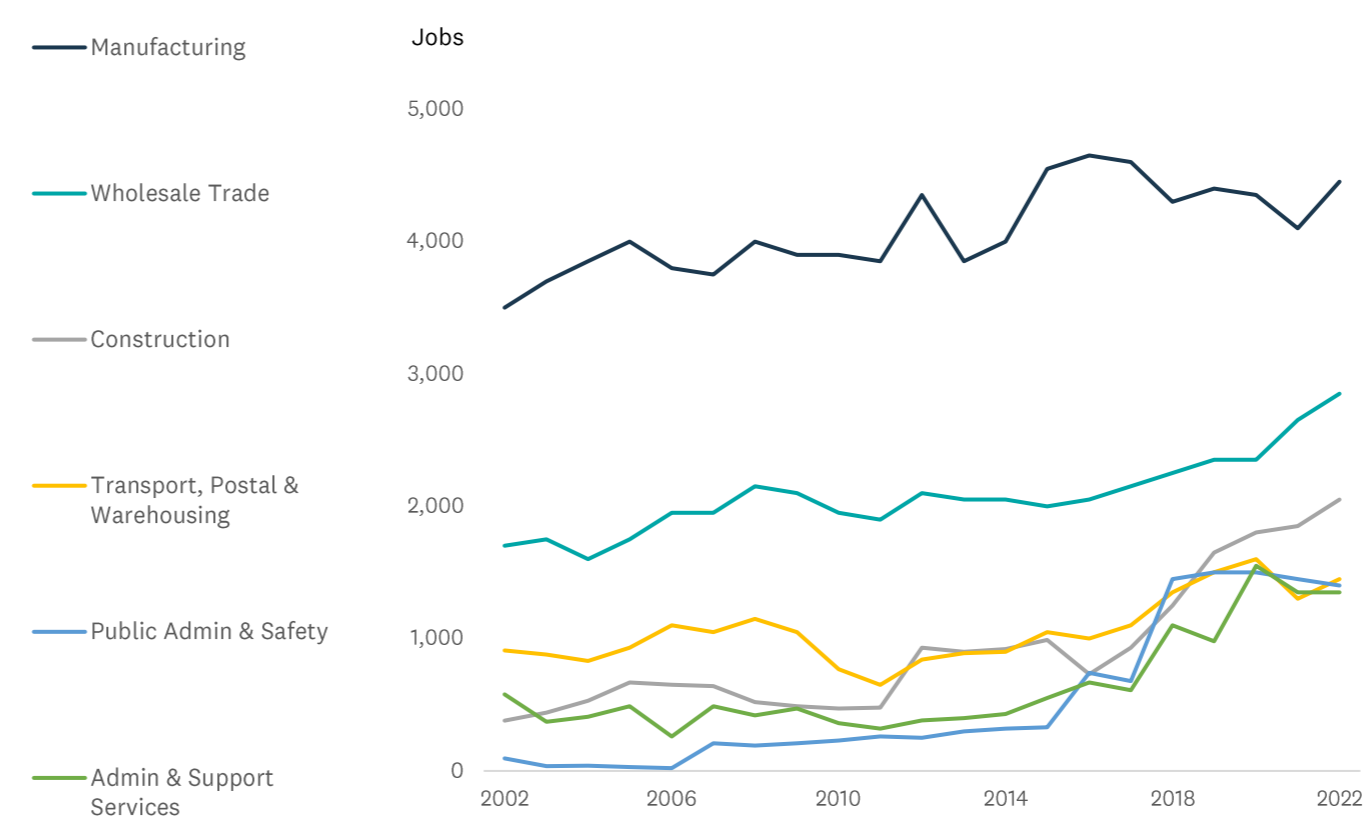
Manufacturing	Jobs	LQ
Food Product Manufacturing	1,550	4.1
Fabricated Metal Product Manufacturing	740	3.3
Basic Chemical & Chemical Product Manufacturing	300	3.4
Textile, Leather, Clothing and Footwear Manufacturing	290	3.5

Wholesale Trade	Jobs	LQ
Motor Vehicle & Motor Vehicle Parts Wholesaling	710	7.7
Machinery & Equipment Wholesaling	560	1.6
Basic Material Wholesaling	510	2.1
Other Goods Wholesaling	500	1.5

Construction	Jobs	LQ
Heavy & Civil Engineering Construction	1,700	5.8
Construction Services	300	0.3

Transport, Postal & Warehousing	Jobs	LQ
Road Transport	940	3.2
Transport Support Services	240	1.3
Warehousing	220	2.6

### Sectors Over Time (jobs)



### Sectoral Change

While manufacturing has long been the area's biggest employment sector, employment in other sectors has been trending upwards, particularly since 2016. Public administration & safety, construction and administrative & support services have all added around 1,000 new jobs since 2012, while wholesale trade has added 750 jobs since 2012.

The Wiri Inland Port, opened in 2010, has supported transport, postal & warehousing sector growth. Auckland Transport's electric train maintenance depot also opened in Wiri in 2013.

Public administration & safety employment has grown following the establishment of a women's correctional facility in 2006 and a men's correctional facility in 2015.

No sectors have experienced a notable decline in the number of jobs in the precinct since 2012.

### Employment Growth and Decline

Sector	Job Growth 2012-2022	Wiri Growth	AKL Growth
Public Admin & Safety	1,150	1,211%	29%
Construction	1,120	295%	113%
Admin & Support Services	970	167%	28%
Wholesale Trade	750	44%	15%
Retail Trade	630	109%	34%
Transport, Postal & Warehousing	610	67%	17%
Healthcare & Social Assistance	610	203%	37%

Unlike many other areas and the region as a whole the strong construction sector growth in Wiri has been driven by heavy & civil engineering rather than construction services and building construction. A fifth of regional growth in this sub-sector being in Wiri.

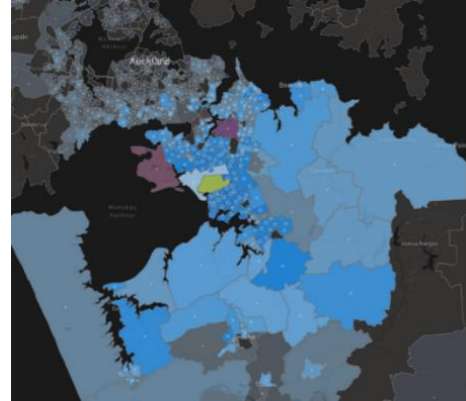
With the establishment of the inland port, it is unsurprising that job increases within the transport sector are almost entirely road freight transport and transport related services employment.

Several distribution and logistics companies are located near the inland port facility.

Warehousing and postal services have not, however, grown over this time. K-Mart for example recently moved its distribution centre to a site at Ruakura Superhub Inland Port (Hamilton) double the size of its Wiri facility.

Public administration & safety growth is almost entirely public order & safety employment associated with the correctional facilities in the areas.

Administrative & support services growth has been driven by employment services (labour hire and recruitment) as well as building cleaning services.



(Census 2018)

### Commuting and Public Transit

Wiri draws labour from across the Auckland region. 11,682 people travel to Wiri West for work while 102 people live and work there. 73% of arrivals are by private car, truck or van.

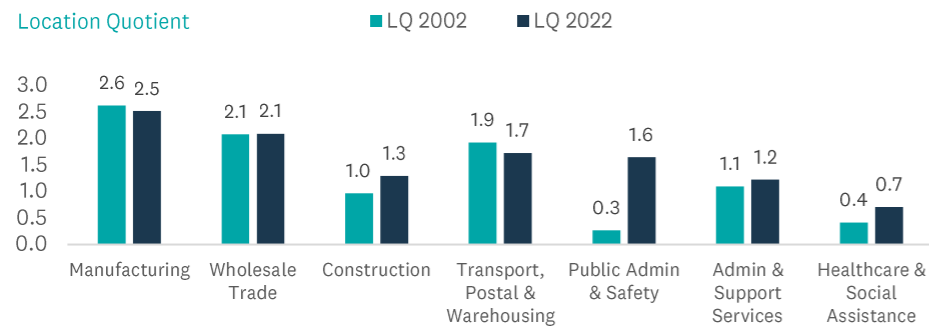
Wiri lies between the Puhuinui and Homai passenger rail stations.

There are few bus services that serve the Wiri area. A service connecting Māngere to Manukau runs down Plunket Avenue through Wiri.

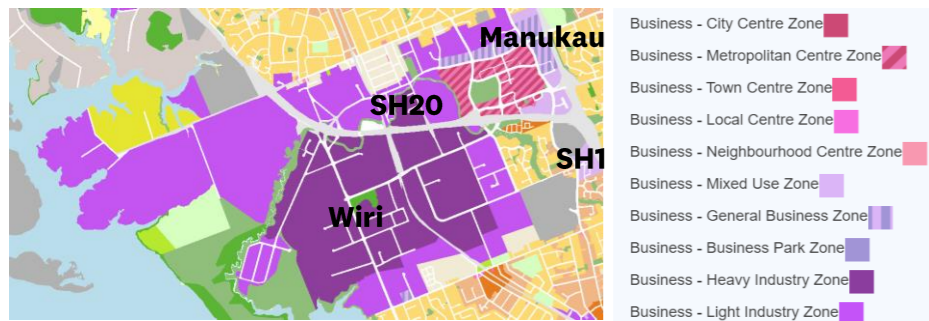
The Wiri inland port connects road freight to the Ports of Auckland in the city centre. The inland port is connected to the seaport by a rail exchange opened in 2010 that greatly reduced the number of vehicles travelling through the central city.

### Location Quotient (job concentration)

Except for construction and public administration and safety employment, employment concentration in the key sectors in the area has not changed in the two decades to 2022. However, public administration & safety sector employment has increased, from a location quotient of 0.3 in 2002 to a location quotient of 1.6 in 2022.



### Land Use



Wiri is a largely heavy industrial precinct with some light industrial zoned land. It is adjacent to the Manukau employment area that sits to the north of SH20 and comprise light industrial, metropolitan centre, general business and mixed-use zoning.

SH1, just to the east of the Wiri / Manukau area is readily accessible.

### Commercial Property Assessment

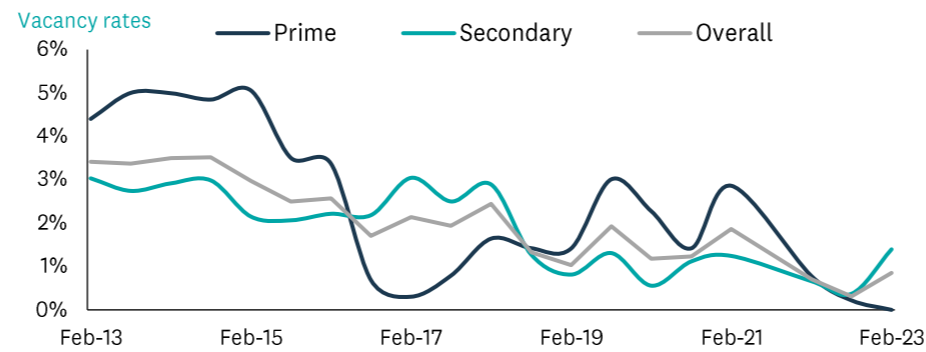
Commercial property market intelligence provided by Colliers provides an overview of demand and cost of office, industrial and retail premises across 67 employment areas in the Auckland Region. While these areas are not mapped to the Auckland Plan's key economic areas, they provide a useful insight into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

Demand for prime industrial space in Wiri has been high over a sustained period resulting in persistently low vacancy rates while vacancy rates for secondary industrial are generally higher, albeit still low.



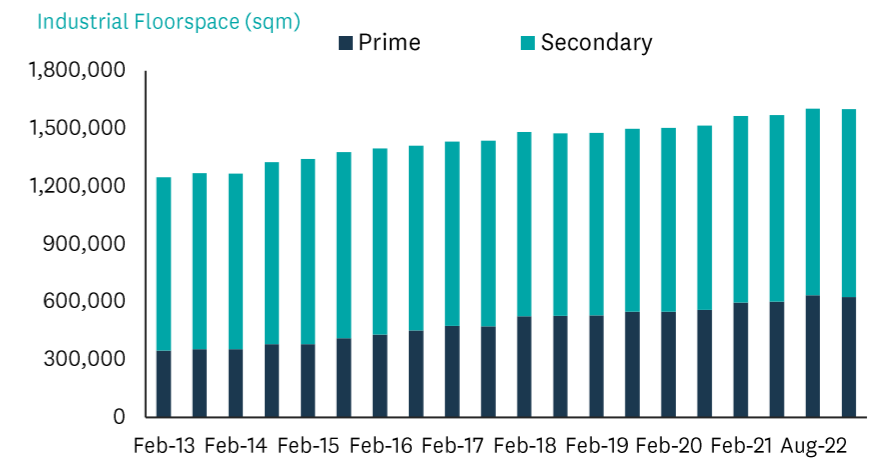
Warehouse rental rates are resultantly high and rising consistently with prime premises rising 88% over the last decade and secondary premises that make up most of the stock rising by 75%.

The constraints on expansion of stock, pressures from other higher value uses and building costs being a barrier to upgrading older stock are considered barriers to meeting overall demand across many industrial precincts. Wiri has high level of demand particularly from food & beverage manufacturing and logistics sectors. The inland port increased its value to the logistics sector and resulted in an increase in prime industrial stock in its vicinity. All prime industrial is currently occupied.

Costs have increased and limited vacancies limit business expansion in the area although Wiri is one of few industrial precincts that still has some greenfield development potential.

Adjacent to Wiri, there is 150ha zoned industrial land (Puhuinui Precinct) that does provide opportunities for expansion by the Southern Gateway Consortium. The undeveloped precinct includes zones for business, light industry and mixed use as well as other non-business uses and lies between the Wiri and Auckland Airport industrial precincts.

Major occupiers include food & beverage companies Nestle, The Warehouse (Northern Distribution Centre), NZ Post.



Vacancies and Rents (per sqm)	
Prime Vacancies (%)	0%
Secondary Vacancies (%)	1.4%
Prime Warehouse Rental (2013)	\$98
Prime Warehouse Rental (2023)	\$198 (+88%)
Secondary Warehouse Rental (2013)	\$78
Secondary Warehouse Rental (2023)	\$155 (+75%)

Prime sites were fully occupied as of February 2023.

Persistently low vacancy rates have placed an upward pressure on rents.

Supply / Net Lettable Area	
Prime % of Total	39%
NLA (sqm)	1,600,350
NLA Change	+28%
Prime Change	+80%
Secondary Change	+8%

The share of floorspace that is prime has increased with the inland port spurring new development.

There has been a 28% increase in the net lettable area over the last 10 years. Most of the increase being prime grade.

### Opportunities / Challenges

The area's location and connectivity with the Airport precinct and the Port of Auckland plus a large local labour force make Wiri an attractive location. The availability of some greenfield land plus potential industrial development on land between the Airport precinct and Wiri would strengthen the area as an industrial location.

### Assessment / Future

Wiri has performed strongly across a range of sectors with no significant sectors contracting over the last 20 years.

Unlike many well-established industrial precincts that have seen manufacturing decline over the last 20 years, Wiri has seen the sector grow steadily.

The precinct's connectivity to important gateways for goods in to and out of New Zealand plus some existing land with development potential should see continued strong performance of the Wiri precinct.