

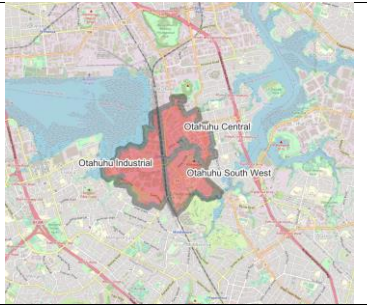
Ōtāhuhu (2022)

**Ōtāhuhu** is a mix of residential, commercial, and industrial areas south of central Auckland. The area is home to over **8,500 jobs**, making it a meaningful employment precinct. The precinct has added over **700** additional jobs in the two decades to 2022.

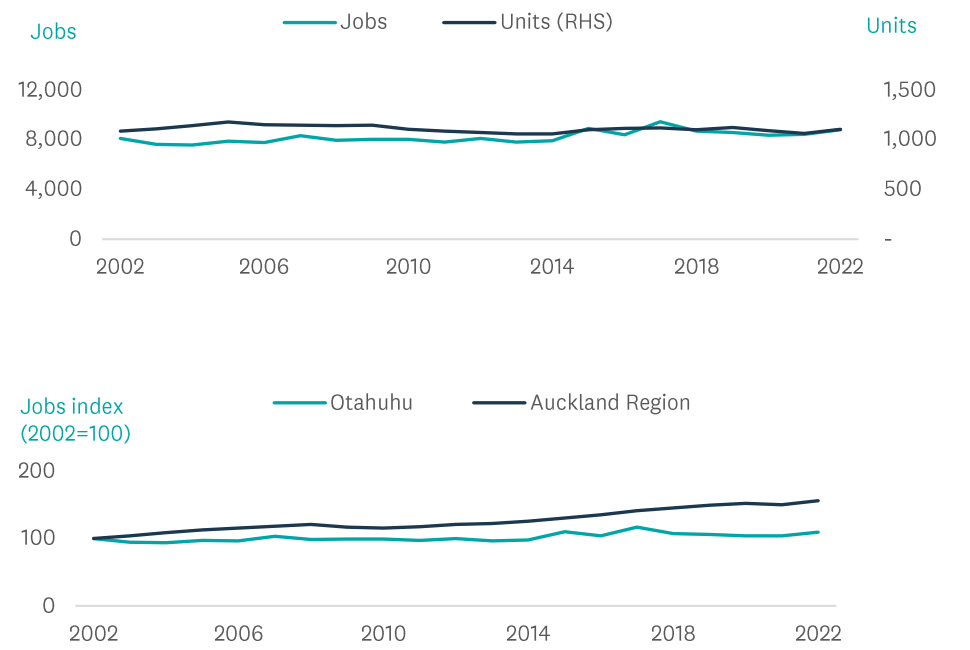
While the number of jobs has increased modestly, job growth in the wider Auckland region has outstripped local job growth. The number of firms operating in the precinct has varied through time, indicating a somewhat unstable business climate.

Manufacturing has seen employment fall steadily over the last 20 years while wholesale trade has seen a more recent fall in employment.

Basic Facts

	Ōtāhuhu	% of AKL	
Population (2022 est.)	6,080	0.4%	
Area	4.3 KM²	0.1%	
Jobs (2022)	8,820	1.1%	
Jobs (2002-2022)	730	0.2%	
Business Units (2022)	1,107	0.5%	
Business Units (2002-2022)	21	0.0%	

Jobs and Business Numbers



Sectors

Manufacturing is the key employment sector in the area, accounting for 18 percent of all jobs in Ōtāhuhu. Manufacturing activities are predominantly focused on metals, machinery and equipment as well as food and furniture.

Other key sectors include transport, postal & warehousing, public services, construction, and wholesale.

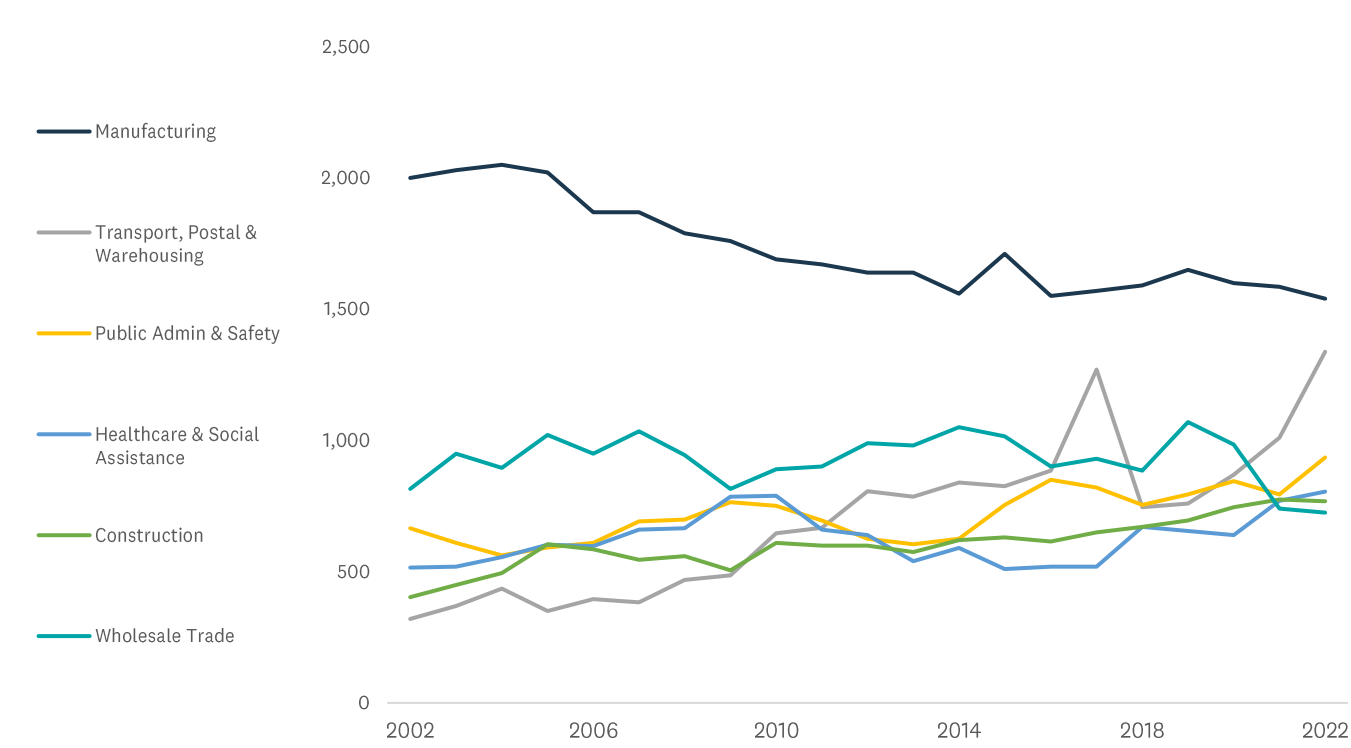
Broad Sector	Jobs	% of Ōtāhuhu	% of AKL	LQ
Manufacturing	1,540	17.5%	9.6%	1.8
Transport, Postal & Warehousing	1,338	15.2%	4.5%	3.3
Public Admin & Safety	935	10.6%	4.6%	2.3
Healthcare & Social Assistance	805	9.1%	10.3%	0.9
Construction	768	8.7%	8.6%	1.0
Wholesale Trade	725	8.2%	7.4%	1.1
Education & Training	615	7.0%	7.8%	0.9

Manufacturing	Jobs	LQ
Fabricated Metal Products Manufacturing	616	5.7
Furniture & Other Manufacturing	369	8.7
Food Product Manufacturing	239	1.3
Transport Equipment Manufacturing	80	1.9

Transport, Postal & Warehousing	Jobs	LQ
Warehousing & Storage Services	360	8.9
Road Transport	277	2.0
Postal & Courier Pick-up and Delivery Services	249	4.4
Transport Support Services	240	2.8

Public Administration & Safety	Jobs	LQ
Public Order, Safety & Regulatory Services	820	4.8
Public Administration	120	0.6

Sectors Over Time (jobs)



Sectoral Change

While manufacturing has long been the area’s biggest employment sector, its importance has declined as other sectors have grown more rapidly. This is consistent with broader trends in other areas of the region, but the decline has been much slower than seen elsewhere, and in more recent years the job numbers have flattened off. This indicates possibly more resilient industry in the area.

Wholesale trade has remained broadly flat until the last few years where it has declined. However, related sectors like transport and warehousing have been trending upwards through the 2000s.

Employment Growth and Decline

Sector	Job Growth 2011-2021	Ōtāhuhu Growth	AKL Growth
Transport, Postal & Warehousing	532	66%	17%
Public Administration & Safety	310	50%	29%
Construction	168	28%	113%
Healthcare & Social Assistance	165	26%	37%
Prof, Scientific & Technical Services	-74	-19%	43%
Manufacturing	-100	-6%	11%
Wholesale Trade	-265	-27%	15%

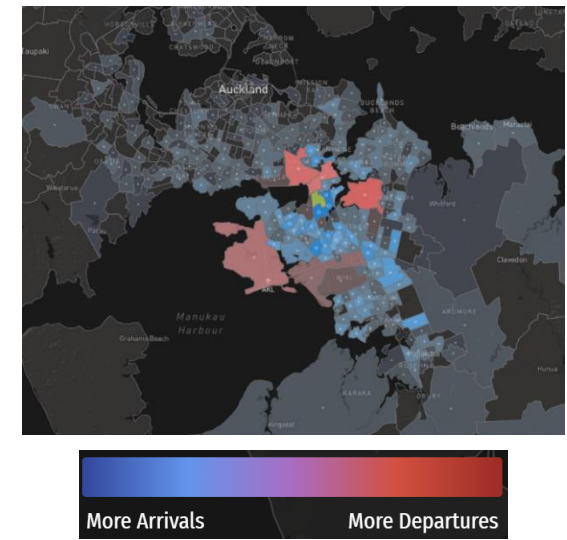
Road and rail freight, warehousing and transport support services have driven employment growth within the Ōtāhuhu Industrial precinct. Postal courier & pick up services also grew within Ōtāhuhu Central; this was notable from 2020 onwards and may be related to the COVID -19 pandemic and trading restrictions driving demand for delivery services.

Public administration & safety employment growth has primarily been driven by public order & safety growth in Ōtāhuhu Central.

Construction sector employment grew in building installation (e.g., plumbing, electrical), building completion (e.g., plastering, glazing) and other building services (e.g., landscaping or hire of construction machinery with an operator)

Healthcare & social assistance employment growth was mostly in other social assistance services (e.g., adult day care, addiction services, marriage guidance, soup kitchens and youth welfare services.)

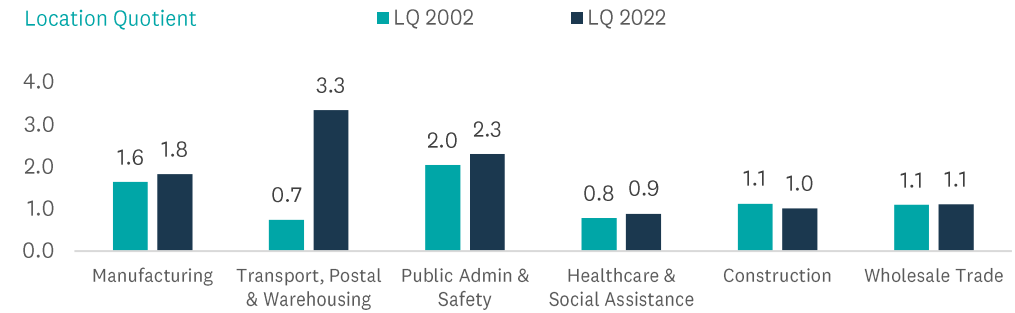
Minerals, metals & chemicals wholesaling, as we as motor vehicles & parts also saw employment decline.



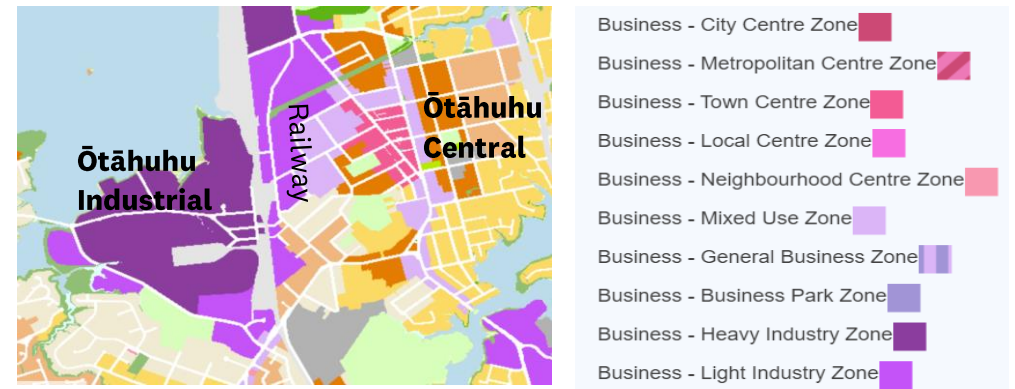
(Census 2018)

### Location Quotient (job concentration)

Since 2002, transport, postal & warehousing jobs have become more concentrated in Ōtāhuhu relative to the wider Auckland region. Similarly, despite the decline in manufacturing jobs in the area, manufacturing job concentration has also marginally increased in Ōtāhuhu. This indicates stronger declines elsewhere in the region for the manufacturing sector.



### Land Use



**Ōtāhuhu** is mix of residential and town centre zones areas to the east and a large heavy / light industrial area to the west that sits on the northeastern edge of the Manukau Harbour. It lies south of the industrial areas of Mount Wellington and Penrose which facilitates supply chains efficiencies.

### Commuting and Public Transit

Ōtāhuhu draws mostly draws labour from nearby areas to the south of Ōtāhuhu 5,391 people travel to Ōtāhuhu for work while 351 people live and work there. 69% of arrivals are by private car, truck or van.

Ōtāhuhu is on the Auckland Rapid Transit network with the train station served by the Southern line to Papakura and the Eastern line to Manukau.

Buses connect Ōtāhuhu to Mangere, Middlemore, Highbrook, Papakura and Manukau.

### 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.

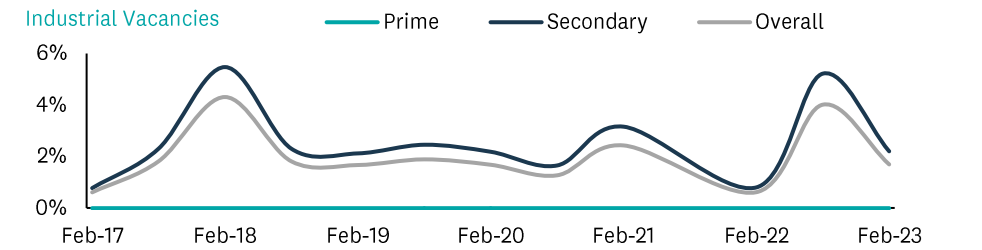
The last decade has seen an increase in prime industrial floorspace in the region, mostly driven by development at Auckland Airport and Highbrook, by far the largest areas of prime industrial space. The supply of secondary floorspace has declined in many areas and only grown regionally due to a notable 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.

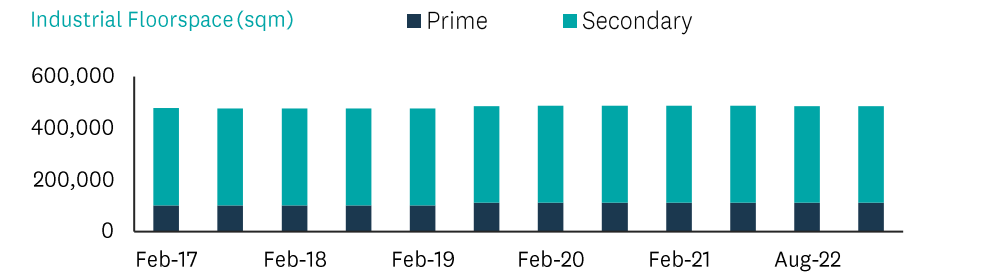
**Ōtāhuhu** has both industrial and retail space. Most commercial space in Ōtāhuhu Town Centre is retail focused although a significant amount of office space is also present.

Ōtāhuhu is also one of the region's more established industrial precincts. While over three quarters of stock is secondary grade, development of the Ōtāhuhu Logistics Estate will see an increase in prime grade supply. Prime grade stock has been at capacity for some time while secondary grade vacancies are also low.

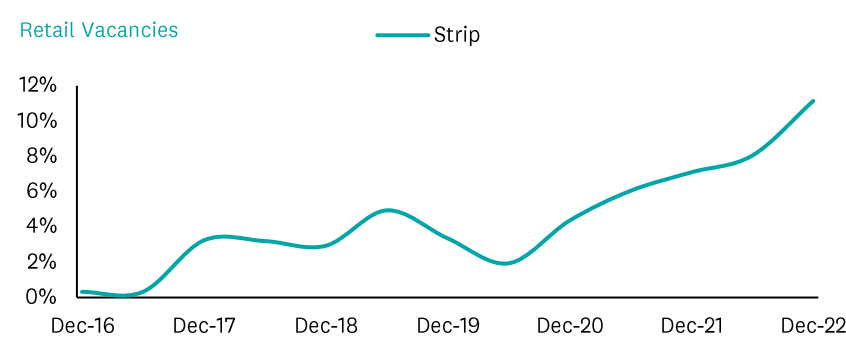
Manufacturing, construction, storage and logistics businesses are also common in the area. Toll, Mainfreight and Pacific Steel are major occupiers.



Industrial supply has not changed significantly over the last 6 years with a slight shift in the balance in favour of additional prime capacity up to 23% in 2023 from 21% in 2016.



There is a shortage of greenfield sites and much of the stock is old and there is limited amenity in the area meaning other centres are able to compete for large scale logistics tenant, although its proximity to the motorways and Metroport Auckland (Ports of Tauranga) at Penrose sustains demand in the area.



Retail in Ōtāhuhu has struggled as a result of the COVID-19 pandemic and restrictions. Retail vacancies have risen consistently since the onset of the pandemic while floorspace supply has contracted slightly over the last 6 years.

Ōtāhuhu has competing retail precincts nearby at Sylvia Park and Manukau, plus nearby large format retail at Manukau and Mount Wellington. Fragmented ownership patterns limit large scale refurbishment activity and retail growth.

Housing development and population growth could help sustain local retail spending.

Industrial Vacancies and Rents (per sqm)		Retail Vacancies
Prime Vacancies (%)	0%	
Secondary Vacancies (%)	2.2%	
Prime Warehouse Rental (2023)	\$175-\$195	
Secondary Warehouse Rental (2023)	\$130-170	

Supply / Net Lettable Area		Retail space supply
Prime % of Total	23%	
NLA (sqm)	373,754	
NLA Change (6 yrs)	+ 1.4%	
Prime Change	- 1.0%	
Secondary Change	+ 9.5%	

There was 57,202 sqm of retail space in Ōtāhuhu in December 2022. Down (-3%) from 58,757 in December 2016.

### Opportunities / Challenges

As an older industrial area with aging secondary industrial premises, Ōtāhuhu faces competition for industrial employment tenants from other locations like Highbrook and Auckland Airport. However, its connectivity, proximity to other large industrial precincts and a tight industrial property market has seen demand remain high.

Retail in the town centre, like many other retail strips, has struggled and large retail malls nearby at Sylvia Park and Manukau, provides competition for the local retail centre.

### Assessment / Future

Employment growth has lagged the region with growth in the industrial precinct mostly offset by employment decline in the town centre and adjacent areas. Ōtāhuhu Town Centre is dependent on public administration & safety employment and its retail and hospitality offer faces competition from neighbouring centres.