

AUCKLAND ECONOMIC OVERVIEWS

ALBERT-EDEN

LOCAL BOARD ECONOMIC
OVERVIEW

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Contents	
1	Introduction
2	People and Households
3	Skills
4	Local Economy
5	Employment Zones
6	Development trends
7	Economic Development Opportunities for Albert-Eden
8	Glossary

Introduction

What is local economic development

ATEED's goal is to support the creation of **quality jobs for all Aucklanders** and while Auckland's economy has grown in recent years, the benefits of that growth are not distributed evenly.

Local economic development brings together a range of players to build up the economic capacity of a local area and improve its economic future and quality of life for individuals, families and communities.

Auckland's economic development

Auckland has a diverse economy. While central Auckland is dominated by financial, insurance and other professional services, parts of south and west Auckland have strengths in a range of manufacturing industries.

In other areas, tourism is a key driver and provides a lot of local employment while there are also areas that are primarily residential where residents commute to the city centre or one of the industrial precincts for employment. The Auckland region also has a significant primary sector in the large rural areas to the north and south of the region.

The Auckland Growth Monitor¹ and Auckland Index² tell the story behind Auckland's recent economic growth.

While annual GDP growth of 4.3 per cent per year over the last five years is encouraging, we want our economy to be more heavily **weighted towards industries that create better quality jobs** and generate export earnings. To support this goal ATEED has a role in promoting the adoption of new technologies and innovation across the economy and at the same time attracting investment and supporting sectors such as screen, the visitor economy and international education that bring in revenues from overseas.

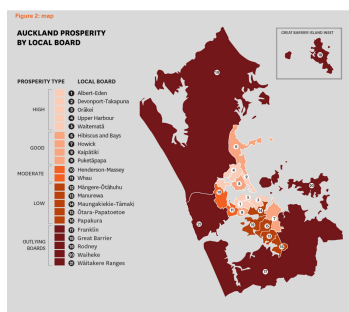
Although there is still a need to attract and retain larger employers to the city, helping local economies to grow requires an enhanced focus on existing small businesses which make up 97 per cent of all Auckland businesses. Businesses can be supported by raising their capability, encouraging business networking, connecting them to talent and facilitating access to export markets. ATEED help provide access to a range of business support programmes for established businesses that are looking for help in order to grow. There is also a need to continue to support entrepreneurship and business start-ups, particularly in less prosperous parts of the region.

In 2018 ATEED produced the Auckland Prosperity Index³, which highlighted how different parts of the region have felt the benefits of Auckland's continued economic growth. This has shaped the approach we have been asked to take in the region, focusing on those activities and industry sectors that will have the greatest impact on increasing investment in quality jobs – particularly where Auckland's **south and west** can benefit.

¹ <https://www.aucklandnz.com/business-and-investment/economy-and-sectors/auckland-growth-monitor>

² The Auckland Index can be found at [aucklandnz.com/auckland-index](https://www.aucklandnz.com/auckland-index)

³ <https://www.aucklandnz.com/business-and-investment/economy-and-sectors/market-news-and-trends/growing-prosperity-for-all-aucklanders>



The role of local boards

At the **local level** ATEED works with local boards to support several areas of work:

- Growing local businesses through a range of initiatives to support start-ups and small and medium sized enterprises across the region
- Place based initiatives either working with Auckland's regeneration agency Panuku Development Auckland in its 'Transform and Unlock' areas as well as with smaller locally driven place-based initiatives
- Business environmental sustainability initiatives and the promotion of waste-minimisation and circular economy opportunities
- Providing economic intelligence: enhancing the evidence base and advice provided by ATEED at a local level. To provide a better understanding of the drivers of prosperity in a local area. While also providing the justification for the projects and initiatives delivered by the team.

Local boards have a mandate to advocate for and fund a range of activities on behalf of their local communities. The local boards of Auckland Council want thriving town centres and access to employment opportunities in their communities and when opportunities lie elsewhere, transport solutions so residents can easily access those opportunities. Local boards are in a unique position to understand their local economy, work with the local business community and advocate or catalyse activities for local economic development.

Through their advocacy role as well as through their empowering communities and locally driven initiatives budgets local boards can play a role in a range of ways. They can support:

- ‘Places’ by supporting the town centres and business associations that provide much of their local employment or working with Panuku Development Auckland and ATEED to regenerate their town centres and attract investment and jobs
- ‘People’ through support for community organisations that work with people distant from the labour market, they can support skills development for young people through a range of programmes like the Young Enterprise Scheme
- The business community programmes like the PopUp Business School that fill gaps where mainstream services don’t meet community need
- The sustainability of their local economies by helping promote business environmental sustainability and waste minimisation.

What is the Albert-Eden local economic development overview?

This economic development overview of the Albert-Eden Local Board area looks at:

- a range of indicators on Albert-Eden's economy
- the drivers, trends and linkages that influence the local economy
- major private and public initiatives that will impact on the economy in Albert-Eden
- opportunities and issues to growing business and jobs in Albert-Eden

The economic development overview can be the first stage in guiding local boards as to what the key issues are in their area and where the local board should focus its efforts when considering the outcomes it would like to include in the 2020 Local Board Plan.

Albert-Eden is a prosperous local board area with high levels of employment in skilled occupations. Healthcare, education and professional services are the main employment sectors and these sectors provide high quality employment opportunities.



Population growth

Population growth has been lower than the regional average over the 2013-2018 Census period. The area has a very diverse population with sizeable communities of Chinese and Indian origins.



Household incomes

While household incomes are higher than the regional average and unemployment tends to be lower than the regional average, not everyone is prosperous and there are areas that have concentrations of less prosperous households.



Education attainment

Educational attainment is high, a much higher proportion of school leavers enter degree level study upon leaving school.



Significant employers

Healthcare, education and professional services are the main employment sectors. Construction, retail and accommodation & food are also significant employers although accommodation & food tends to be a much lower earning sector of the economy.



Local employment opportunities

While many people commute into the central city the area itself has a good level of skilled local employment opportunities in growth sectors such as in professional services.



Residential developments

The Unitary Plan, along with the Auckland Plan, provides the policy framework by which development is enabled and assessed. Under this framework the area is likely to see higher density residential developments.

Unemployment rate (June 2019)

3.3%

Albert-Eden

4.3%

Auckland

Jobs in Knowledge Intensive Industries

47.0%

Albert-Eden

39.0%

Auckland

School leavers moving on to degree level study (2018)

62.8%

Albert-Eden

42.0%

Auckland

LOCAL BOARD ASPIRATIONS



In its current Local Board Plan the Albert-Eden Local Board seeks to ensure that Albert-Eden develops thriving town centres and a growing local economy. The local board's vision is that strong local economic growth continues, and the area develops a reputation as a home for niche knowledge industries.



KEY OPPORTUNITIES

The completion of the City Rail Link and any future light rail down Dominion Road will provide significant economic development opportunities for the local board area.



KEY CHALLENGES

Transport congestion is an issue for the area and expected residential development will increase pressure on the roads. While there are significant plans to improve public transport, the disruption brought by the development of this infrastructure will need to be managed so that businesses are not adversely affected.

While affluent, employment and GDP growth in the area are lower than elsewhere in the region, ensuring everyone can benefit from the growth of the economy is a key challenge.

People and Households

Albert Eden is one of Auckland's most populous local board areas with a population of 98,622 that is forecast to increase to 134,000 by 2038. The area has an ethnically diverse population with migrants from China and India as well as a wide range of other nationalities.

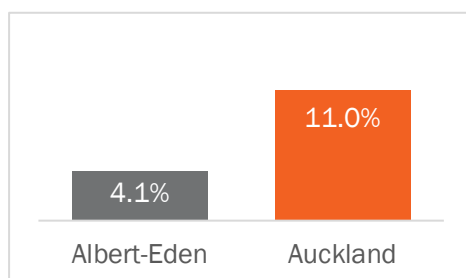
Albert-Eden is one of Auckland's more prosperous areas. The Auckland Prosperity Index report showed Albert-Eden is home to highly skilled residents and has a slightly older age profile than seen regionally.

	Albert-Eden	Auckland / Share of Auckland
Population (2018)	98,622	6.3%
Population growth (2013-2018)	4.1%	11%
Median Age (2018)	34.8	34.1
Labour force (2018)	59,700	867,090
Labour force participation (2018)	76%	71%
Home ownership (2018)	41%	45%

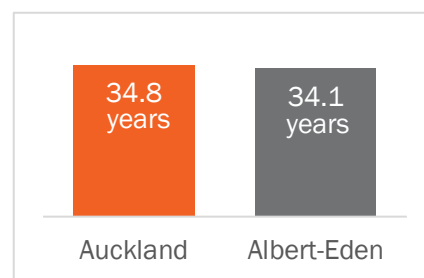
Population

The Albert-Eden Local Board area has experienced slower population growth than the regional average in recent years. Between the 2013 and 2018 censuses population growth was 4.1 per cent compared to 11 per cent regionally. Medium population projections⁴ suggest that Albert-Eden could be home to 134,000 residents by 2038 an increase of 35,000.

POPULATION GROWTH (2013-2018)



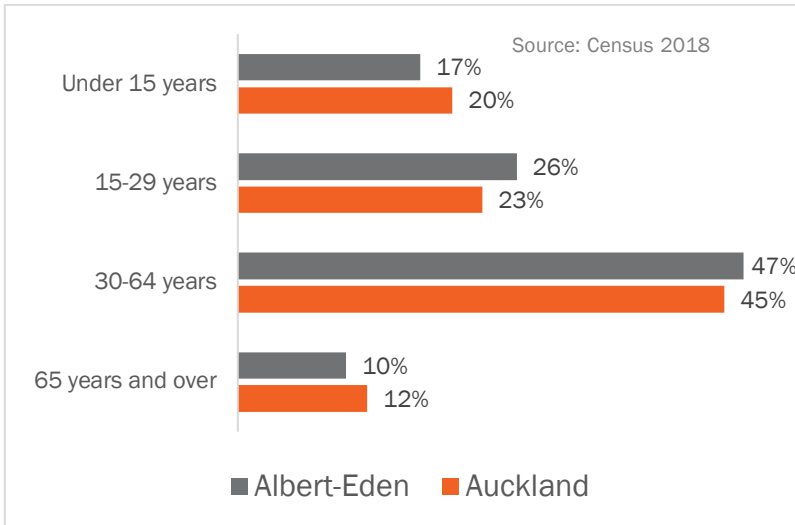
MEDIAN AGE (CENSUS 2018)



Albert-Eden has a similar median age to the region, but its working age population is slightly larger than the regional average and there are proportionately fewer young people and also fewer people of retirement age.

⁴ Source: Statistics New Zealand

AGE STRUCTURE (CENSUS 2018)

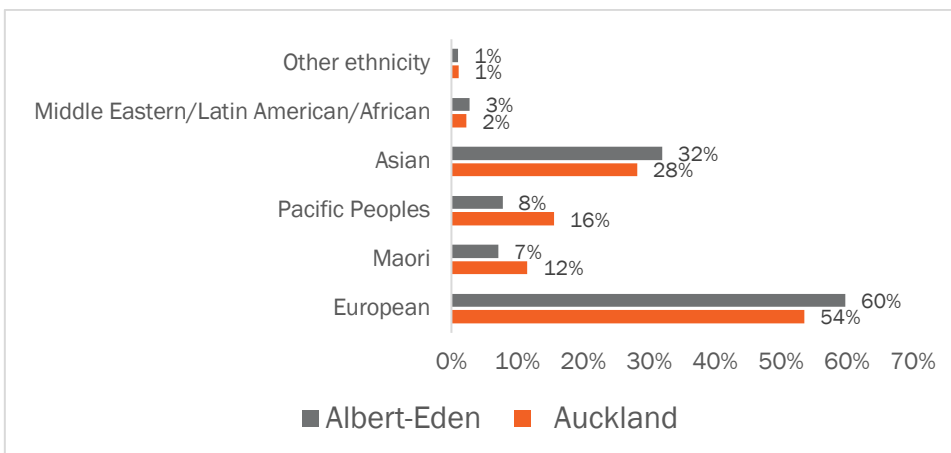


Ethnicity

Albert-Eden's population is predominantly of European ethnicity (60 per cent), more so than the regional profile where Europeans make up 54 per cent of the population. While Albert-Eden has fewer Māori and Pacific residents than the region there are more people of Asian ethnic origin. Chinese (15 per cent) and Indian (10 per cent) make up most of the Asian population.

Albert-Eden has a large proportion of residents born overseas (42 per cent) and 31 per cent of people born overseas had been in New Zealand less than five years.

ETHNIC MAKE-UP (CENSUS 2018)



Languages

With a diverse population there are a wide range of languages in use in Albert-Eden. Ninety-four per cent of residents are able to speak English compared to the Auckland average of 93 per cent.

76%

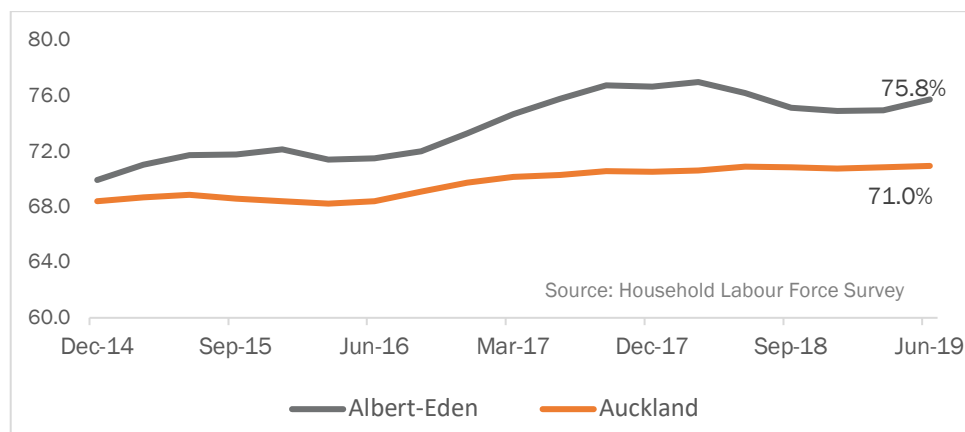
The labour force participation rate in Albert-Eden was 76 per cent in June 2019, higher than the Auckland rate (71 per cent)

Labour Force

The labour force participation rate is a measure of an economy's active workforce. A high participation rate indicates more people in the area are actively engaged in the economy. The size of the labour force is critical to an area's ability to produce goods and services.

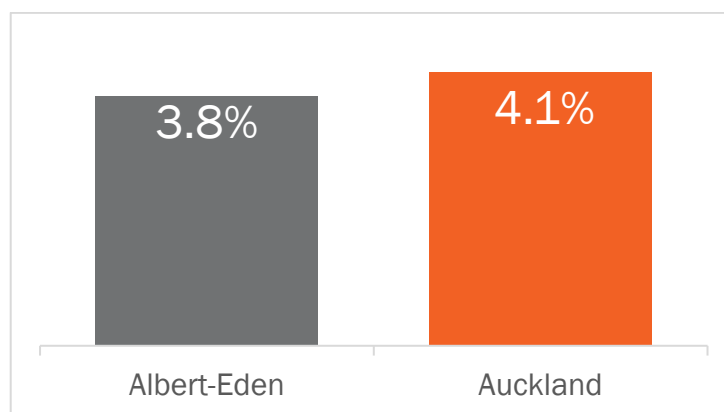
The labour force participation rate in Albert-Eden is 76 per cent, higher than the Auckland rate (71 per cent).

LABOUR FORCE PARTICIPATION RATE OVER TIME



The unemployment rate in the 2018 Census⁵ was 3.8 per cent in the Albert-Eden Local Board area, lower than the Auckland region unemployment rate of 4.1 per cent.

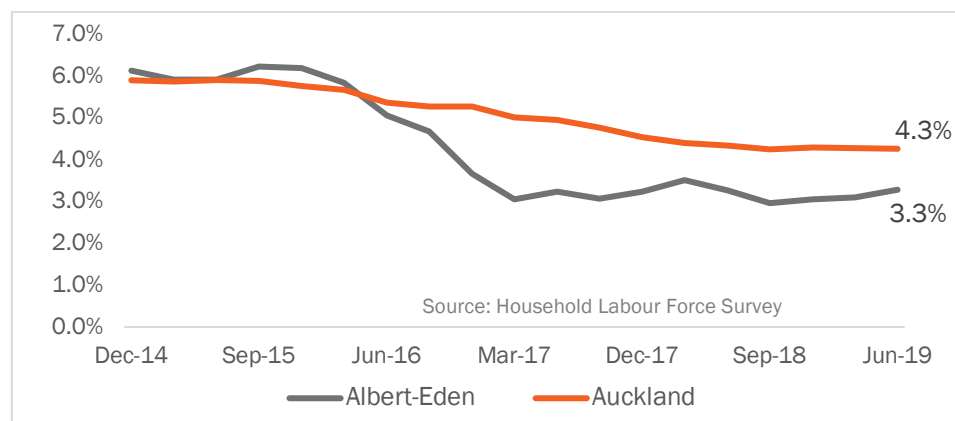
UNEMPLOYMENT RATE (CENSUS 2018)



Unemployment measured by the Household Labour Force Survey in Albert-Eden has remained below or similar to the Auckland average over the last five years.

⁵ Note the Census based unemployment rate differs from the rate reported by the Household Labour Force Survey as data collection methods differ and the Census rate is self-reported at the time of completion of the Census form.

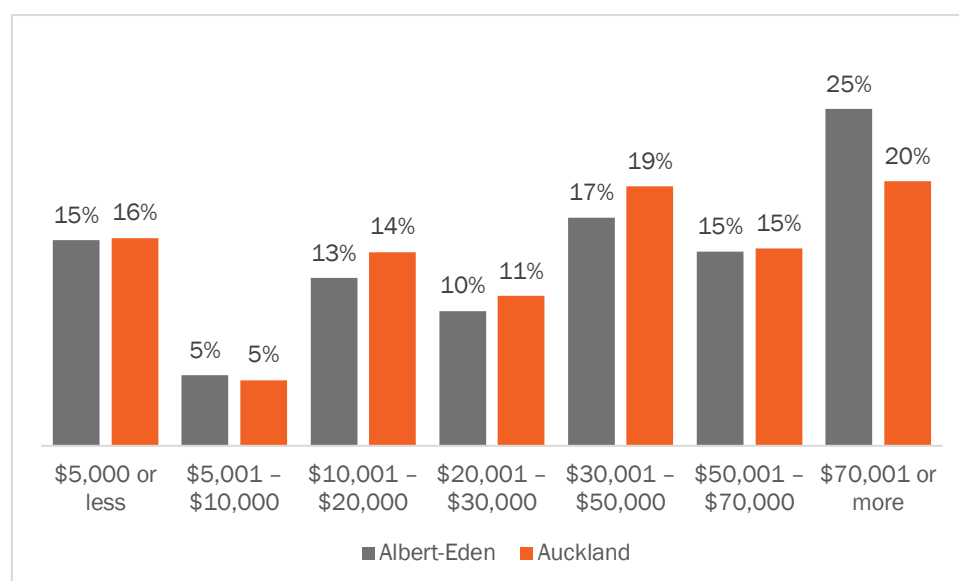
UNEMPLOYMENT RATE OVER TIME (HOUSEHOLD LABOUR FORCE SURVEY)



Income

Analysis of individual income levels in 2018 shows that there was a higher proportion (25 per cent) of persons earning a high income (over \$70,000 per year) in Albert-Eden compared to the region (20 per cent).

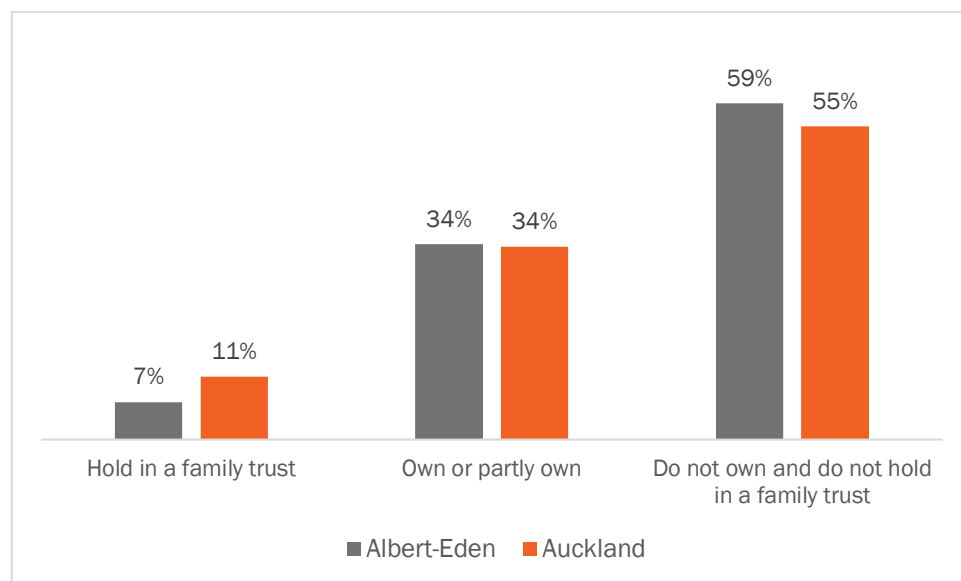
INDIVIDUAL INCOMES (CENSUS 2018)



In 2018, 17 per cent of people in Albert-Eden derived self-employment or business income, above the rate across all Auckland (14 per cent).

Home ownership in Albert-Eden is lower than the regional average; in 2018, 41 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.

HOME OWNERSHIP (CENSUS 2018)



Skills

Albert-Eden has a well qualified labour force with a high proportion of residents educated to degree level or higher. More school leavers from Albert-Eden leave with NCEA Level 2 or NCEA Level 3 and more progress in to tertiary education on completing school.

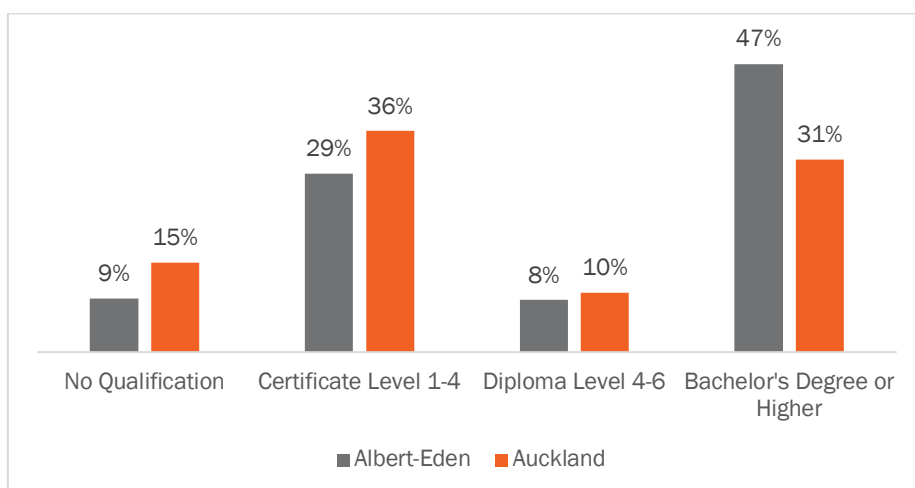
Qualifications

A skilled workforce drives a strong and resilient local economy and is critical for Auckland's future competitiveness.

The New Zealand Qualifications Framework (NZQF) has ten levels which are based on complexity, with Level 1 the least complex and Level 10 the most complex. All qualifications on the NZQF are assigned one of the ten levels and fit into a qualification type: a certificate (Levels 1-4), diploma (Levels 5-6) or degree (Levels 7-10). Secondary school qualifications of National Certificates of Educational Achievement (NCEA) are gained at Levels 1-3.

Achieving a school level qualification significantly improves a school leaver's employment prospects and people with higher level qualifications are less likely to experience unemployment. The unemployment rate fell substantially in 2017 for people with higher-level qualifications. The rate was 2.4 per cent in 2017 for those with a bachelor's degree or postgraduate qualification, down from 2.9 per cent in 2016. For people with no qualification, the unemployment rate was more than three times larger, at 8.4 per cent. The unemployment rate for people with a Level 4 to 6 diploma or certificate did not alter greatly from 2016 to 2017. It was 3.5 per cent in 2017.⁶

RESIDENTS' HIGHEST QUALIFICATIONS (CENSUS 2018)



In 2018, 47 per cent of adult residents in Albert-Eden had gained a bachelor's degree or higher, a higher proportion than the Auckland region (31 per cent). Nine per cent of

⁶ https://www.educationcounts.govt.nz/statistics/indicators/main/education-and-learning-outcomes/unemployment_rates_by_highest_qualification

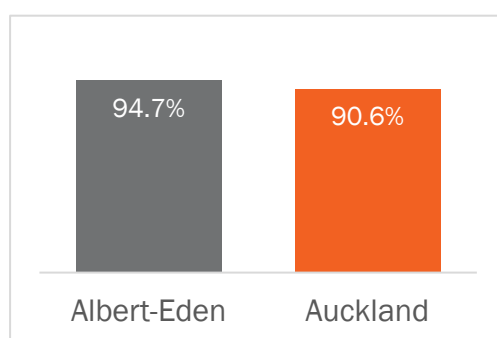
residents had no educational qualifications compared with 15 per cent across the region⁷.

NCEA is the national school-leaver qualification and is used as the benchmark for entrance selection by universities and polytechnics. In 2018, five per cent of school leavers in Albert-Eden did not achieve the standard for NCEA Level 1 compared to nine per cent regionally.

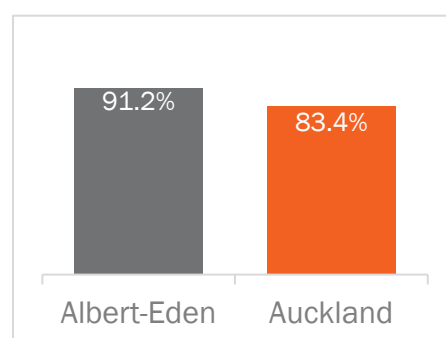
In 2018, only nine per cent of school leavers in Albert-Eden did not achieve NCEA Level 2, which provides the foundation skills required for employment. This is below the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

NCEA – STUDENTS ATTAINING NCEA

LEVEL 1



LEVEL 2



NCEA 1 & 2 ATTAINMENT BY ETHNICITY (2018)

Percentage achieving NCEA	Level 1	Level 2
European	96.0%	92.9%
Māori	86.7%	80.3%
Pacific	88.3%	84.7%
Asian	97.4%	95.0%
Middle East, Latin American, African	95.5%	87.9%
Other	81.8%	77.3%
Total Local Board	94.7%	91.2%
Total Auckland	90.6%	83.4%

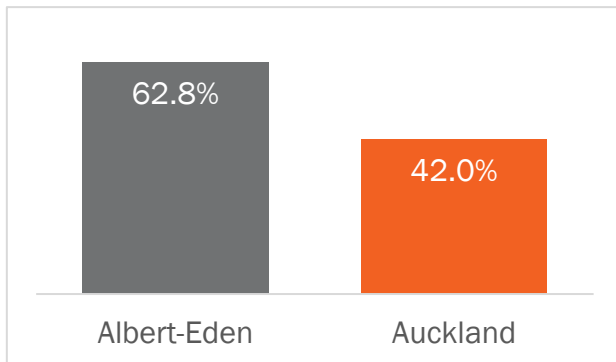
NCEA Level 3 is regarded as the minimum level required for university entry. Seventy-eight per cent of Albert-Eden school leavers achieved this, higher than the Auckland average of 63 per cent.

⁷ Highest qualification is derived for people aged 15 years and over

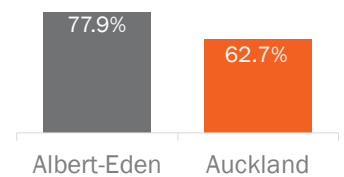
DESTINATION OF SCHOOL LEAVERS IN THEIR FIRST YEAR AFTER LEAVING

	Bachelor's and above	Certificates & diplomas levels 3-7	Certificates Levels 1-2	Not enrolled in tertiary education	Total Leavers
Albert-Eden	62.8%	12.9%	1.1%	23.2%	1958
Auckland	42.0%	20.9%	3.1%	34.1%	20,421

SCHOOL LEAVERS MOVING ON TO DEGREE LEVEL STUDY (2018)



School leavers attaining NCEA level 3 (2018)



More school leavers moved on to degree level study within a year of leaving school. Sixty-three per cent of Albert-Eden school leavers did this, much higher than the Auckland average of 42 per cent. A lower proportion moved into certificate and diploma level study, but overall more (76 per cent) enrolled in some form of tertiary education than the regional average (66 per cent).

Local Economy

Albert-Eden has a strong local economy driven by a large proportion of its jobs being in more knowledge intensive industries. Real estate and professional services generate a significant share of the area's GDP while health and education also provide many local employment opportunities.

There has been recent growth in the number of jobs in professional occupations as well as managerial construction jobs and construction trades.

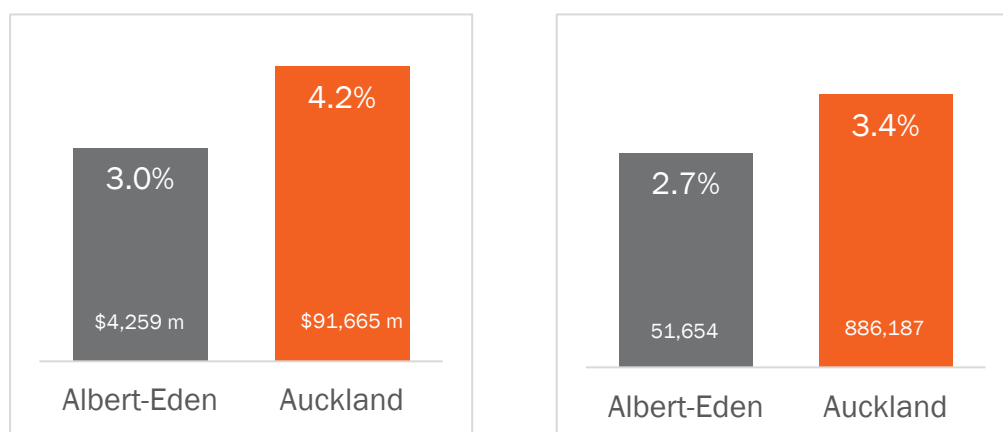
Almost half of the jobs are in knowledge intensive industries meaning residents have access to skilled, well-paying employment opportunities both locally and in nearby Central Auckland.

Growth and employment trends

In 2018, GDP in Albert-Eden experienced growth of five per cent, higher than the growth rate in Auckland (3.9 per cent). In the five years to 2018 the Albert-Eden economy grew at an average annual rate of three per cent, lower than the 4.2 per cent in the Auckland region.

Employment in Albert-Eden increased by an average of 2.7 per cent per annum in the five years from 2013-2018, below the Auckland rate of 3.4 per cent. Over the last five years Albert-Eden job numbers increased the most in professional, scientific & technical services (+1965 jobs), accommodation & food services (+1240) construction services (+925) and building construction (+842).

AVERAGE ANNUAL GDP AND EMPLOYMENT GROWTH (2013-2018) (source Infometrics)



Over the five years 2013-2018, the fastest growing industries by GDP in Albert-Eden were construction, accommodation & food services and professional scientific & technical services.

FASTEST GROWING INDUSTRIES BY GDP (ANZSIC LEVEL 1)

(source Infometrics)

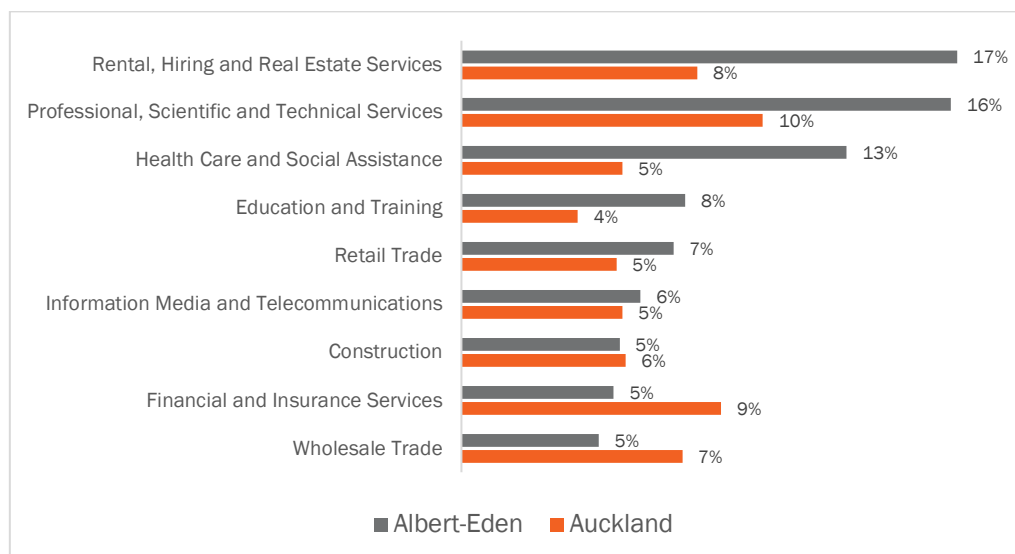
Industry	Average p.a. change (2013-2018)
Construction	17%
Accommodation & Food Services	12%
Arts and Recreation Services	9%
Professional, Scientific & Technical Services	8%
Administrative & Support Services	7%
Information Media & Telecommunications	7%

Industry mix

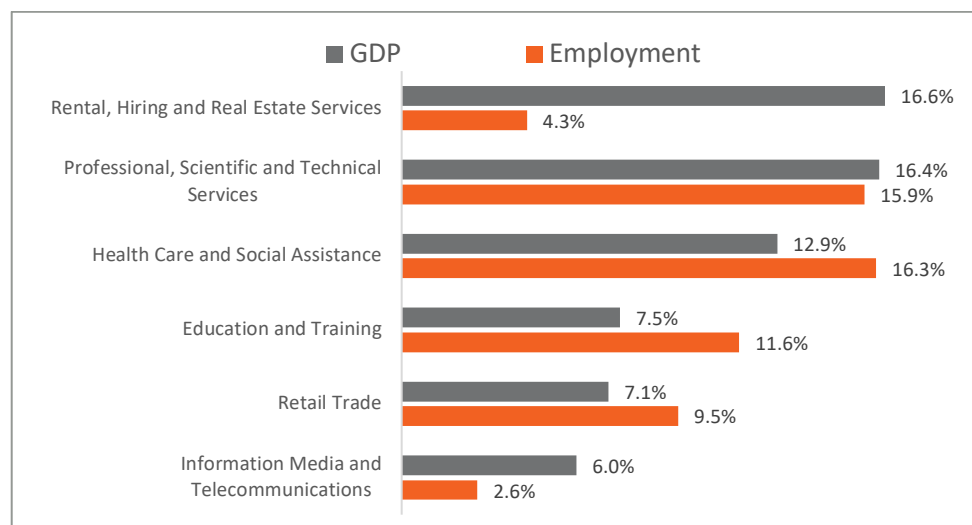
Albert-Eden's future economic performance depends on its combination of a sufficiently diversified industrial base and clusters of sectors that have the potential to achieve high rates of productivity and export growth. The main sectors generating income in the Albert-Eden economy are rental, hiring & real estate services, professional, scientific & technical services, health and education.

BROAD INDUSTRY MIX BY GDP (ANZSIC LEVEL 1)

(source Infometrics)



- **Rental, hiring & real estate services** contributed 17 per cent of Albert-Eden's GDP but provided only four per cent of the area's employment.
- **Professional, scientific & technical services** contributed 16 per cent of Albert-Eden's GDP and provided 16 per cent of the area's employment.
- **Health care & social assistance** contributed 13 per cent of Albert-Eden's GDP and provided 16 per cent of the area's employment
- **Education & training** contributed eight per cent of Albert-Eden's GDP and provided 12 per cent of the area's employment

TOP INDUSTRIES BY EMPLOYMENT AND GDP (ANZSIC LEVEL 1) (source Infometrics)

Health care & social assistance, professional, scientific & technical services, education & training and accommodation & food services are the key employment sectors in Albert-Eden.

Looking at more detailed sub-sectors we see that accommodation & food services as well as construction services are also important employment sectors in the area.

TOP 10 INDUSTRIES BY EMPLOYMENT- 54 SECTOR CLASSIFICATION (source Infometrics)

Rank	Industry	Jobs (2018)	% of Albert-Eden Total
1	Health Care & Social Assistance	8,411	16.3%
2	Professional, Scientific & Technical Services	8,214	15.9%
3	Education & Training	5,977	11.6%
4	Accommodation & Food Services	4,397	8.5%
5	Construction Services	2,774	5.4%
6	Other Services	2,610	5.1%
7	Other Store & Non-Store Retailing	2,487	4.8%
8	Property Operators & Real Estate Services	1,901	3.7%
9	Wholesale Trade	1,820	3.5%
10	Arts & Recreation Services	1,686	3.3%
Total top 10 industries		40,277	78.1%
All other industries		11,377	21.9%
Total employment		51,654	Source: Infometrics

Management consulting & computer systems design & related services are important professional service employment sectors. Within education, thirty per cent of jobs are in higher education. Cafés and restaurants make up two thirds of employment in the accommodation & food services sector. Twenty-seven per cent of employment in construction services is in the electrical services sub-sector.

Professional, scientific & technical services have seen the greatest employment growth over the last five years with construction services and accommodation & food services also seeing large increases.

NEW JOBS BY SECTOR – 54 SECTOR CLASSIFICATION (2013 - 2018) (source Infometrics)

Sector	New Jobs
Professional, Scientific & Technical Services	1965
Accommodation & Food Services	1240
Construction Services	925
Building Construction	842
Education & Training	716

SECTORS WITH DECLINING JOBS – 54 SECTOR CLASSIFICATION 2013-2018

Occupation	Jobs Lost
Finance	-483
Health Care & Social Assistance	-297
Information Media Services	-217

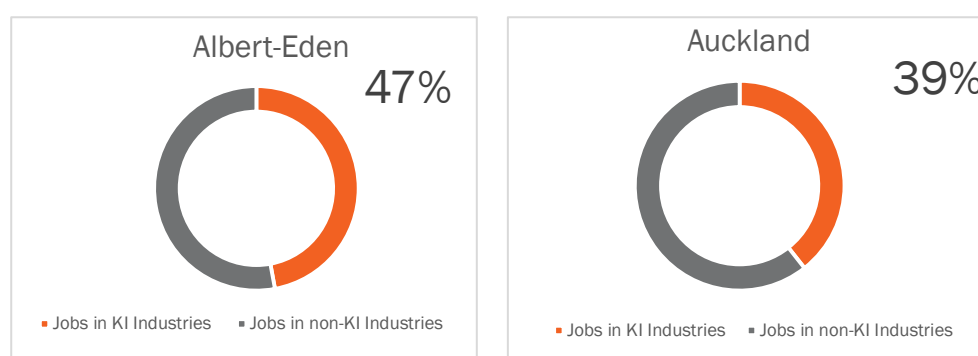
Knowledge-intensive Industries

Knowledge intensive industries⁸ represent an increasing share of the New Zealand economy's output and employment and may be a source of future productivity growth.

Forty-seven per cent of jobs in Albert-Eden are in knowledge intensive industries which is higher than the regional average of 39 per cent.

JOBS IN KNOWLEDGE INTENSIVE INDUSTRIES

(source Infometrics)



Comparative Advantage

A number of sectors are more strongly represented in Albert-Eden than they are in the region as a whole. Property operators & real estate services and arts and recreation services being sectors that are particularly strongly represented in Albert-Eden. Printing is

⁸ Knowledge-intensive industries are industries that satisfy two basic criteria: At least 25 per cent of the workforce must be qualified to degree level and at least 30 per cent of the workforce must be employed in professional, managerial, as well as scientific & technical occupations.

also represented strongly but is a small sector in employment terms.

INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA

(source Infometrics)

Rank	Industry	Location Quotient	GDP \$M	Employees
1	Printing	2.8	29.9	394
2	Property Operators & Real Estate Services	2.6	640.4	1901
3	Arts & Recreation Services	2.5	138.1	1686
4	Motor Vehicle, Parts & Fuel Retailing	2.3	71.8	994
5	Health Care & Social Assistance	2.2	549.4	8,411
6	Information Media Services	2.1	80.4	811

ATEED Sectors of Focus

Auckland has developed a core of specialist manufacturing industries and a talented, globally focused service sector.

These industries and sectors are grouped into advanced industries, tradeable industries and enabling industries. Together they drive growth and create employment in Auckland and are of particular interest to ATEED with regards support that can be provided to help their growth.

Screen and creative is one of the sectors of focus for ATEED that is well represented in Albert-Eden and as this sector is supported to grow there are likely to be opportunities for screen and creative businesses in the area.

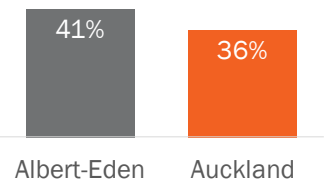
EMPLOYMENT IN ATEED FOCUS SECTOR (2018)

Share of Sector to Total	Auckland	Albert-Eden	+/- on A-E sector
Advanced Materials Related	1.7%	0.4%	-78.8%
Commercial services	21.2%	19.5%	-8.3%
Construction & engineering	11.2%	10.2%	-8.6%
Education	7.6%	11.6%	53.2%
Food and Beverage	3.5%	1.0%	-70.4%
Screen and creative	6.0%	8.6%	43.8%
Technology	7.6%	5.2%	-31.5%
Tourism	6.2%	6.7%	8.0%
Transport and Logistics	2.9%	0.6%	-80.4%

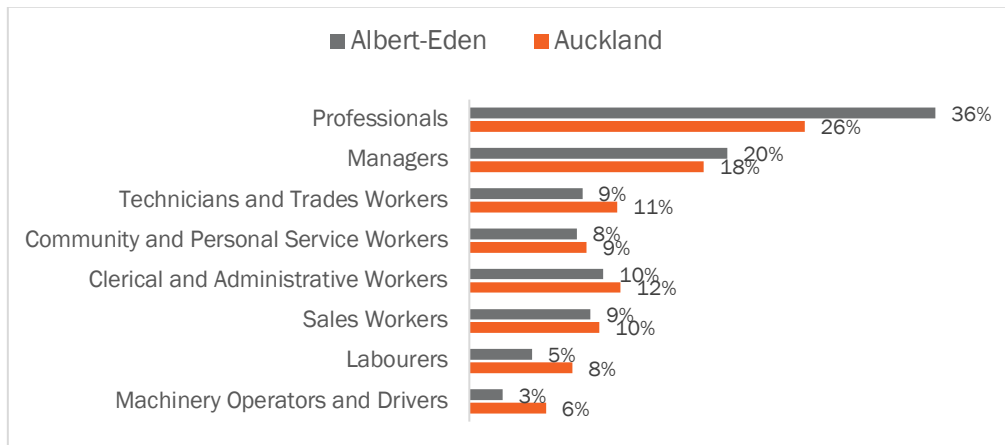
Occupations ⁹

Higher skilled jobs offer people an improved standard of living and are a critical component in attracting workers to an area. Statistics NZ allocates occupations to skill levels based on the range and complexity of tasks performed in a particular job. The skill level does not relate to the qualifications obtained by an individual, but to the range and complexity of the tasks they do at work. There is a higher proportion of highly skilled jobs in Albert-Eden (41 per cent) and lower proportion of low-skilled jobs (33 per cent) compared to the Auckland average.

Highly Skilled Jobs (2018)



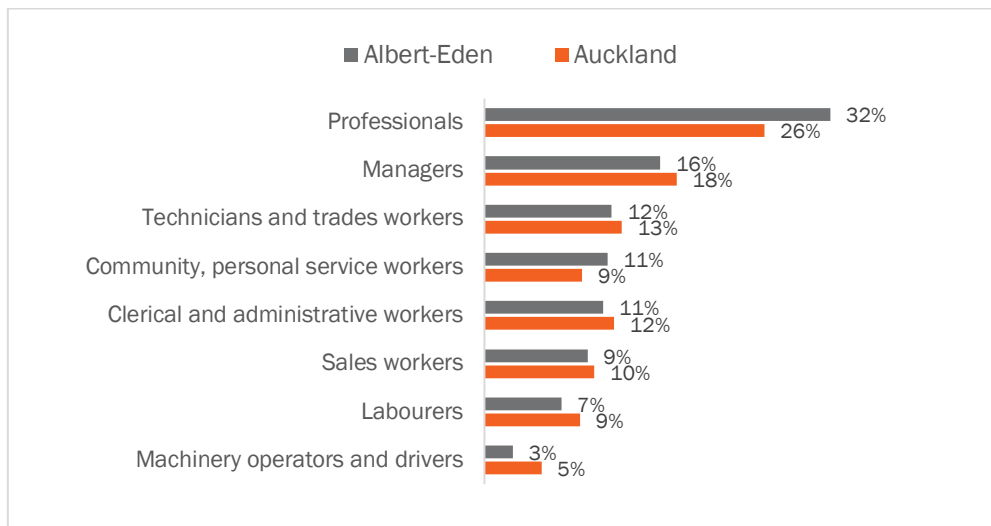
OCCUPATIONS OF RESIDENTS LIVING IN ALBERT-EDEN (CENSUS 2018)



Managers and professional occupations were the most popular occupational categories for Albert-Eden residents in 2018. Compared to the region, there are a much higher proportion of workers in professional occupations in Albert-Eden.

OCCUPATIONS IN ALBERT-EDEN BASED BUSINESSES (2018)

Source: Infometrics



⁹ The 2018 Census provides details of the occupations of residents of the local board area whereas Infometrics data provides details of occupations within businesses located in the local board area.

Of the jobs located in the Albert-Eden Local board area, professionals are the largest occupational group (32 per cent), higher than the Auckland average (26 per cent). The occupational structure of other jobs in the local board area is in line with that of the wider region

Education professionals are the largest occupational group in Albert-Eden, followed by specialist managers¹⁰ and health professionals.

TOP 10 OCCUPATIONS LOCATED IN ALBERT-EDEN (2018)

Source: Infometrics

Rank	Occupations	Jobs	% of total jobs in Albert-Eden
1	Education Professionals	4,190	8.1%
2	Specialist Managers	4,075	7.9%
3	Health Professionals	3,376	6.5%
4	Business, HR & Marketing Professionals	2,818	5.5%
5	Sales Assistants & Salespersons	2,657	5.1%
6	Carers & Aides	2,311	4.5%
7	Hospitality, Retail & Service Managers	2,075	4.0%
8	Design, Engineering, Science Professionals	1,884	3.6%
9	Chief Execs, General Managers, Legislators	1,869	3.6%
10	Sales Representatives & Agents	1,657	3.2%
Sub-total Top 10 occupations		26,912	52.0%
Total jobs		51,694	Note, includes self-employed

Many occupations saw significant growth from 2013-2018, particularly for professional occupations and managers and trades in the construction sector. There was a decline in numbers employed in health professionals and clerical positions.

FASTEST GROWING OCCUPATIONS 2013-2018

Source: Infometrics

Occupation	New Jobs
Specialist Managers	778
Education Professionals	554
Construction Trades Workers	447
Design, Engineering, Science Professionals	417
ICT Professionals	389

¹⁰ Specialist managers include managers in advertising, construction, ICT, business administration and education.

OCCUPATIONS WITH DECLINING JOBS 2013-2018

Occupation	Jobs Lost
Horticulture & Fruit Growing	-243
Dairy Cattle Farming	-191
Transport Equipment Manufacturing	-64

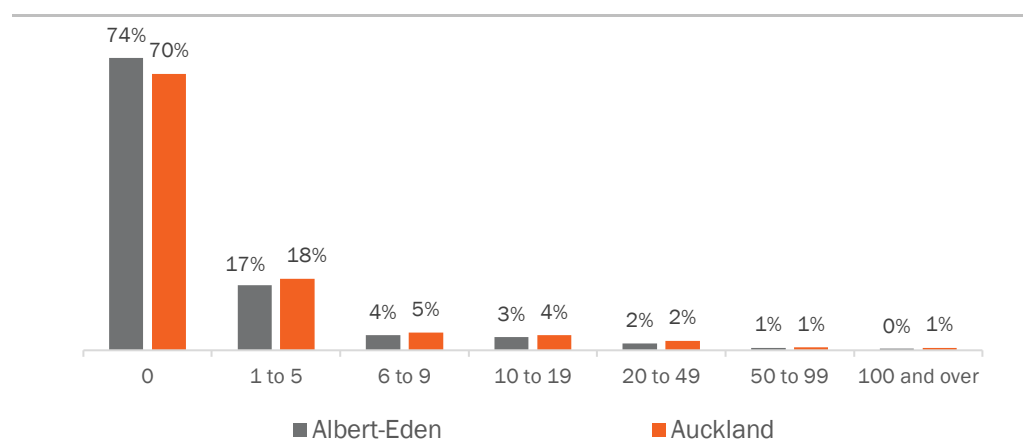
Business size¹¹

In 2018 there were 14,706 businesses in Albert-Eden employing an average of 3.5 employees each, smaller than the Auckland average 4.5 employees. **The vast majority (91 per cent) of businesses in Albert-Eden have five employees or less**, highlighting the importance of small enterprises in the local economy.

The number of businesses grew 2.5 per cent a year on average over the last decade, a faster average growth rate than the Auckland average of 1.9 per cent.

BUSINESS SIZE - NUMBER OF EMPLOYEES (2018)

Source: Infometrics



Future of Work in Albert-Eden

In 2019 ATEED commissioned work¹² to examine the likely future skills needs of the Auckland economy as changing population demographics, emerging technologies and the growth of new industries changes the nature of employment and the skills needed.

Albert-Eden Local Board is located in the centre of the Auckland region close to important employment precincts in central and south Auckland.

Population growth and changing consumer demand will influence growth in particular sectors. The Auckland Future Skills report indicates that Auckland can expect to see growth across most industries with notable growth in **construction, professional services,**

¹¹ Large businesses are defined as entities with 20 or more employees

¹² Auckland Future Skills, Martin Jenkins (May 2019)

health care, food service and education. Construction in particular is expected to grow by approximately 56,000 jobs over the next 10 years.

Health care & social assistance is the main employment sector in Albert-Eden with 16 per cent of jobs in the area. Education is also important and provides 12 per cent of the area's jobs. Construction is a key employer in almost all local board areas and represents eight per cent of employment in Albert-Eden Local Board. Growth in these sectors is likely to positively impact on the Albert-Eden work force.

Professional services jobs include accounting, legal, architectural, engineering and management consulting services are forecast to grow 28 per cent (31,000 jobs) over the next ten years and **much of this growth is likely to be in the central city where these jobs are strongly concentrated.**

Architectural, engineering and technical services (9,000 more employed), management and related consulting services (6,000 more employed) and legal and accounting services (2,000 more employed) are forecast to be the main growth areas.

As a central local board area with a strong knowledge-based economy **Albert-Eden also has a significant number of jobs in these sectors.** Forecast growth in these sectors is likely to include further growth in Albert-Eden. Albert-Eden residents also have easy access to the central city to access the growing number of professional service jobs there.

With a largely managerial and professional workforce, focused on key growth areas of professional services, construction, health and education the outlook for Albert-Eden residents being able to access employment opportunities that match their skills and experience is positive. There are also significant numbers of jobs in education & health in and around Epsom, Mount Albert and at Green Lane that will potentially offer increased local employment opportunities in these growth sectors.

Employment Zones

Employment in Albert-Eden is concentrated in a number of town centres and key road corridors such as Greenlane and Dominion Road which include employment in hospitality and retail alongside professional services and education & health sector jobs. The mall and surrounding retail and services at St Lukes is also a large employment zone. Morningside and New North Road mixed use zones are also significant employment zones in manufacturing, wholesale, retail, contruction and professionals services.

Albert-Eden is a mix of labour importing commercial and industrial areas and labour exporting suburban areas. There are 98,622 residents of Albert-Eden which has a labour force of 59,700. The local board area has a total of 51,654 jobs located within it. As a result, the area is a net exporter of labour to other parts of the city, primarily central Auckland.

Employment Zones

Employment in Albert-Eden is concentrated in a number of town centres and heavy and light industrial zones.

The main employment zone in Albert-Eden is in Epsom and around Normanby Road where a high number of professional jobs in education, health and central government are located. There are significant numbers of jobs in education & health in and around Epsom, Mount Albert and at Green Lane.

EMPLOYMENT IN EPSOM AREA*

(source Infometrics)

Industry	Jobs
Health Care & Social Assistance	5,041
Education & Training	838
Accommodation & Food Services	788
Property Operators & Real Estate Services	523
Total employment (all sectors)	9,884
* Based on business demographics for the SA2 area	

EMPLOYMENT IN MOUNT EDEN NORTH EAST (NORMANBY RD) AREA*

Industry	Jobs
Professional, Scientific & Technical Services	1675
Central Government Administration, Defence & Public Safety	763
Education & Training	655
Telecommunications, Internet & Library Services	626
Health Care & Social Assistance	407
Construction Services	399
Building Construction	355
Total employment (all sectors)	6,248
* Based on business demographics for the SA2 area	

EMPLOYMENT IN MOUNT ST JOHN*

Industry	Jobs
Professional, Scientific & Technical Services	1179
Education & Training	1035
Health Care & Social Assistance	1024
Total employment (all sectors)	5,501
* Based on business demographics for the SA2 area	

The main industrial location is at Morningside where construction, manufacturing and wholesale trade provide employment.

EMPLOYMENT IN MORNINGSIDE INDUSTRIAL AREA*

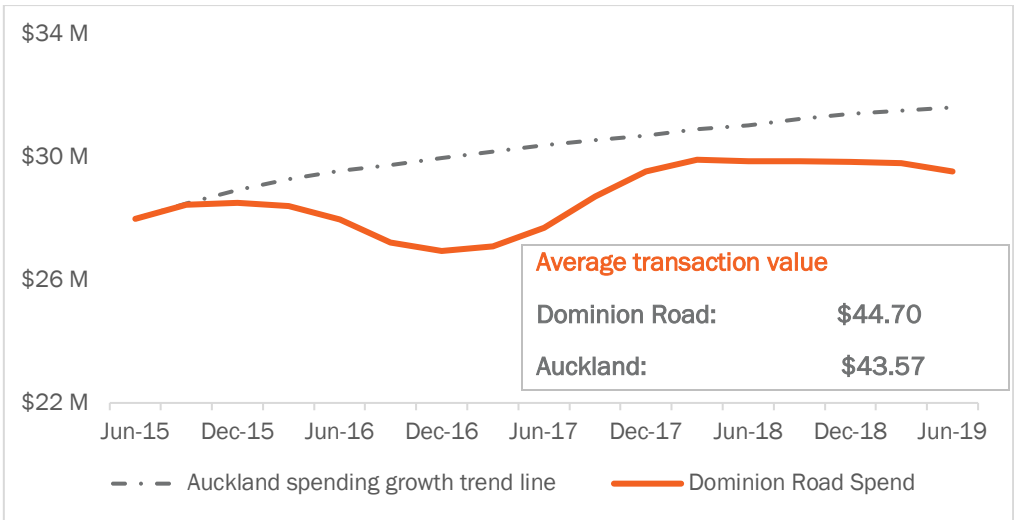
Industry	Jobs
Construction Services	433
Professional, Scientific & Technical Services	289
Wholesale Trade	272
Health Care & Social Assistance	173
Other Store-Based Retailing and Non-Store Retailing	154
Other Services	137
Polymer Product and Rubber Product Manufacturing	131
Total employment (all sectors)	2,378
* Based on business demographics for the SA2 area	

Town Centres ¹³

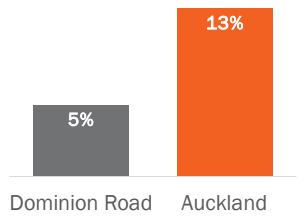
The main town centre employment zones in Albert Eden are Dominion Road, Mount Eden, Kingsland and Uptown.

Spending in Dominion Road has not grown at the same rate as in Auckland as a whole, growing just five per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in Dominion Road was \$44.70, just above the Auckland average of \$43.57.

DOMINION ROAD BID SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)

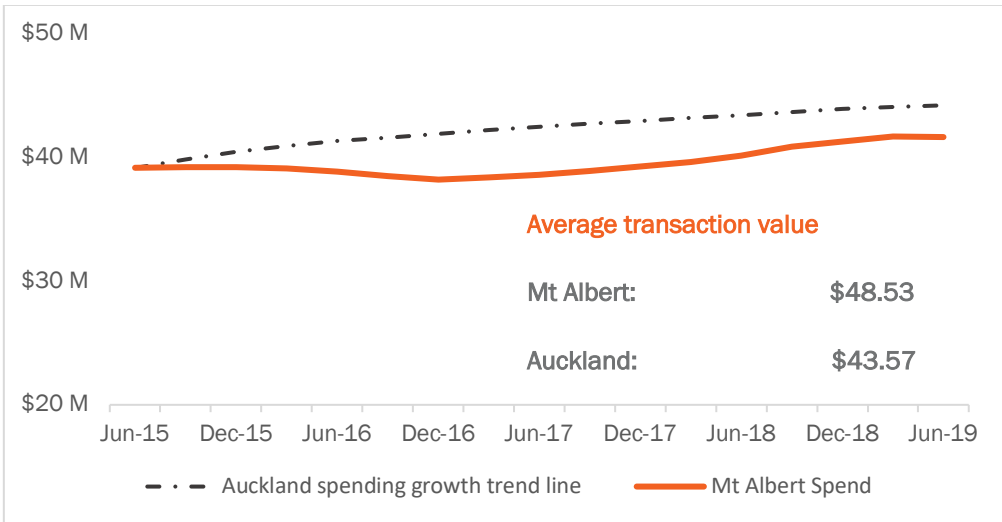


Spending growth 2015-2019
(four quarter average)

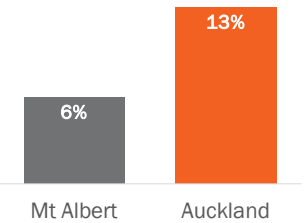


Spending in Mt Albert has not grown at the same rate as in Auckland as a whole, growing just six per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in Mt Albert was \$48.53, above the Auckland average of \$43.57.

MT ALBERT BID SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)

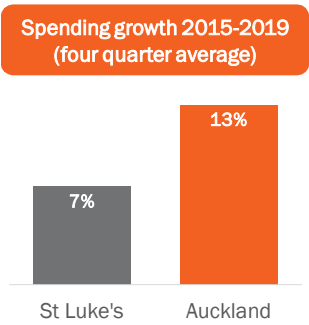


Spending growth 2015-2019
(four quarter average)

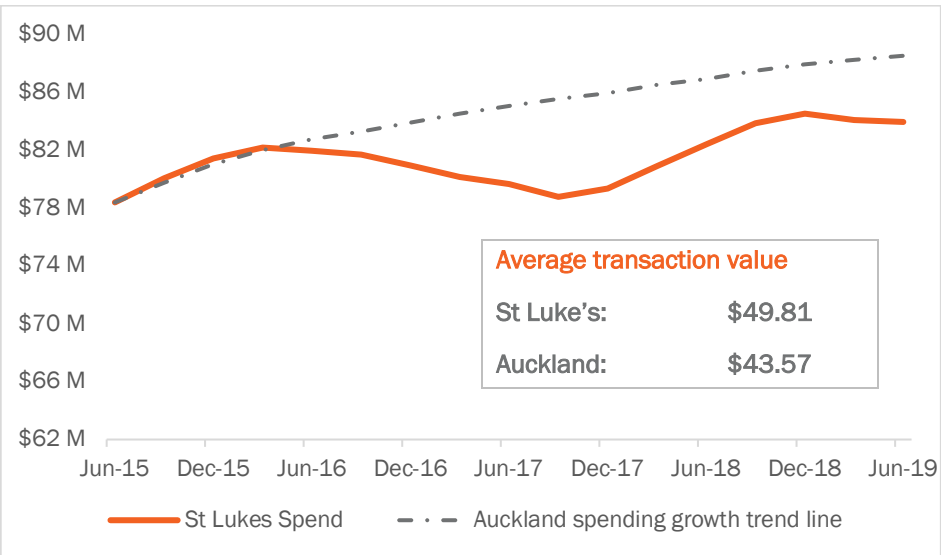


¹³ Town centre spend data is provided by Marketview and is derived from credit and debit card transactions. Area with higher levels of cash payments may have spending slightly under reported.

Spending in St Luke’s has not grown at the same rate as in Auckland as a whole, growing just seven per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in St Luke’s was \$49.81, above the Auckland average of \$43.57. A planned expansion of St Lukes by its owners Scentre is currently on hold with an expansion at Albany prioritised.



ST LUKE’S SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



Development Trends

Auckland has been undergoing a period of rapid growth facilitated by the development of the Auckland Unitary Plan. The completion of the city rail link between Britomart and Mount Eden train station is set to have a significant impact of the area as would any future light rail development between the city centre and Mangere.

Context

The refreshed **Auckland Plan (2018)** sets the spatial vision for Auckland's future development through to 2050 to identify the type of city Auckland will become and how it will accommodate its housing, economic, social and environmental needs. The plan identifies that Auckland may need another **313,000 dwellings** and up to **263,000 extra jobs** by 2050.

Within the Auckland Plan is the **Auckland Development Strategy** which shows how Auckland will physically grow and change over the next 30 years. It takes account of the outcomes Auckland wants to achieve, population growth projections and planning rules.

The **Development Strategy** outlines key nodes and development areas where the bulk of new development of housing, employment and civic services will be located and how that can be connected by efficient transport links. Beyond the city centre the key nodes of growth are in the south (**Manukau**), north (**Albany**) and northwest (**Westgate**). **Rural nodes** in **Pukekohe** and **Warkworth** will service their surrounding rural communities and will support significant business and residential growth.

The **Unitary Plan (2017)** was developed set the planning rules for:

- what can be built and where
- how to create a higher quality and more compact Auckland
- how to provide for rural activities
- how to maintain the marine environment.

Development areas are spread across the region. In addition to areas identified for development most other urban areas will experience some development and change. This could be in the form of subdivision, or the redevelopment of existing buildings/land parcels at higher densities.

Five development areas are included in Albert-Eden each expecting to see growth in the medium term (2028-2038) given their market attractiveness.

With good transport connections, **Greenlane** is located close to the city centre, Newmarket and Cornwall Park. Market interest is evident in the nearby Alexander Park Raceway developments, which will result in nearly 250 dwellings and retail space.

Recent Auckland Council investment in **Mt Albert** includes a rail station upgrade, town centre improvements and cycleway developments. It has good access to open space and the motorway network. **Morningside** and **St Lukes** are city fringe suburbs with good

accessibility via the rail station and bus routes. Once the City Rail Link is complete, the area will be a 14-minute rail journey to the city centre. A potential light rail service along Dominion Road would increase accessibility and act as a catalyst for development ¹⁴.

These areas are expected to add significant numbers of houses to the area over the next 30 years as well as a modest contribution to employment.

EXPECTED GROWTH IN DEVELOPMENT AREAS

Development Area	Phasing	Expected Dwelling Growth 2018-2048	Anticipated Employment Growth 2018-2048
Morningside	4-10 years	490	-10
St Luke's	4-10 years	1320	-30
Mt Albert	4-10 years	1190	410
Dominion Road corridor	4-10 years	1980	820
Greenlane	11-30 years	1570	300

480

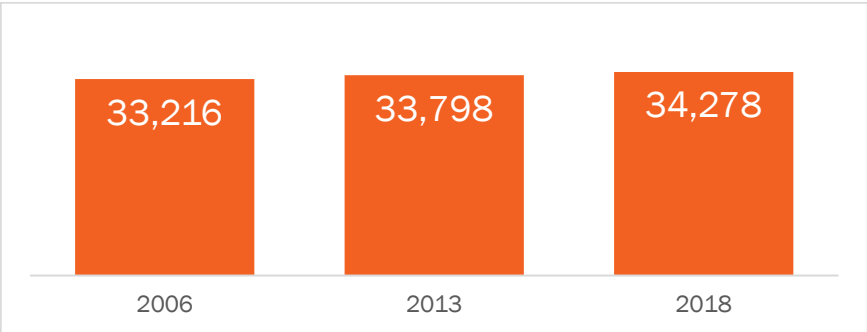
Additional dwellings

Just 480 additional dwellings in Albert-Eden in the 2018 Census compared to 2013.

New dwellings

There were 165 new dwellings consented in 2018, which was 2.1 per cent of the 7,824 issued in the Auckland region. The number of new dwellings consented has been at increasing steadily since 2011 while the number of dwellings has slowly increased.

NUMBER OF PRIVATE DWELLINGS (OCCUPIED & UNOCCUPIED)



At the 2018 Census there were 2,145 unoccupied dwellings and 489 under construction. Between 2013 and 2018 Censuses there were just 480 additional dwellings in Albert-Eden an increase of 1.4 per cent compared to a 6.5 per cent increase across the region.

Future Developments

The City Rail Link, a 3.5 km underground link between Britomart Transport Interchange and Mount Eden with the addition of stations at Aotea Square and K Road will improve train frequency and journey times to the city centre and provides economic development opportunities at the new stations, including the redeveloped Mouth Eden station.

There is also proposed to be the introduction of light rail down Dominion Road on a central Auckland to Mangere line. This would present a significant economic development opportunity.

¹⁴ Auckland Plan, Development Strategy (2018)

Economic Development Opportunities

The Auckland Region aim: Develop an economy that delivers opportunity and prosperity for all Aucklanders and New Zealand

In its current Local Board Plan the Albert-Eden Local Board seeks to ensure that Albert-Eden develops thriving town centres and a growing local economy. The local board's vision is that strong local economic growth continues, and the area develops a reputation as a home for niche knowledge industries.

ATEED are able to provide support to local boards or groups of local boards in a number of ways, including:

Business environmental sustainability

- Promote sustainable business practices in key areas such as waste minimisation and reduction in carbon. Identifying the needs of local business through needs assessments and providing implementation options (
- Provide businesses access to sustainable business coaching and sustainability seminars e.g. Business Sustainability Kick Start Programme)

Places

- Work alongside Panuku Development Auckland in its Transform and Unlock areas to help identify and realise economic development opportunities in those areas.
- Support local boards with specific place-based initiatives to help revitalise areas and build on their unique characteristics in order to promote enhanced economic outcomes.

Enterprise

- Manage delivery of local business programmes that provide access to business skills where mainstream services don't meet community need (e.g. PopUp Business School).
- Support youth enterprise initiatives (e.g. Young Enterprise Scheme)

Economic analysis and research

- Support local boards to understand strengths, opportunities and challenges in their areas by providing analysis of available data.
- Commissioning work to understand particular issues or opportunities a local area may have and identify appropriate actions.

Leveraging local opportunities

- Support local boards to consider how they may best support local businesses to capitalise on opportunities that may arise as a result of major events or development projects in the region.

The table below provides our advice as to where ATEED's local delivery can help the local board deliver against its objectives. Where related initiatives are delivered by other parts of the Auckland Council family these are noted.

ATEED has been directed by Council to focus its resources on economic development initiatives in the less prosperous areas in **West and South Auckland**.

ISSUES

Albert-Eden has a very diverse community, while the area is relatively affluent not all sectors of the community are able to share in prosperity.

ECONOMIC DEVELOPMENT OPPORTUNITIES

LED work stream	Potential area of focus in Albert-Eden Local Board area
Sustainable businesses	<p>Work with the business community to encourage and support local sustainable business practices and initiatives</p> <p>Support business sustainability 'Kick Start' programme - identifying the needs of local business through a short one on one engagement, working with interested businesses through coaching sessions to establish a sustainability action plan and encouraging participant to monitor their progress.</p>
Places	<p>Continue to improve the quality of town centres.</p> <p>Support town centres to understand how they are performing through the provision of retail spend data and reporting.</p> <p>Ensure the Albert-Eden Art Broker programme continues to work with business associations and BIDs on activities, programmes and events that bring more people to the centres and create interest and excitement (Arts, Community and Events).</p>
Enterprise	<p>Consider co-funding (with ATEED and other local boards) enterprise support programmes that meet the needs of the community that are currently not met by mainstream regional programmes (such as PopUp Business School).</p> <p>Provide Business Mentoring Support for new start-ups (Increased wrap-around support for emerging social enterprises and small businesses) for the migrant community (Community Empowerment).</p>
Economic intelligence.	Update of Prosperity Index to keep local board informed of socio-economic picture in their area.
Leveraging local opportunities	Advocate for future high-quality public transport infrastructure, such as light rail along Dominion, Sandringham, Mt Eden and Manukau roads. While this will provide challenges in terms of disruption there will be opportunities for economic development in and around any stops on the route.

Glossary

Australian and New Zealand Standard Industry Classification 2006 (ANZSIC 2006)	This is the official industrial classification used by Statistics NZ. The classification system aims to reflect the structure of Australian and New Zealand industries and enable comparability with other countries' statistics.
Business Areas	Business areas reported are those Statistical Areas in the Annual Business Demographics data with the largest numbers of employees working in the area. In some cases, the business areas cross local board boundaries.
Employment	Head count of salary and wage earners sourced from taxation data. Unless stated, does not include self-employed.
GDP	Gross Domestic Product is the total market value of goods and services produced in the local board area, minus the cost of goods and services used in the production process. GDP for each local board was estimated by Infometrics Ltd using 2010 prices.
Labour force participation	The labour force is defined as all persons aged 15 years and over who are looking for work, or are employed, either full time, part time or casually.
Population	The population for the local board area is the usual resident population count from the 2018 Census of Population and Dwellings. This figure may be lower than previously published estimated 2018 population figures from Statistics New Zealand.
Productivity	The NZ Productivity Commission defines productivity as the efficiency with which resources – such as labour and capital – are converted into outputs of goods and services.
Unemployment rate	The unemployment rate is the number of people aged 15 years and over who did not have a paid job, were available for work, and were actively seeking work, as a percentage of the labour force.

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