

Growing economy presents opportunities for town centres

With population growth in the past three years equivalent to the city of Tauranga, comes great economic and place-making opportunities across Auckland.

We interviewed Auckland Council's **Chief Economist David Norman**, *pictured*, for his insights on what this means for the city's town centres and business precincts.



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DAVID NORMAN, CHIEF ECONOMIST

Like so many of his fellow Aucklanders, South African-born David is a qualified migrant whose recent arrival in Auckland is contributing to the city's growing economy.

Businesses are doing well out of both the planeloads of new arrivals and the non-departure of New Zealanders, who historically have left for Australia in large numbers. Where they choose to buy their products and services is up for grabs, he says.

“Retail spending in Auckland is up 5.8% in real terms year-on-year while the population has grown 2.8%. This means retail spending per person has risen around 3.0%.

“This is faster than GDP/capita growth, and despite rising house prices which means less disposable income for borrowers. Those who have broken the back of their debt are clearly open to spending more,” he says.

So which parts of Auckland stand to benefit the most from the opportunities provided by the population boom? And is the city's new Unitary Plan a game-changer for the retail sector?

“People want to be able to do a whole shop in one location,” he says. “Walkability, good transport links and ease of access are what matters. If town centres can get those things right, they should prosper.”

David describes the city's new planning rulebook, the Unitary Plan, as an enabler.

“It clarified where and what you could build. By increasing densities across most of the city, it will greatly increase the catchment - mouths to feed - in many parts of Auckland over the next decade as that intensification occurs. This creates a massive opportunity for businesses in the intensifying areas,” he says.



The Auckland Plan identified [Takapuna](#), pictured left, as a growing metropolitan centre. The Unitary Plan subsequently rezoned the iconic Shore suburban for greater commercial and residential development.

“Increasing densities create massive opportunities for businesses in areas like Takapuna,” says David Norman.

“Opportunity comes simply from scale. We’ve added 140,000 people in three years across this city. They are coming to a community near you,” says David.

With growth, come pains as well as gains.

“Increasing traffic congestion is making travel to the shops by car an unenjoyable experience for many. It will be a challenge for town centres to attract visitors who live more than walking distance or a bus ride away. This congestion could push people away from bricks-and-mortar shops and toward online retail,” he says.

Auckland’s changing demographics and consumer demands also need to be considered.

David spent several years in Asia and points out that recent migrants from that part of the world may have greater expectations of the retail environment.

“Migrants from many parts of Asia are used to greater choice in their shopping, and much longer shop hours, seven days a week. Can our town centres deliver more choice, allowing you to do all your shopping in one place?” he questions.

The country’s skills gaps also affect the retail sector, he says.

“In some ways retail is protected from skills shortages by the fact that it employs many part time workers. The sector will struggle to find people wanting to work fulltime in retail in Auckland given the cost of living here relative to the rest of the country,” he cautions.

- For more information on Auckland Council’s Chief Economist’s Unit, click [here](#) or email Chief.Economist@aucklandcouncil.govt.nz
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