



Auckland | August 2020

Research

Part 1: A new era of Auckland connectivity

City Rail Link series

Important

Context of this report

The impact of COVID-19 on New Zealand's economy has been dramatic and will certainly continue to affect many parts of the market to varying degrees of severity in the future months.

Whilst the information published within this report was correct at the time of draft publication, for the avoidance of doubt this report does not take into account any potential short to medium-term market impact of COVID-19.

Rather, the focus is on the long-term with the expectation that the market will make a full recovery over time.

The second age of public transport in Auckland

2024 will see the launch of the City Rail Link (CRL) in Auckland.

It's been touted as arguably the biggest infrastructure transformation for Auckland's CBD since the construction of the Auckland Harbour Bridge in 1959, which first gave the City practical access to the North Shore.

The question is then, how can a rail network spanning just 3.45 kilometres be so significant?



The impact on public transport use in Auckland since the Britomart Transport Centre opened in July 2003 has been profound.

Between June 2006 and June 2018, Auckland's estimated resident population grew 18 percent yet public transport patronage increased by more than double this rate at 79 percent over the same period.

With the increasing importance of environmental protection and economic and physical sustainability, this trend is unlikely to change course any time soon.

Despite its obvious success, Britomart is still effectively a 'dead end' train station.

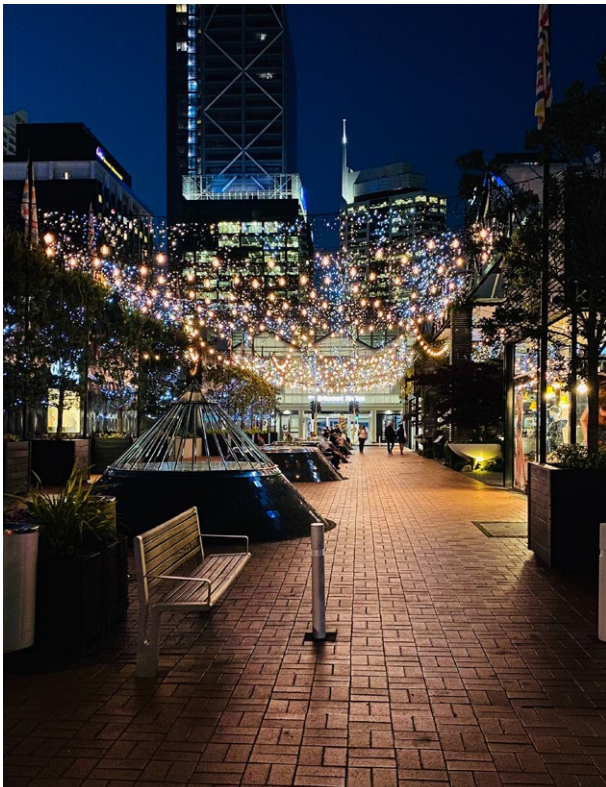
This limits its timely usefulness for those in West Auckland and, crucially, its connectivity to the West of the CBD.

Given Britomart's impact, it is no surprise that the major office and retail developments at scale in recent years have been centred around the waterfront, lower Queen Street, and immediately West of Britomart; all leveraging off the increased connectivity of potential office occupiers and office workers.

However, despite such a good news story, the demand is far exceeding supply and Auckland's rail system is noticeably starting to creak at the edges.

44%+

Is the expected Auckland population increase by 2043 (2.33 million people).



During peak periods, Britomart is already nearing maximum capacity while according to City Rail Link Limited (CRL, the company formed by the Auckland Council and New Zealand Government), major bus routes will be at or over capacity by 2021.

And this is before we take into account the anticipated growth in Auckland's population.

The latest 2018 population estimate for the Auckland region sits at 1.62 million.

This is forecast to increase to 2.33 million by 2043 (+44%).

Growth in the Auckland CBD resident population is expected to be even more pronounced, with a 76% increase from 49,060 in 2018 to 86,300 by 2043.

According to the Auckland Plan 2050, the combined resident population in the city centre and the city fringe is expected to grow by over 58,400 people between 2018-2048, along with approximately 25,000 additional dwellings.

Over the same period, city centre and city fringe employment numbers is expected to grow by 75,800.

It's clear there is already a healthy tail wind propelling the City of Sails; but we all need to be getting our collective ship ready for the greater rate of knots coming our way.

The CRL is specifically designed to address both of these issues of network practicality and rail system capacity.

From 2024, Britomart will no longer be an end destination but rather the key transportation conduit for the central CBD in both directions with faster commuting distances to more of the city.

Capacity will simultaneously increase significantly to accommodate up to 50,000 passengers during peak hours.

While 2024 may still seem a while off, given the length of time required to plan, design, construct and mobilise meaningful property development, the time for action is now.

Auckland's property owners, businesses, investors and residents need to make sure they're fully informed of the dramatic practical and property infrastructural changes coming their way.

Importantly, they must also know how best to take advantage of what will quickly become the new business-as-usual.

It is not controversial to say that as the CRL enables full use of the city's potential, living and working in Auckland's CBD will never be the same again.

Fast facts



50,000

The hourly number of people expected to use the CRL at peak travel times.

Wider tunnels and longer platforms are being considered as addons to increase capacity.

10,500

Current passenger capacity of just Britomart alone.



3.45km

Length of rail to connect Britomart with Mt Eden station



2024

Expected date of completion



New stations

- 1. Aotea Station zone**
Mid-town at Wellesley Street and Victoria Street
- 2. K Road Station zone**
Accessed from Mercury Lane and Beresford Square



Upgrades

- 1. Britomart Station**
This will become a through station
- 2. Mount Eden Station**
This will become Auckland's Western city rail hub

Auckland's accessibility and the wider economic effects

The transport network is critical to shaping urban form and leading economic development – cities with efficient transport systems are more productive than dispersed places.

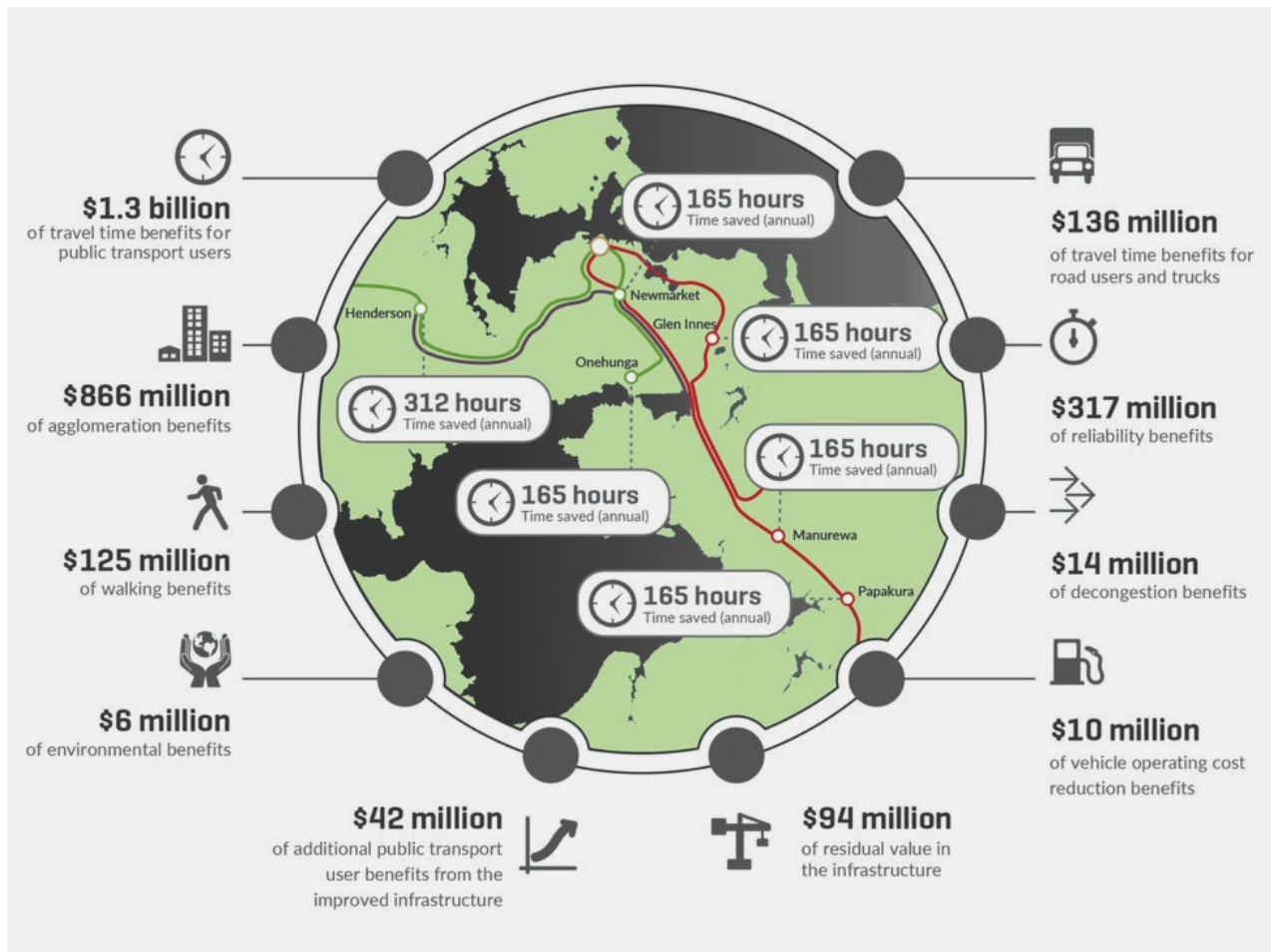
However, the CRL is not and should not be just about promoting the use of public transport in Auckland; its potential impact is so much greater.

The opportunity for more efficient road user connectivity, mobility, and growth in service level and supply to Auckland should not be ignored.

The wider economic benefits are also materially significant.

Of course, public transport is not a realistic option of getting around the City for everyone, but with more people on the rail network the pressure on road traffic should ease.

This is crucial as with the surging demand for courier delivery – a result of the evolution in online retail – if our economy is to grow we must maintain ample and accessible road space connectivity from depot to door all around the Auckland region.



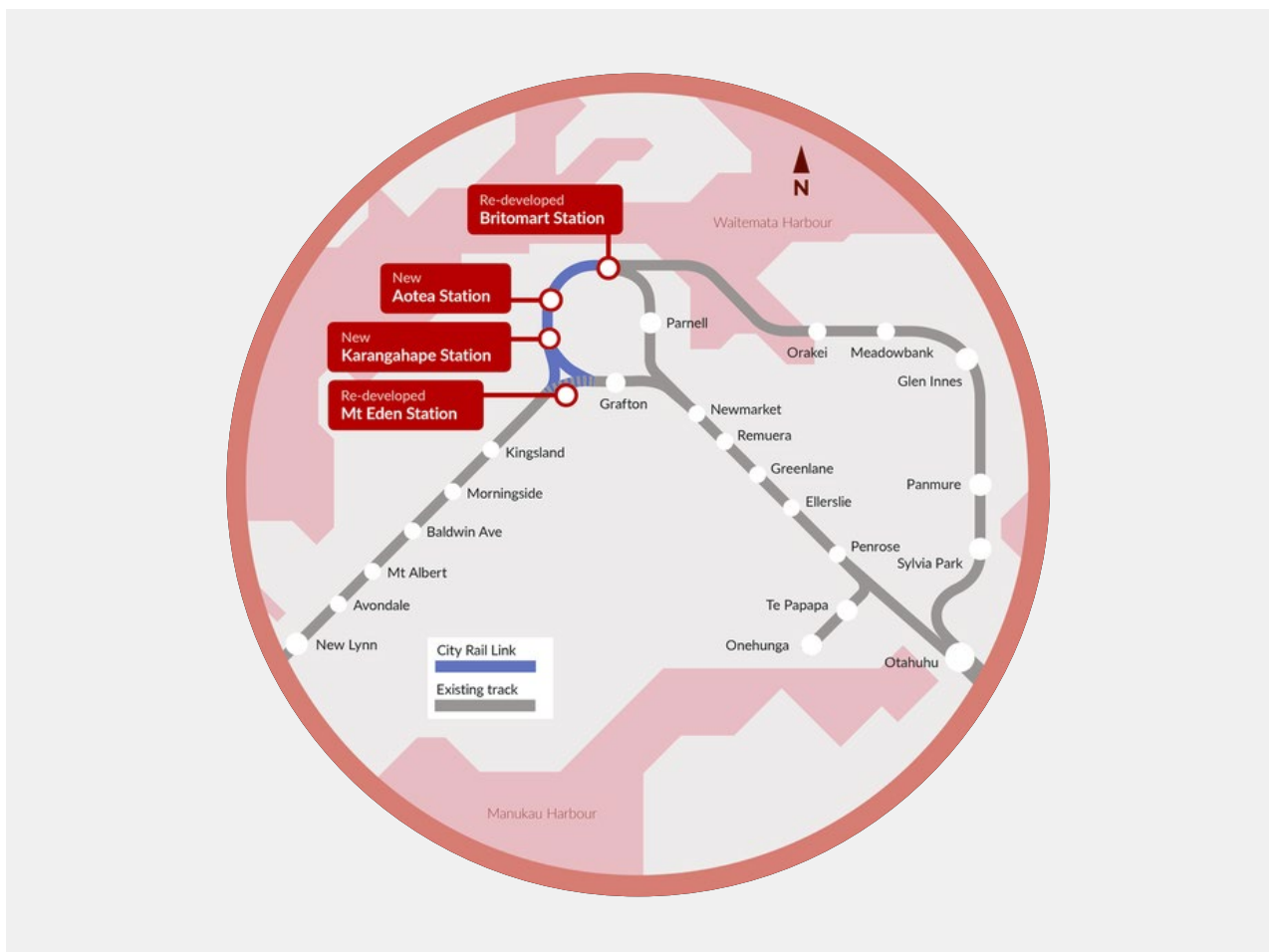
30%

Is the CRL's 2041 forecast for the city centre's GDP contribution to the Auckland region.

Furthermore, while we are nearing public transport capacity, we will still need to attract more workers to central Auckland over the coming decades to foster continued growth and prosperity.

According to CRL, by 2041, the city centre is forecast to account for 30 percent of the Auckland region's GDP.

The future of work is changing with evolved work practices and flexibility to promote optimised productivity, but face-to-face working, connection and collaboration are a key human requirement.



Auckland's vision and future transformation

The transformation of Auckland in the last 15 years is not by accident.

Auckland City Council's vision is starting to demonstrate real growth with the move away from the car and towards public transport is a key catalyst to development - the CRL is undoubtedly the next step along the journey.

However, we will only enjoy the full benefits that improved transport can provide if we think outside the square.

Individual property owners and investors need to look at ways they can position themselves to help shape Auckland over the next 25 years, reflecting changing lifestyles, property requirements, and the future of work.

Only then will we truly capitalise on the imminent opportunities from increased connectivity for all those in the Greater Auckland region.





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