

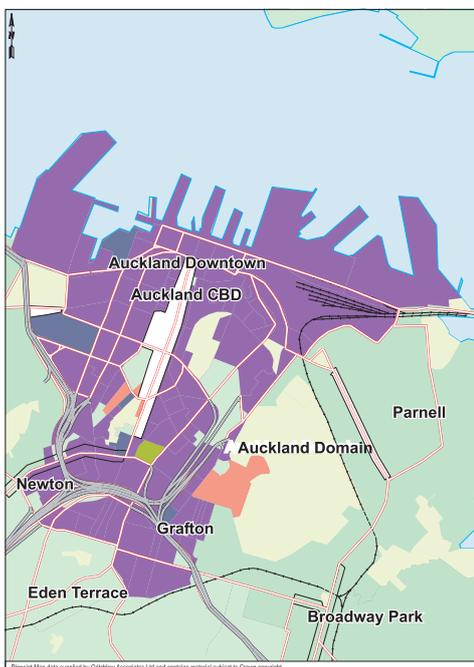
## Auckland City ★★★★★

Central

including the Central Business District, Newton and Grafton



Auckland must have been one of the last cities in the world to catch on to apartment living, but there's no doubt that it's now a vital part of our real estate scene. Inner city living is a natural for those emigrating from apartment-oriented cities and for students who want to be close to uni and the nightlife, but they're not the only ones who refuse to spend their Saturday afternoons mowing lawns. There's a significant number of empty nesters selling the suburban family home, settling into a comfortable apartment and enjoying their free time and disposable income. Auckland's CBD is blessed with beautiful parks, so any hankering for some maintenance-free great outdoors is easily assuaged. The best address in the CBD is definitely the Viaduct, which went off with a bang during America's Cup fever and has stayed on top of the heap ever since.



For colour key, see page 230

### Population Profile

|                       |        |
|-----------------------|--------|
| Population            | 22,377 |
| % Aged Under 15 Years | 3.49   |
| % Aged Over 65 Years  | 2.68   |
| % European            | 35.78  |
| % Maori               | 4.41   |
| % Pacific Peoples     | 2.40   |
| % Asian               | 36.33  |

### Who Lives There?

As well as the ageing baby boomers, central Auckland is home to many young people. Most rent, while others buy, disillusioned at ever being able to enter the conventional housing market (which starts at just under \$300,000 for anything decent in the 'burbs) but who can buy a freehold city studio (26-32 m<sup>2</sup>) say, for maybe \$110,000.

The obvious attraction of walking to work and not having to take out a second mortgage to fill the car with petrol brings many young professionals who can toil, play, eat and sleep within a kilometre-wide circle. Despite recent immigration downturns, the city is still

a magnet for new arrivals and ex-pats. The numbers of Asian students may be less these days as many of the language schools have diversified or closed down, but there are still plenty of students generally.

There are now “serial city residents”, those who have tried it, liked it and have upgraded or just figured out exactly what they like about apartment living and bought to suit.

### Typical Homes

As you’d expect, the city scene is apartments and more apartments, ranging in size and quality. New apartment buildings keep emerging, albeit at a slightly slower pace than the past few years.

Many city apartments are of variable quality and not all are freehold. Leasehold apartments are found particularly around the Viaduct, Princes Wharf and the railway station developments and some owners have been stung by rising ground rents.

Size definitely does matter when it comes to apartments. Auckland Council has set minimum guidelines of 35m<sup>2</sup> for new studio apartments and 45m<sup>2</sup> for new one bedroom apartments. Banks generally won’t lend on the smallest apartments (although other lenders may). There are older-style houses in nearby Grafton and Newton, but many of the cute villas have been removed to make way for terrace housing developments.

## Amenities

### Schools ★★

Demand for schooling in the central city is not great, however the western part is in the Auckland Grammar School zone. Kadimah College in Greys Ave caters for children aged four to 13 (pre-school to year 8). A decile 10, private Jewish day school for children of all cultures and ethnicities, it continues to excel academically with small classes and ability, rather than age, groupings for key subjects. ACG Senior College and Auckland Girls Grammar are in the CBD. Senior College has a strong academic focus and according to a recent ERO report “...is achieving outstanding

results in national and international exams.” At Auckland Girls academic standards are also high, and the school has a strong sporting reputation with more than 25 codes on offer. For a full list, see page 270

### Shops ★★★★★

Queen St’s big \$42.5million facelift has been completed bringing wider footpaths, more shelter, new street furniture, art works, trees and new retailers including Louis Vuitton’s flagship store into the heart of the city.

Newmarket and St. Lukes are relatively close and two large supermarkets, the Foodtown near Britomart and New World in Freemans Bay, give inner city locals plenty of choice for food shopping.

### Leisure ★★★★★

Although still more of a night-time place, the city has pleasant enough daytime activities, mostly centred around the waterfront. There’s plenty of boat watching, strolling through Viaduct Harbour, or dining and drinking at one of the many cafés while watching the world and its tourists go by.

There are quite a few green spaces, including Albert Park, Myers Park and Victoria Park – and it’s looking promising for the redevelopment of the tank farm as the Wynyard Quarter; a mixed-use urban village with parks, plazas, shops and cafés.

The Auckland Art Gallery’s New Gallery is open in Lorne St, near the old gallery building which has undergone a complete development and restoration and reopened in Spring 2011. The architectural brief was to create a vibrant new local point that integrates the gallery, park and street and effortlessly connects art with people.

## Real Estate

### Trends

The city market is made up of about 70% investors, looking to maximise their rental yield from students or young city workers. In recent times these investors have had to cope with some pretty hefty capital price drops and relentless media doom and gloom, which

underscores the wisdom of buying in good buildings with a point of difference.

The pace of apartment-block building has continued to slow, partly because of the slowing market and because most of the viable sites have been used. Perhaps we'll see more of the kind of creative thinking which led to the Stamford Residences; upmarket 10 floors of new apartments built atop the Stamford Plaza hotel in Albert St.

Generally the apartment market is a complex picture. There's everything from 21m<sup>2</sup> studios to 80-100m<sup>2</sup> two/three bedroom apartments with or without carparks. As a general guideline a 70-80m<sup>2</sup> two-bedroom apartment with car park costs about \$400,000. The less common three-bedroom, 100m<sup>2</sup> apartment with two carparks is \$600,000+. Any penthouse is likely to be well over the \$1million mark.

Some agents say buyers have good choices; others say it's a misconception that there is a glut. Many would-be vendors are holding onto apartments in favour of banking good rental returns while they wait for the market to pick itself up. There is a lot of demand for lower-priced dwellings in the CBD especially from among the 35,000 university and tertiary students who flood into the city.

It's a myth that apartment buyers often on-sell their carparks. They can only do so if the carpark is on a separate title and that's not common. Add a carpark into your apartment purchase and add \$50,000+ to your bill. Expect to pay \$50 a week to rent a carpark in your apartment building - that's if there's one available.

The huge question mark over leasehold ground rentals on properties at the lower end of the city is worrying vendors and buyers alike. Ground rentals that have been already been set for the next seven years on Viaduct apartments are at least bringing some certainty to the market - at least for the time being.

### Best Buildings

Many of the apartment buildings in the Viaduct are considered good, including The Point, Lighter Quay and The Parc. Also in demand are new buildings in scenic spots, such as The Precinct on Lorne St, with views of Albert Park.

Converted loft-style apartments in heritage buildings are considered prime real estate for those who find new buildings too homogenised and soulless.



Where to Live in Auckland

**Local Hero:  
The Waterfront**



Half of our city waterfront land may still be occupied by a container terminal, but we're getting there. The Viaduct Harbour has proved its staying power, sans an America's Cup challenge, and is a vibrant and fun place to be, now hosting various events (Auckland anniversary day fair, wine and food festival). The 12,000-seat Vector Arena stadium at Quay Park is complete. Swish new apartment buildings have risen like phoenixes from the ashes of the yacht syndicate bases, and we wait with baited breath for the redevelopment of the tank farm to become a reality. Over the next 25 years, the plan is to transform the area into a bustling, multi-purpose urban village.

**Look Out**

Wise buyers will do their research before buying any property, but that's particularly true for apartments. Could your expensive view be built out? Are the walls so thin you can hear the neighbours' conversations? And, especially in the CBD, will you (or your tenants) be able to handle the noise of late-night revellers, loud bars, and construction/roading projects which don't stop at night for residents the way they would in the suburbs?

**At a Glance...**

**Apartment Prices**

**Studio apartment**

Apartment  
Price \$150,000 - \$260,000

**Entry-level apartment**

Bedroom   
Price \$170,000 - \$350,000+

**Apartment with views and car park**

Bedrooms   
Price \$450,000 - \$650,000+

**Heritage-style apartment**

Bedrooms   
Price \$850,000 - \$1,200,000+

**Viaduct apartment**

Bedroom   
Price \$300,000 - \$650,000+

**Larger Viaduct apartment**

Bedrooms   
Price \$800,000 - \$1,300,000+

**Average Rents**

**Apartments**

Bedroom   
Price \$370/wk

Bedrooms   
Price \$500/wk

Bedrooms   
Price \$670+/wk

**Travel Times**

With transport, everything starts and ends in downtown Auckland. The Intercity bus terminal is under Sky City Casino. Ferry travel has become a lot more attractive thanks to a \$10.6million upgrade of the four piers. And Britomart has brought trains into the central city, as well as providing a central connection point for bus, ferry and rail.