

Auckland city is growing up

Auckland city is accommodating more people than ever. As the numbers swell, MARCUS STICKLEY, SIA ASTON and CLAIRE ELLERY ask how Auckland is shaping up?

Developers eager to capitalise on the population boom, are building high density apartments to house the growing city.

Many of the people moving to the inner city are foreign students, mainly from Asian countries, bringing \$930 million a year to the city, according to Auckland City Council.

Their needs have influenced the style and size of apartments being built and the businesses that occupy the central business district (CBD).

The residential population of the CBD has grown from just 564 residents in 1991 to 3,771 in 2001 according to Census statistics.

The *New Zealand Herald* has reported the central city will have a population of 22,500 by the end of next year.

A Bayleys research report on Auckland city apartments indicates that in 1991 the CBD had around 500 apartments compared to nearly 8,500 in 2004.

This figure does not include buildings under construction. There are currently 4,750 apartments being built in the CBD with a further 3,200 proposed.

In 1991 the ethnic make-up of residents in the CBD was consistent with that of the wider Auckland City area with a high concentration of New Zealand Europeans (70-75%), according to the council.

By 2001 the ethnic diversity has increased significantly with Asian ethnic groups making up 32% of the CBD

"Asian students can afford to pay big amounts of money and are happy to live in tiny apartments."



RESIDENTIAL RUSH: The changing face of Auckland is reflected in the busy lunchtime crowd at the intersection of Queen and Victoria St.

resident population, and NZ Europeans 50%.

A number of factors lead to the increase of central city residents, including education, general growth in population, and the conversion of office spaces to dwellings.

Prior to the stockmarket crash in the late 1980's the council had restrictions on residential permits in the CBD that made it an unappealing development area, according to Martin Dunn from City Sales.

When office spaces became available in large numbers after the crash "the council suddenly accommodated us," says Mr Dunn.

Developers were able to build residential apartments with relaxed

requirements on size and fire restrictions.

The education sector has also been a key player in the growth of the city center. The University of Auckland, Auckland University of Technology, private and diploma schools, language schools, and branches of Otago and Waikato Universities are all located in the CBD. Enrolments are increasing every year.

Figures collated by the Auckland City Council show that in 1996 the education sector occupied 3.8% of the floor space in the CBD, compared to nearly 15% in 2003.

Foreign fee-paying students have been the largest contributor to the growth in the education sector, according to the council.

The council allocates \$40,000 per year to attracting foreign students to Auckland through its Study Auckland program which began in 1997.

Between 1994 and 2000, the number of foreign-fee paying students in Auckland increased from 3,945 to 11,498.

The majority of these students come from Asia. However, recent events such as the SARS outbreak and the collapse of several English language schools show that this market is not guaranteed. Prior to these events, the number of Chinese students in Auckland were growing faster than any other group, with an increase of 302% between 1999 and 2000. Many students can be found living in the central city.

Metro City Apartments building manager Michael Bodley says that at least 80% of his residents are Chinese, a further 10% are Korean and Malaysian. A handful are Europeans from countries such as Hungary. Only three of the 109 one bedroom and studio apartments are owner occupied by NZ Europeans.

Mr Bodley believes the reason more European New Zealanders don't choose to live in apartments has much to do with the Kiwi psyche.

"It's not worth it for most Kiwis to live in the city — most Kiwis want the house and the backyard."

The cost of apartment living is clearly a prohibitive factor for many people. A recent report from Bayleys Real Estate says that the cost of one-bedroom apartments in Auckland range from \$250—\$600 per week.

"You can spend as much on one of

these as on a house, and legally can only have two people living in a one bedroom apartment — families can't live like this," says Mr Bodley.

But developers and real estate agents are getting the high rents that they demand from Asian students, according to Mr Bodley.

"Asian students can afford to pay big amounts of money and are happy to live in tiny apartments."

Developers admit that due to the demand from young Asian students, apartment buildings are being designed for that specific demographic. Many are built to economise space, designed with one or two bedrooms, kitchenettes, shared communal rooms and laundry services.

Kevin Chow of Tony Tay Group, which is currently building three new residential apartments in the city, says that 60-70% of their residents are students. Of those, roughly one third are Asian.

Of the 11,498 foreign students enrolled in New Zealand tertiary institutions in 2000, 40% were in Auckland.

According to The Ministry of Education this is only set to rise. It predicts

the number of foreign-fee paying students to rise by 17%, up to 21,000 by 2005.

According to the Auckland City Council, foreign-fee paying students bring in \$930 million every year to the city.

Where that money is spent is reflected in the businesses occupying downtown Auckland.

A new inner city community is emerging from the high-density development boom in Auckland.

English language and information technology schools fill office space, with sandwich boards on the street. Neon lights from Auckland University of Technology and the University of Otago building mark the skyline.

Retail outlets catering to the Asian market have developed on mid Queen Street, Elliot Street and Atrium on Elliot.

Recently the Lim Chhour shopping centre, which includes a supermarket, food court and hairdresser aimed at the Asian market, opened on Karangahape Road, around the corner from the long established Mercury Plaza Asian food court and supermarket.

These shops aim to meet the demands of residents in the high-rise developments around mid and upper Queen Street.

Auckland City Councillor Dr Bruce Hucker says: "A major downturn in student numbers could be very detrimental [to Auckland]."

Every boom must face the spectre of a bust.

The SARS outbreak in Asia coupled with changes to New Zealand's immigration policy have had an impact on the number of foreign students coming to Auckland's language schools, forcing some to fold, says Dr Hucker, who helped establish Study Auckland, the council initiative to attract foreign students to Auckland.

While the number of people coming to the inner city has dropped, the population is still increasing, says Dr Hucker.

There is a fear that if the inner city lifestyle fell out of fashion or apartments themselves were not maintained to a reasonable standard, the high-density developments could turn into slums.

"It's a danger that has to be dealt with," says Dr Hucker.

To avoid this the council are looking to other markets, such as South America, to buoy the education export boom and petitioning central government to make laws governing the design of new apartments.

The council predicts that from a population of 367,734 in the most recent census Auckland City could have a maximum of 575,000 people packed within its borders by 2050.

Growth in the CBD

Population escalation

1991: 564 central city residents
2001: 3771 central city residents
1991: Auckland pop. 148,074
2001: Auckland pop. 367,737

Building up

1991: 500 CBD apartments
2004: 8500 CBD apartments

Price of living the high life

\$250-600 for a one-bed apartment
\$350-775 for a two-bed apartment
\$380-800 for a three-bed apartment



HIGH DENSITY: A new apartment building on Wyndham St.