



# Apartment Views

From the leaders in apartment sales

Leaders in Real Estate

Leaders Real Estate 1987 Limited MREINZ

WELLINGTON CBD

A monthly update on apartment living

JANUARY 2008

## The Wellington CBD Apartment Market Thriving

Strong investment fundamentals are driving the development of apartment blocks in the Wellington CBD and new projects which best meet the needs of investors and occupiers alike are predicted to experience good demand.

Fewer new apartment buildings have been built in the inner city in recent years, leading to an unsatisfied demand; at the same time as interest in central city living is growing in popularity. While only two apartment blocks with a total of 41 apartments were consented in 2006, many more new CBD apartments are now at various stages of development and should meet a ready market across the board. The market is in a more mature stage with fewer building conversions and more architect designed buildings evolving.

### Facilities driven by demand

Apartment development is driven by market demand at several levels. Developers need to consider what owner-occupiers as well as what investors want, which in turn is driven by what tenants are seeking. This suggests that new apartment developments will have a range of different apartment sizes and other attributes. Quality of design, windows, natural light, outlook, and quality of the streetscape will all be factors. Location in regard to transport and ability to walk to entertainment precincts, the waterfront and Lambton Quay will add appeal. In larger developments, communal facilities such as gyms, swimming pools and retail will add to the appeal of inner city living and can help create a valued sense of community.



### Strong Investment Fundamentals

Strong investment fundamentals are driving the development of apartment blocks in the Wellington CBD, and new projects which best meet the needs of

investors and occupiers alike are predicted to experience good demand.

Increasingly, young people want to live where the night life and 'action' is, while many traditional family home dwellers are heading to the city for a different life experience.



There is also growing interest in Wellington from couples who want to have their principal home at the beach or in the country for weekends and holidays, and have a low maintenance apartment close to the heart of things, in which to live during the working week. These owners often want smaller apartments than those who want to use their apartment full time.

Demand for new CBD apartments will come from both Wellingtonians, and from investors around the country and overseas who appreciate the strong fundamentals underpinning the Wellington apartment market.

### A City Transformed

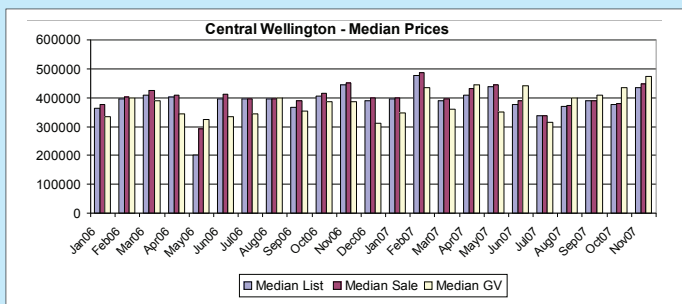
Wellington has emerged as an attractive city for residential apartment investment because of its high rentals, high incomes and a demand for modern inner city living options which have not been adequately matched by recent developments. Wellington has been transformed as a city over the last decade, with popular waterfront redevelopment, new high rise office buildings and inner city entertainment precincts making it one of the most attractive cities in which to live and invest. Economic activity and stability of rental demand in Wellington is underpinned by the continuing presence of Central Government and two Universities. Wellington wage and salary earners have median incomes higher than the national average; twice as many Wellingtonians earn more than \$100,000 pa, than the national average.



### Wellington Central Update

#### Sales Figures Recover

The latest REINZ sales statistics show that the number of properties sold in Wellington Central during November increased markedly to 104 sales. This was well up on the 65 sales recorded for the previous month. The median price recorded was \$447,850.



### Wellington's Latest average Weekly Apartment Rentals

	1 Bed	2 Bed	3 Bed
Brooklyn/Newtown	\$239.00	\$328.00	\$457.00
Karori/Northland/Kelburn	\$262.00	\$353.00	\$581.00
Mt Vic/Ori Bay/Hataitai	\$362.00	\$423.00	\$531.00
Thorndon/Mt Cook/City	\$292.00	\$442.00	\$466.00

Statistics compiled by the Dept of Building and Housing

View the latest property listings at

[www.newwellingtonproperty.co.nz](http://www.newwellingtonproperty.co.nz)



Leaders in Real Estate



Leaders in Real Estate