

Apartments

REINZ and Department of Building and Housing statistics confirm that on an annual basis, the overall weekly rent for apartments has increased faster in 2011/2012 than in previous years confirming that Auckland city living is becoming more desirable.

A key part of the Auckland apartment sector is the investment rental market. Bayleys work with a number of key independent property management companies to obtain rental appraisals and rental advice for our client base.

Do seasonal vacancy flows of university students renting apartments greatly impact the market?

Brent Sullivan, Business Development Manager from Goodwin Property Management Group, says "with apartments that are traditionally occupied by University students, it is important for investors to be aware of their tenancy start, end and re-sign dates and where possible fix all tenancies over this period to avoid being caught in an over-supplied market."

Bayleys City Living manager Hayden Butler says the student exodus does not greatly affect the executive apartment market which is mainly tenanted by young professionals, or high income tenants.

Which return is better: an apartment with a long-term tenant in place, or an apartment with a serviced/short-term tenancy?

David Graham, from Quinovic Property Management, says "long term tenancy is for the investor who prefers to have security in income, and tenants. They are generally looking at the potential capital gain of the property over time".

However, short term/serviced apartments do have definite positives such as using the apartment for personal or business use at no cost; having the apartment for sale and arranging viewings between tenancies; higher rentals usually mean the tenants look after the property better; short-term tenants are more willing to pay for repairs; and weekly cleaning allows greater accountability.

Hayden Butler

Manager - City Living Auckland



NEG \$560,000 3 2

1105/85 Beach Road, Auckland
26 groups / 23 days on the market



NEG \$350,000 2 1

13F/135 Victoria Street West, Auckland
1 groups / 1 days on the market



NEG \$898,000 3 2

402/135 Grafton Road, Grafton
1 groups / 14 days on the market



NEG \$580,000 2 2

Apt 25, 143 Quay Street, Auckland Central
9 groups / 28 days on the market



NEG \$230,000 1 1

10C/100 Anzac Avenue, Auckland Central
21 groups / 21 days on the market



AUC \$200,000 1 1

1A/16 Gore Street, Auckland Central
10 groups / 24 days on the market