

# The Demographic Transformation of Inner City Auckland

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## Abstract

The inner city of Auckland, comprising the inner suburbs and the Central Business District (CBD) has undergone a process of reurbanisation in recent years. Following suburbanisation, redevelopment and motorway construction after World War II, the population of the inner city declined significantly. From the 1970s onwards some inner city suburbs started to become gentrified and while this did not result in much population increase, it did change the characteristics of inner city populations. However, global and local forces converged in the 1990s to trigger a rapid repopulation of the CBD through the development of apartments, resulting in a great increase in population numbers and in new populations of local and international students as well as central city workers and others.

The transformation of Central Auckland since the mid-twentieth century has taken a number of forms. The suburbs encircling the Central Business District (CBD) have seen overall population decline resulting from suburbanisation, as well as changing demographic and ethnic characteristics resulting from a range of factors, and some areas have been transformed into desirable, even elite, neighbourhoods. Towards the end of the twentieth century and into the twenty first century, a related but distinctive transformation has taken place in the CBD, with the rapid construction of commercial and residential buildings and a residential population growth rate of 1000 percent over a fifteen year period. While there are a number of local government and real estate reports on this phenomenon, there has been relatively little academic attention to its nature

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and causes. This paper sets the transformation of Auckland's CBD within the broader context of changes within the surrounding areas as well as in other New Zealand cities and globally.

## **Conceptualising Urban Demographic Change**

Urban demographic change has been conceptualised in a number of ways.

The models of the 'Chicago School' are perhaps best known in relation to changes to ethnic composition of inner city areas, related to cycles of immigration, and resulting negative outcomes from high levels of ethnic segregation (Atkinson & McGarrigle, 2009). While such models may have some explanatory power with regard to the movement of migrant groups through Auckland's central city in the middle of the twentieth century, they do not adequately conceptualise more recent migrations (Xue, 2008).

Also well known is the theory of 'gentrification', which proposes that inner city areas in which housing has become run-down and occupied by low income residents becomes attractive to higher income residents, often professionals, as a result of their proximity to the CBD and their historic housing, which is renovated in the process (Badcock, 2001; Hammel, 2009). Gentrification is useful in analysing some of the changes that have been occurring in inner suburbs such as Ponsonby (Latham, 2000), but it is not an adequate model for the development of apartments in Auckland's CBD, and elsewhere.

A broader model of 'reurbanisation' is proposed by Buzar et al. (2007) who claim it is the fourth phase of a generalised urban growth cycle which is taking place in many cities in the developed world. Their generalised urban growth cycle phases are: 1) urbanisation (centralisation of population); 2) suburbanisation (relative decentralisation); 3) deurbanisation (absolute decentralisation); 4) reurbanisation (move back to centre).

A critique of reurbanisation by Glatter and Siedhoff (2008) asserts that diversity in the term's usage contributes to vagueness, and results from possibly contradictory empirical findings. While the term is still sometimes used by city councils and others to incorporate aspects of change, including a 'return' to the CBD not only of residential population, but also of diversified activities such as events (e.g. festivals) as well as increased employment in creative industries, more focussed explanations are needed to

identify the processes taking place in the CBDs of New Zealand's largest cities.

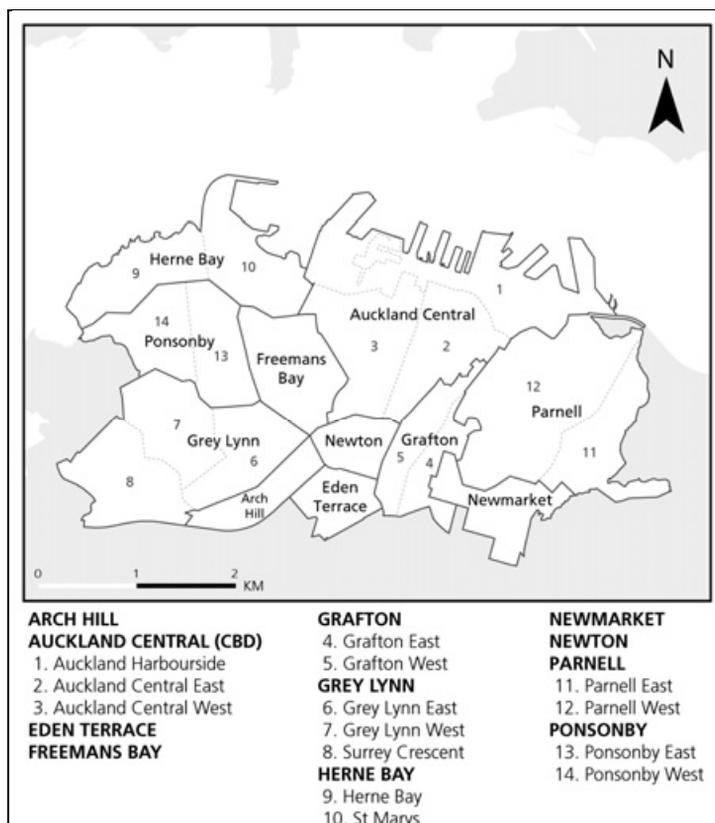
The repopulation of CBDs in New Zealand cities is partly a function of the transformation of housing markets, in particular the development of apartments. The revival of 'city centre living' has been a phenomenon in many places, including the United Kingdom (Couch et al., 2009) and Australia (Badcock, 2001), as well as in Wellington and Christchurch (Morrison & McMurray, 1999; Buchanan et al., 2006; Statistics New Zealand, 2010). In Wellington, as in Auckland, the apartment boom started with the conversion of office buildings in the early 1990s and then moved on to purpose built residential apartments, serving a growing demand for "downtown living opportunities of a new cohort of middle-income households" (Morrison & McMurray, 1999, p. 378). There were a number of factors driving this demand and facilitating it, and these are discussed in greater detail below in the context of Auckland. First, though, it is useful to consider the changes in the nearby suburbs which preceded the dramatic repopulation of Auckland's CBD.

## **Suburbanisation, Population Decline, and Diversification (1945-1980s)**

### ***Definition***

The 'inner suburbs' referred to in this paper, along with the CBD, have been referred to elsewhere as the 'inner city'. In recent publications this term has been used to refer to the CBD itself (Morrison & McMurray, 1999; Statistics New Zealand, 2010). Nevertheless, when the CBD and inner suburbs are considered together, the term 'inner city' can be retained in a way consistent with its use in much of the literature on gentrification. One criteria used in defining 'inner suburbs' is proximity to the CBD, with all areas being within about three kilometres of Queen Street, running through the centre of the CBD. A second criterion is the age of housing, most of this area having been developed by the early twentieth century. In Figure 1, 2006 Census Area Units are shown in relation to the better known suburb names, most of which formed their own census areas in the mid twentieth century, and which are used here to define residential suburbs.

**Figure 1: Auckland inner city suburbs with 2006 Census Area Units identified where they differ from those used in the mid twentieth century**

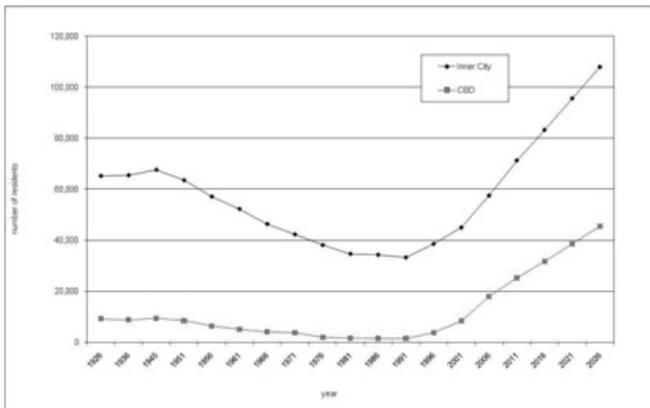


Note: the numbered areas relate to the 2006 Census Area Units (CAUs).

The inner suburbs discussed in this paper were developed as residential areas as early as the 1850s in the case of the CBD, Freemans Bay and Parnell (see Carlyon & Morrow, 2008), and as late as the 1920s in the case of Grey Lynn (Hiyama, 1991).

By World War II, most of the inner city had detached housing, particularly villas of the late nineteenth and early twentieth centuries and bungalows and *moderne* houses of the 1920s and 1930s. The inner city population grew slowly until the war and peaked at just under 68,000 in the 1945 Census (Figure 2). From that census until 1991, the inner city population declined. There are at least three principal reasons for this decline.

**Figure 2: Actual and projected population change, inner city Auckland and CBD, 1926-2006**



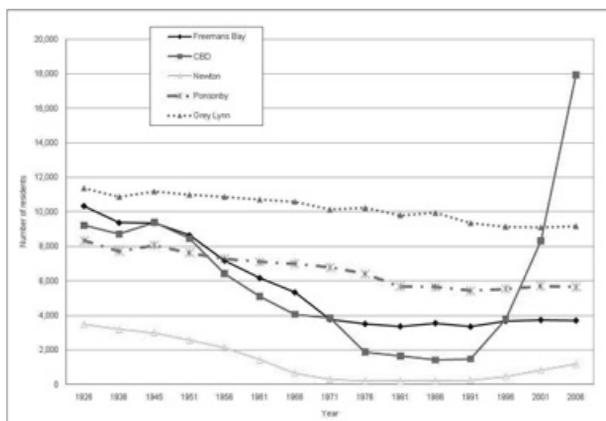
An important reason for the demographic decline of Auckland's inner city was the process of suburbanisation, which characterised New Zealand cities through much of the twentieth century, and was seen through much of the rest of the developed world as well. Some inner city populations had already started to decline in the 1920s and 1930s as residential development took place along the tram lines, spreading out from central Auckland "like spokes in a wheel" (Bloomfield, 1967). However, it was in the post-World War II era that inner city Auckland showed its greatest decline (Figure 2) as suburbanisation accelerated and the status of inner city living declined. This was also the period of the baby boom, and the stereotypical larger family ideal was the 'quarter acre section' in suburbia, but it should be noted that suburbanisation not only involved the development of privately-developed middle-class suburbs, but also state-funded housing estates for those on lower incomes (Pool et al., 2007, pp. 199-201)

As well as suburbanisation, there were at least two other specific factors which contributed to loss of population in inner city Auckland from the 1950s to the 1970s: urban renewal and motorway construction. In 1951, the Auckland City Council declared an area of 96 hectares in Freemans Bay as an area for 'total clearance and redevelopment' and virtually all of the housing there, home to a population of over 7,000, was to be razed, and new public housing developed (Friesen, 1994). However, planning fashions had changed by 1971 and 'rehabilitation and community development' became the predominant ideology. Gentrification became the manifestation of this

ideology, so only about one-quarter of the originally-designated area was redeveloped (*ibid*).

The construction of the motorway system to link the newly-constructed Harbour Bridge with central, south, and ultimately west Auckland was also a factor in the loss of housing stock in inner city Auckland. Clearance for the motorways was carried out through the 1960s and into the 1970s. As well as re-development this was a significant factor in the population decline of Freemans Bay. Most impacted was Newton, to the south of Karangahape Road, which was virtually eliminated (see Figure 3), while other inner city areas affected were Arch Hill and Eden Terrace.

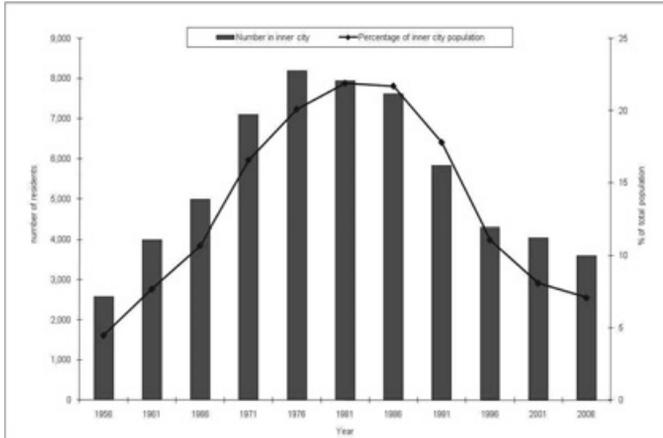
**Figure 3: Population changes in selected Auckland inner city suburbs 1926-2026**



Running parallel to the period of decline of housing stock and population, and in some cases counteracting it, was the settlement of Pacific populations in the inner city. The pre-war population of the inner city was largely European (Pakeha) in origin, but the post-war period was typified by rapid ethnic diversification. With the post-war expansion of the New Zealand economy, especially manufacturing from the 1950s onwards, immigration from New Zealand's colonies in the Pacific (Western Samoa, Cook Islands, Niue) escalated rapidly. In the initial period, central Auckland was one of the main areas of Pacific migrant settlement, providing relatively cheap rental accommodation and proximity to employment on the wharves, in Auckland Hospital and in many small to medium scale manufacturing enterprises. Although state housing in suburban areas attracted increasing

numbers of Pacific peoples from the 1960s onwards, they continued to also be drawn to the inner city, as Figure 4 illustrates.

**Figure 4: Pacific population of Auckland inner city, 1956–2006**



The phase that Buzar et al. (2007) call ‘deurbanisation’ may not apply to many of the inner city suburbs, but it does apply to the CBD in the half century leading up to 1991. In 1945 there were nearly 10,000 people living in Auckland’s CBD. This population resided in a range of residential types, including some detached houses surviving from the late nineteenth or early twentieth centuries, as well as a number of apartment blocks ranging from three to ten stories. From the 1950s onwards these residences were steadily redeveloped for commercial premises including wholesale, retail, offices and hotels. By 1991, the usually resident population of the CBD was less than 2,000 mostly housed in a handful of surviving apartment blocks.

### **Gentrification and Ethnic Change (1970s to the present)**

Gentrification refers to “a process of neighbourhood transformation in which working-class and poor residents are displaced by an influx of middle-class residents” (Hammel, 2009, p. 360). This has generally taken place in inner cities which were occupied by lower income groups during the process of suburbanisation, in many cities around the world.

In the mid 1970s, young professionals began to buy and renovate the relatively cheap houses available in Ponsonby and nearby suburbs to the west of Auckland’s CBD. They have been described as “young, socially liberal, tertiary-educated Pakeha” whose motives went beyond the relatively

cheap housing to include a desire for 'new ways of living' in an area which had an ethnically diverse population, and a reputation as a centre of counter-cultural lifestyles (Latham, 2003, p. 1704).

The changing housing market also had an impact on access to rental property, and it became harder for lower income families to access housing. As young professional residents moved in, historic cottages, villas and bungalows were bought by owner-occupiers and there was a steady decline of housing available to rent through the 1970s and 1980s. Studies in that period also documented discrimination against Pacific people attempting to rent a house and many were forced to relocate to state housing in peripheral suburbs (Friesen, 1994).

The countervailing processes of growth in Auckland's Pacific population and accelerating gentrification in the inner city overlapped in the 1970s. In Freemans Bay, Ponsonby, and adjacent suburbs the proportion of the population who were Pacific peaked by 1976. Grey Lynn appeared to resist these trends however, and became a vibrant centre of Pacific, especially Samoan, culture during the 1970s (Hiyama, 1991, pp. 95-101). As a result of the large size of the population of this suburb, the Pacific population of the inner city did not decline significantly until after 1986 (Figure 4).

The impact of gentrification was not just on the residential landscape, but also on the nature of the commercial and cultural landscapes. According to Latham (2000, p. 290), many of the 'gentrifiers' had returned from large metropolitan centres overseas and were in search of 'urbanity' in the form of cafes, restaurants, bars and other cultural features. The rapid redevelopment of Ponsonby Road from the late 1970s onwards was illustrative of this demand being met.

By 2006, the nature of Auckland's inner suburbs population was markedly different than it had been 50 years earlier. The desire of the earlier gentrifiers for (ethnic) diversity was subverted by the very changes they brought about, so that by the early 21st century the population of the inner suburbs was predominantly of European ethnic origin (71 percent versus 57 percent for the Auckland region), more highly educated and with much higher average income levels than the CBD or Auckland generally (Table 1).

**Table 1: Selected characteristics of CBD and inner suburb populations in relation to Auckland region and New Zealand 2006**

	<b>CBD</b>	<b>Inner Suburbs</b>	<b>Auckland Region</b>	<b>New Zealand</b>
<b>Population growth rates</b>				
% growth 1986-2006	1264%	120%	149%	123%
projection % growth 2006-26	254%	160%	133%	118%
Usually resident (UR) pop.	17,937	39,558	1,303,068	4,027,947
% overseas 5 yrs ago	35%	17%	13%	9%
% in same residence 5 yrs ago	5%	28%	39%	38%
<b>Age and gender 2006</b>				
median age	26	32	33	35
% aged 0-14	3%	12%	22%	22%
% aged 15-29	60%	32%	22%	20%
% aged 30-55	29%	41%	37%	36%
% aged 55 and over	8%	15%	19%	19%
sex ratio (M / 100 F)	99.6	98.3	94.8	95.3
<b>Birthplace and ethnicity 2006</b>				
% overseas born	66%	31%	37%	23%
% European	43%	71%	57%	68%
% Maori	5%	7%	11%	15%
% Pacific	3%	9%	14%	7%
% Asian	47%	12%	19%	9%
<b>Households 2006</b>				
% households with one person	43%	29%	20%	23%
mean no. of residents	1.9	2.4	2.9	2.7
<b>Family / Household circumstances 2006</b>				
% partnered	42%	50%	60%	61%
% own dwelling	18%	35%	47%	53%
<b>Activity and labour force status 2006</b>				
% studying full-time	37%	14%	13%	11%
% studying part-time	7%	7%	6%	5%
% employed full-time	40%	61%	51%	50%
<b>Income and socio-economic status 2006</b>				
median income	\$19,883	\$38,647	\$26,800	\$24,400
% with income over \$50,000	19%	37%	22%	18%
% with tertiary degree	24%	37%	18%	16%
% occupations professional	19%	25%	16%	15%

Note: Percentages exclude 'not specified' and 'not included elsewhere' from base.

\* of those aged 15+

\*\* of those aged 15+ and in labour force (occupation by NZSCO)

# of those aged 15+, employed, not including 'worked at home', 'didn't go to work'

Source: Statistics New Zealand 2006 Census Meshblock dataset

## **Repopulation of the CBD (1991 to the present)**

Although many of those who settled in the newly gentrified areas of the inner city of Auckland in the 1970s and 1980s worked in the CBD, the impacts of gentrification on the CBD itself were relatively limited (in a physical sense). However, a number of factors originating in the 1980s were seminal in the residential transformation of the CBD from the early 1990s onwards, including:

- 1) major international and domestic investment in commercial property development in the 1980s and an oversupply of office space by the end of the decade,
- 2) legislative changes impacting planning and local government perspectives on residential development in the city centre,
- 3) the Immigration Act 1987 which resulted in accelerated immigration and new flows from Asia,
- 4) the promotion of international education and the influx of students especially from the mid 1990s onwards, and
- 5) a regional growth strategy favouring residential intensification and related zoning changes favouring residential development in the CBD.

Although these factors had New Zealand-wide impacts, each of them had a disproportionate impact on Auckland's CBD, and each can be seen as significant not only to repopulation, but also to the rise of the CBD in economic, cultural and political terms.

The restructuring of the New Zealand economy by the Labour government elected in 1984 and subsequent governments had far-reaching impacts on Auckland. In particular, the liberalisation of finance markets and removal of prohibitions on financial institutions raising capital from abroad resulted in a dramatic increase in the inflow of foreign direct investment, especially into the financial services sector. Much of this investment flowed into office block development in Auckland's CBD with dramatic increases between 1984 and 1988 creating new office space in Auckland far greater in quantity than other global centres at the time (Moricz & Murphy, 1997, pp. 168-169). There was a delayed impact on global property markets following the share market crash of October 1987, but when it did occur in New Zealand, it was particularly severe. A number of property development

companies collapsed and the vacancy rate in Auckland CBD office space rose from about three percent in 1987 to 25 percent in 1991 (pp. 171-176). This surplus space provided an opportunity for residential development, as it also did in Wellington (Morrison & McMurray, 1999), and this coincided with other factors to initiate the rapid developments of the 1990s.

Most important of the other factors were national-level legislative changes which contributed to significant changes in urban development policy and practice in New Zealand, and which in turn had a major impact on the development of central Auckland and other New Zealand cities. These were the reorganisation of local and regional authorities under the Local Government Act (LGA) (1989) and the creation of the Auckland Regional Council, the Resource Management Act (1991), and the Building Act (1991). The LGA facilitated the creation of an “entrepreneurial local state that actively engaged in property development processes” (Murphy, 2008, p. 2525), while the RMA implemented a “new style of planning for managing resources which is effects-based” (Dixon et al., 1997, p. 605). When these changes were combined with the Building Act, which removed some of the regulation around residential building ‘to enhance consumer choice and encourage diversity of building materials and design’, one outcome was a *laissez-faire* attitude to inner-city residential development on the part of Auckland City Council (Murphy, 2008, p. 2525). Consequently, “...apartment development took place with little interference from planners...” including the development of many small and/or sub-standard units, and it was not until 2007 that Auckland City Council formally introduced design protocols and minimum size regulations (p. 2525).

Thus in the early 1990s, conditions of global investment, commercial building occupancy rates and local authority regulation were ideal for the both the redevelopment of existing commercial buildings for residential purposes and the construction of new residential buildings. Further impetus was provided by the implementation of the Regional Growth Strategy by Auckland Regional Council in the mid 1990s, as the strategy strongly advocated for residential intensification, in order to reduce urban sprawl and to create residential options in the proximity of major employment centres (Regional Growth Forum, 1999). Since the early 1990s, the number of residential and serviced apartments in the CBD has steadily increased, and by the year 2000 there were about 6,000 units. Major growth spurts from 2003 onwards resulted in about 18,000 units by 2007 (Bayleys Research,

2008). Although the recent recession has slowed this growth, there are still many further apartment developments planned, and waiting for suitable economic conditions.

One of the aspects of reurbanisation is “an increase in the significance of the city as a whole” (Glatter & Siedhoff, 2008), and a characteristic of post-industrial cities worldwide in the last two decades has been the staging of spectacles and festivals orientated to local residents as well as to tourists (Duffy, 2009). Auckland’s CBD has been host to both spectacle and festival. In the late 1980s and early 1990s, the revitalisation of the waterfront around the Viaduct Basin can be partly attributed to the hosting of the Whitbread (later Volvo) Round the World Yacht Race. This process was accelerated when New Zealand won the America’s Cup in 1995 and subsequently hosted the 1998 and 2003 America’s Cup in Auckland. Two of the largest ethnic festivals are now annual events in the CBD, the (Chinese) Lantern Festival in Albert Park and (Indian) Diwali at Britomart near the waterfront. The Pasifika Festival, often quoted as the largest Pacific festival in the world, is held further out at Western Springs on the edge of the inner city. A biannual arts festival, the most recent being Ak09, is held in Aotea Square and surrounding areas, and many other events, ranging from film festivals to dragon boat races are also CBD based. In conjunction with the rapidly increasing repopulation of the CBD these events have given new life to the central city in which Queen Street in the early 1980s seemed destined to be a series of bank facades and tourist shops.

Just as areas of gentrification such as Ponsonby have been transformed commercially and culturally as a result of the advent of new populations, so too has the CBD. Whereas a food shop or dairy was virtually non-existent in the CBD in the late 1980s, twenty years later they are prolific. Likewise, there has been the rapid development of food outlets ranging from affordable Asian cafes catering mostly to students through to expensive restaurants frequented by tourists as well as locals. Many other commercial enterprises, ranging from karaoke bars to two-dollar shops to internet cafes have also found niche markets in Auckland’s CBD in recent years, catering to the new diversified inner city population.

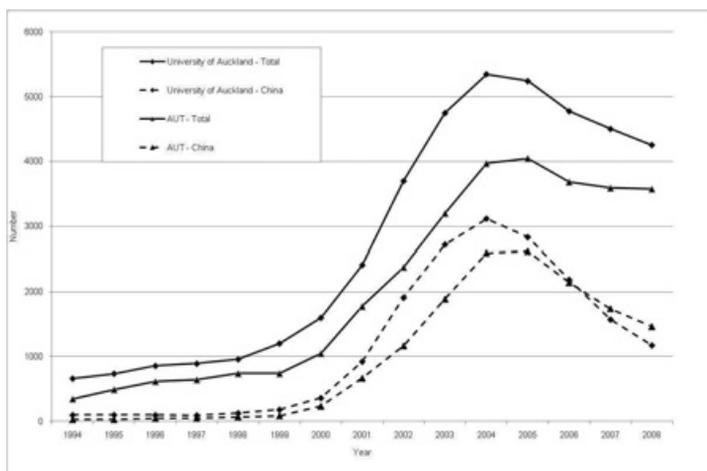
## **International Education and International Students in the CBD**

One of the most significant factors affecting the demand for apartments in the CBD has been the growth of international education in New Zealand. This is part of a global phenomenon linking labour and education mobilities where international students comprise “a potential flow of qualified workers, either in the course of their studies or through subsequent recruitment” (OECD, 2001, p. 93). Increasingly, governments have promoted international education, both for the revenue which it generates, but also as an integral part of other immigration strategies, including attracting skilled labour for permanent residency (OECD, 2009, pp. 172-176).

From the mid 1990s onwards, the New Zealand government, and many secondary and tertiary institutions undertook a concerted effort to promote New Zealand as a destination for international students. By 2003 there were about 120,000 international students, and it was claimed that international education was New Zealand’s fourth largest export earner. Demand for English language education was particularly high in East Asian countries and they comprised more than 80 percent of all international students in 2003, with three countries predominating, namely China (45%), South Korea (20%) and Japan (17%) (Collins, 2006, pp. 218-219).

Many international students chose Auckland as a destination because of its size and diverse population, and the CBD was particularly attractive because it is the location of the two largest tertiary institutions and the location of many English language schools and Private Training Establishments (PTEs) providing training in subjects such tourism and hospitality, computer training, business skills, film and television and others (Auckland City, 2003; Collins, 2006, 2008). The rapid growth in numbers of international students at the University of Auckland and AUT University (earlier Auckland Institute of Technology) since 1996 is shown in Figure 5, and the central role of students from the People’s Republic of China (PRC) in this growth is obvious. By 2003 PRC students made up more than one-half of all international students at these two institutions. The subsequent downturn in enrolments of students from China has impacted on the total number of international students, although both institutions have managed to diversify the source of student intake, especially from other Asian countries but also from other regions.

**Figure 5: Numbers of international students and students from People's Republic of China at University of Auckland and AUT University, 1994-2008**



## Population Profiles

The characteristics of the population of Auckland's CBD are markedly different from those of the inner suburbs, and of the Auckland region and New Zealand as a whole (refer to Table 1).

Firstly, the CBD population appears to be much more transient than the rest of Auckland. This is illustrated by the size of the 'census night population' (as opposed to the 'usually resident population'). The former includes those who were in an area on census night, but usually live elsewhere in New Zealand or overseas. In 2006, there were more than 8,000 people present in the CBD on census night who were not usual residents, attesting to the presence of many hotels and short-term accommodation options in Auckland's downtown. This group includes visitors and tourists (international and domestic) as well as those who "will be staying in New Zealand for less than 12 months" (2006 Census Guide Notes) - the latter including many undertaking short-term training e.g. at language schools. This number comprised about 45 percent of all short-term residents in the Auckland region at the time of the 2006 census.

Another kind of transience is shown by the proportion of the usually resident population who were living overseas five years earlier. Table 1 shows that 35 percent of those in the CBD in 2006 were in this category, a

level twice as high as in the inner suburbs of Auckland, nearly three times as high as in the Auckland region, and four times the national level. Even more dramatic is a consideration of the proportion of usual residents who were living in the same residence five years earlier. Only five percent of CBD residents were in this category in 2006, compared to 28 percent of inner suburbs residents, 39 percent of all Auckland regional residents and 38 percent nationally. This emphasises the high level of residential mobility in New Zealand and Auckland, with the CBD statistic being an extreme example of this, and showing that international migration is only one aspect of population transience, with internal movements also being very significant. In Auckland, the great majority of these relatively transitory residents were apartment dwellers, and these levels of short-term residence and previous overseas residence are similar to the apartment dwellers in the CBDs of Wellington and Christchurch (Statistics New Zealand, 2010, p. 3).

One of the most notable demographic features of the Auckland CBD population is its age structure. The median age of 26 years is substantially lower than the inner suburbs (32 years), the Auckland region (33), and for New Zealand as a whole (35). However, this low median is despite the fact that the CBD population has very few resident children, with only three percent of the usual population aged under 15, compared to 12 percent in the inner suburbs and 22 percent in the region and nation. Compensating this extreme is the fact that 60 percent of the CBD population is aged 15 to 29, a proportion nearly twice as high as in the inner suburbs, and about three times as high as in the region and nation. The obvious reasons for this age structure are that the CBD has a large number of resident tertiary students as well as many relatively young new entrants to the CBD labour force. The 2006 Census showed that 37 percent of the CBD population was studying full-time and a further seven percent part-time, a proportion three times as high as for the Auckland region (Table 1). The importance of students as residents of central city apartments is replicated in Wellington and Christchurch, although the proportion of full-time students in these cities is only about two-thirds of the level in Auckland (Statistics New Zealand, 2010, p. 5).

Although the development of downtown apartments has been promoted as part of the 'smart growth goals' of the Auckland Regional Growth Strategy by reducing travel-to-work distances (Franks, 2007), the proportion of residents in the CBD who are aged in the middle range of the

labour force cohorts is still significantly lower than in the inner suburbs or in the region (Table 1). However, there is evidence that many central city workers have chosen to rent or buy an apartment in the CBD, with 40 percent of the population working full-time, a proportion lower than in most parts of Auckland, but still significant. This working population had markedly different work commuting patterns than the norm in Auckland, with 46 percent of CBD workers walking or jogging to work compared to an Auckland regional average of only four percent (Franks 2007:74).

The CBD and the inner suburbs of Auckland have ethnic compositions which are different from that of the Auckland region, but also markedly different from each other. In 2006, two-thirds of the CBD population were overseas-born, whereas less than one-third of the inner suburbs population were - lower than the regional average, although higher than the national average. The largest broad ethnic group in the CBD was Asian, at 47 percent, comprising nearly one-half of the population; this proportion had risen dramatically from only 11 percent in 1991. In the inner suburbs the predominant group was European, comprising 71 percent of the population with only 12 percent identifying as Asian, slightly ahead of the nine percent Pacific and seven percent Maori. This marked difference relates to the predominance of Asian students in the centre and the predominantly European gentrifying groups in the surrounding areas. The four largest Asian groups in the CBD in 2006 were Chinese (26 percent), Korean (eight percent), Indian (four percent) and Japanese (three percent). Asians are also significant in the CBDs of Wellington and Christchurch but when the apartment dwellers of New Zealand's three largest cities are compared, the proportion in Auckland is about two and a half times as large (Statistics New Zealand, 2010, p. 7).

The household characteristics of Auckland's CBD can be seen to be typical of an apartment and student-based population, with 43 percent of all households having a single resident, more than twice the Auckland average, and a mean number of residents of only 1.9 (Table 1). Only 18 percent of residents live in a dwelling which they own, which is about one-half the proportion for the inner suburbs. Perhaps surprisingly, 42 percent of CBD residents said they were living with a partner, a proportion not that much lower than the 50 percent in the inner suburbs, or even the Auckland average of 60 percent.

Although a high proportion of CBD residents are students, it is not surprising that only 24 percent already had a tertiary degree compared to 37 percent in the inner suburbs (Table 1). Income statistics are also consistent with a large student population, with an average income of just under \$20,000 compared to nearly \$39,000 in the inner suburbs; the latter though is well above the Auckland average of about \$27,000. The presence of a working population is also evident though, with 19 percent of those employed being professionals, lower than the 25 percent in the inner suburbs, but higher than the regional average of 16 percent.

One part of Auckland's CBD is markedly different from the rest. The Census Area Unit (CAU) known as Harbourside (see Figure 1) has perhaps more affinity to the gentrifying areas of the inner suburbs than the other two CAUs which make up the CBD. This is the area on the waterfront which was redeveloped as a residential precinct mostly during and following the America's Cup campaigns from the late 1990s onwards. Much of the residential development in this area is not high-rise apartments, as is the case in most of the CBD, but relatively expensive two to four story townhouse-style developments which Murphy (2008) has characterised as "third-wave gentrification". Unlike the earlier gentrification, which largely involved the renovation of historic housing and displacement of poorer populations, third wave gentrification is characterised as involving "new-build" developments and a different kind of "indirect and/or socio-cultural" social displacement (Lees et al., 2008, p.140 quoted in Murphy, 2008, p. 2523). Although this usage of the term 'gentrification' is contentious, there is no doubt that the Harbourside population is, on average, an elite population in comparison to the other areas of the CBD, with few students and many professionals working in the nearby commercial core. Dwelling ownership levels in 2006 were nearly twice that in the Central West and Central East CAUs (31 versus 17 and 18 percent), and median household income was well over twice the levels in the other CAUs (Murphy, 2008, p. 2532). The median age of 32 in Harbourside is about seven years more, and the Asian percentage of the population is about one-half of that in the rest of the CBD. The differences between these areas are not surprising since students are not generally expected to be measured as relatively 'well-off' in a census, no matter what their socio-economic background. However, the differences also point to fundamentally different residential developments in

terms of average sales and rental prices, which are much higher in Harbourside (Murphy, 2008).

## Conclusions

In the post-war decades of the 1950s to 1970s, the inner city of Auckland was in demographic decline, and this applied equally to the CBD and the suburbs surrounding it. By the late 1980s, this process of de-urbanisation had reached its nadir when the inner city had about half of the population it had had in 1945. Processes of re-urbanisation then took over to reverse this demographic decline. In the 1970s, gentrification started to increase the prestige of living in the inner city, and over subsequent decades resulted in the renovation and redevelopment of areas such as Ponsonby, Freemans Bay and Parnell. Initially, gentrification did not result in population gain because the new populations often had smaller average household sizes than the populations which were displaced, especially those of Pacific origin. However, when combined with changes in planning regulations, regional and local strategies of residential intensification and global and national market forces, population sizes remained stable or began to grow.

The CBD was, of course, the most dramatically affected by changes in planning and markets, with a dramatic growth in population from the early 1990s onwards, a process seen in other cities globally as well as in Wellington and Christchurch over the same period. Initially commercial buildings were converted for residential use, but by the mid 1990s purpose built apartments were the predominant factors in the rapid residential growth in downtown Auckland. The supply of new apartments was increasingly taken up by students, especially from Asia with the rapid expansion of international education in New Zealand from the mid 1990s onwards. Not only are two large tertiary institutions located in Auckland's CBD, but so are many language schools and other training institutions which attract students from overseas. This has resulted in a large overseas-born, especially Asian, population, and one which is relatively young, with 60 percent being in the 15-29 year cohort. As well as this student population there is a significant population of those working in the central city, as well as a distinctively wealthier population resident in the Harbourside part of the CBD.

The repopulation of inner city Auckland, especially the CBD, has been relatively rapid, but is perhaps only in its initial stages. Population

projections by Statistics New Zealand suggest that the inner city population could exceed 100,000 by 2026 while the CBD population may increase to about 45,000, which is two and one half times its population in 2006 (refer to Figure 2). Planning for these major population increases will be one of the many challenges facing the new Auckland Council when it is elected in late 2010.

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