

Before an Independent Hearings Panel
at Christchurch

under: the Resource Management Act 1991

in the matter of: Proposed Plan Change 4 to the Christchurch District
Plan

and: **Airbnb Australia Pty Limited**
Submitter 112 / Further Submitter 4

Supplementary Statement of Evidence of Matthew Bonis

Dated: 24 September 2021

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SUPPLEMENTARY STATEMENT OF EVIDENCE OF MATTHEW BONIS

INTRODUCTION

- 1 My full name is Matthew William Bonis.
- 2 My experience, qualifications and compliance to part 7 of the Environment Court Practice Note 2014 (the Practice Note) is set out in the Section 42A Report (**Bonis EiC**) as dated 10 May 2021.
- 3 The purpose of this supplementary evidence is to respond to the addendum Section 42A Report provided by Mr Ian Bayliss on behalf of the Christchurch City Council. The Addendum s42A Report responds to a brief of evidence from Mr Philip Osborne which attached a report titled 'Economic Cost Benefit Assessment – Plan Change 4 (**PC4**)'.
- 4 The addendum report and this expert evidence is a consequence of Minute 3 from the Panel requiring...

[the Council] to file and serve an economic assessment of PC4 for the purposes of s.32 together with a s.42A report, including s.32AA evaluation¹.

submitters are to file and serve any expert evidence responding to that new information from the Council...

- 5 In this evidence, except as where otherwise stated, I have relied on the evidence of Ms Natalie Hampson (Economics).

Code of Conduct

- 6 Although this is a Council hearing, I note that in preparing my evidence I have reviewed the code of conduct for expert witnesses contained in part 7 of the Environment Court Practice Note 2014. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

SUMMARY AND OVERVIEW

- 7 I wish to acknowledge the additional economic analysis provided by Mr Osborne of Property Economics Limited (**PEL**).

¹ Minute 3[5](c)]. Also Minute 7[15]

- 8 I understand² that the PEL report attached to the notified PC4 was not predicated on the regulation sought to be imposed through PC4, nor had PEL been requested by the Christchurch City Council to provide such an analysis.
- 9 The PEL further report is comprehensive. I understand it provides a thorough economic analysis of the regulation sought to be imposed by PC4³, including consideration against:
- 9.1 a counterfactual operative district plan (**ODP**) scenario; and
 - 9.2 the current 'real world' scenario given the non-implementation of the ODP in relation to Home Share Accommodation (**HSA**).
- 10 For the purposes of Section 32, I consider that the latter represents the appropriate baseline for consideration. Neither:
- 10.1 the economic costs or benefits of the operative plan regulation (consenting and accordant home sharing being removed from the market through either: non-participation due to commercial costs, or declined consents); nor
 - 10.2 marginal effects on the environment, such as residential cohesion, amenity or disruption,
- between PC4 and the ODP are founded in a 'real world' assessment of the environment against which PC4 is to be measured.
- 11 I acknowledge Mr Osborne's clear and unambiguous statement:
- '[10] My key conclusion in the attached cost benefit analysis is that there is not a compelling economic rationale for PC4'.*
- 12 That conclusion is consistent with Ms Hampson's evidence. I concur with the economic witnesses and consider that there is no economic basis to justify the regulation sought to be imposed by PC4. Mr Bayliss does not extend that far, stating:

² As confirmed Mr Bayliss in Addendum to s42A Report 1 September 2021 (*Addendum s42A*), at [2.1.11] and [2.1.12]

³ Brief of Evidence of Philip Osborne 27 August 2021, Attachment 1: "Economic Cost Benefit Assessment Plan Change 4" Property Economics August 2021 (*Osborne Report*) [1.1.4]

'It is my analysis that the economic evidence is not an important consideration for PC4, having regard to the efficiency and effectiveness of the policies and methods for achieving the objectives as required by the relevant s32 tests in particular, however the main reason for Council proposing PC4 is not to address the economic impacts'⁴ .

- 13 The economic benefits of HSA however cannot be disregarded in terms of s32.
- 14 The focus of consideration as associated with PC4 in terms of s32AA is subsequently narrowed, to only the environmental and social effects anticipated from the provisions⁵. I agree with Mr Bayliss that matters associated with housing supply; and revitalisation of the central city and commercial centres, find no support in economic terms (and neither the statutory framework as identified in my EIC) and we agree the more appropriate approach is to remove such from proposed **Objective 14.2.9** and **Policy 14.2.9.1(c)**.
- 15 The economic evidence of both Mr Osborne and Ms Hampson weighs heavily against those submissions seeking more restrictive provisions than contained in the notified PC4.
- 16 As identified by Mr Osborne a more restrictive approach (as represented by the unimplemented ODP) results in substantial economic costs given some 70% of the unhosted market would cease to operate⁶ (and 90% of the total market). These closures would result in the loss (or redistribution) of some 140,062 reservation days⁷. A potential loss of income is expected to exceed \$25million⁸.
- 17 A more restrictive approach than that undertaken by PC4 would result in substantial economic costs (that is it would be economically ineffective). In the absence of demonstrable adverse amenity and social effects, a more restrictive approach is also the least efficient (net) approach.
- 18 I consider that the approach in the ODP to the management of HSA is not the most appropriate in terms of the achieving the Act. This has also been identified as an issue by the Environment Court⁹:

"Consequently, the plan provisions may not adequately respond to the demand for this activity".

⁴ Addendum s42A [2.2.1]

⁵ Cultural effects are not identified in the s32 accompanying PC4 as being of material concern (e.g Section 4.4 Evaluation of options for provisions [page 79]).

⁶ Osborne Report [6.3.5]

⁷ Osborne Report [Table 12]

⁸ Osborne Report [7.3.4]

⁹ *Archibald v Christchurch City Council. Env 2019-CHC098* [51]

- 19 The PEL Report appended to Mr Osbourne's evidence also identifies that even subject to the amendments¹⁰ *'they [the amendments] do not in themselves justify, economically, the overall position of and extent of regulation'*¹¹. I understand that Mr Bayliss has accounted for this conclusion through the recommended change in status (from NC to DIS) for HSA of 180+ days only.
- 20 The foundation for the regulation sought through PC4 is therefore in my view narrowed to the following:
- 20.1 appropriately addressing the management of HSA within the District Plan, recognising that the operative approach is not the most appropriate.
- 20.2 in the absence of any economic justification for regulation, whether:
- (a) the content of Objective 14.2.9 is the most appropriate way to achieve the Act¹²;
- (b) the content Policy 14.2.9.1, and associated rules are the most appropriate way to achieve the objective(s)¹³, including whether there are other reasonably practicable options for achieving the objective, and assessing the efficiency and effectiveness of the provisions.
- 21 I understand *efficiency* to be the measure of whether the provisions will be likely to achieve the objectives at the lowest total cost to all members of society or achieves the highest net benefit to all of society¹⁴.
- 22 *Effectiveness* is a measure of contribution new provisions make towards achieving the objectives of the plan, and how successful they are likely to be in solving the problem they were designed to address¹⁵.
- 23 I have identified the 'process provisions' of Strategic **Objective 3.3.1** and Strategic **Objective 3.3.2** in my EiC¹⁶. These provisions were inserted to ensure efficiency and cost are retained as a critical resource management issue in the statutory context of the recovery

¹⁰ Recommendations include amendment of 180 days + status to DIS, increasing marginal propensity for HAS close to the CBD, removal of limitation on number of guests and check in times.

¹¹ Osborne Report [8.2.8]

¹² s32(1)(a)

¹³ s32(1)(b)

¹⁴ Mfe.govt.nz Guide to Section 32 of the Resource Management Amendment Act, pg 18

¹⁵ Mfe.govt.nz Guide to Section 32 of the Resource Management Amendment Act, pg 18

¹⁶ Bonis EiC [88]

of the district. They seek to foster investment certainty, minimise transaction costs and reliance on resource consent processes, minimise the complexity of planning provisions, and encourage innovation and choice.

- 24 My EiC also identifies the role of the NPS-Urban Development in terms of requiring provisions contribute to well-functioning urban environments that provide for their social, economic and cultural wellbeing – now and into the future¹⁷; and that urban environments including amenity values develop and change over time in response to the diverse and changing needs of people, communities and future generations¹⁸.
- 25 Given a clear statutory framework that does not assume a regulatory response be imposed, the following questions are in my view the nub of residual matters of debate:
- 25.1 Are there demonstrable adverse effects on amenity and residential coherence (social costs) that warrant regulation?
- 25.2 Does the scale and significance of those social costs, if demonstrable, warrant management.
- 25.3 What are the reasonably practical options for managing these issues, if any? Are they effective, and is regulation the more effective (including conditions to manage effects)?
- 26 I acknowledge and appreciate the efforts by Mr Bayliss to carefully separate the economic consequences of PC4 from its purported amenity and residential benefits. He has also recommended a number of changes to the regulation from the notified version which I support. Ultimately, however Mr Bayliss pivots the need for regulation solely to effects on residential amenity and character which he considers can be *“more than minor, are predictable¹⁹ ... and can be significant²⁰.”*
- 27 As stated in my EiC, whilst I have acknowledged that unhosted accommodation may have the potential to result in localised nuisance effects, on balance and given their scale and significance I am not of the view that the regulation proposed through PC4 is neither efficient or effective²¹. I can find no support for regulation as associated with the unhosted HSA model of accommodation. The comprehensive consideration of the economic effects and apparent agreement between the economic witnesses as to an absence of any economic basis to justify and support the extent of regulation, and

¹⁷ Objective 1, Policy 1.

¹⁸ Objective 4.

¹⁹ Addendum s42A [2.2.5]

²⁰ Addendum s42A [2.2.6]

²¹ Bonis EIC [187]

an absence of any demonstrable evidence justifying regulation on social and amenity grounds further reinforces that view.

- 28 I have however revisited my recommended provisions on the basis of improving clarity, targeting consideration to the propensity for actual and potential effects, and administration. These are included in my conclusions.

SCOPE OF EVIDENCE

- 29 In my evidence I will, briefly, address:

29.1 Points of agreement

29.2 Points of contention - Social costs of the regulation:

- (a) Are there demonstrable adverse effects on amenity and residential coherence (social costs) that warrant regulation?
- (b) Does the scale and significance of those social costs, if demonstrable, warrant management.
- (c) What are the reasonably practical options for managing these issues, if any? Are they effective, and is regulation the more effective (including conditions to manage effects)?

29.3 Summary of recommendations.

29.4 Conclusion.

POINTS OF AGREEMENT

- 30 I understand that there is agreement amongst the economic witnesses as to the following:

30.1 Overall, it is unlikely that PC4 will result in any material net benefits or net costs of an economic nature²².

30.2 Unhosted visitor accommodation (2,423)²³ in Christchurch represents only 1.3% of the district housing stock²⁴. By

²² Osborne Report [8.1.2]

²³ Osborne Report [5.3.1]

²⁴ Osborne Report [4.4.8]

comparison 4.5% of the district housing stock is vacant²⁵ (2018 census).

30.3 In terms of benefits associated with HSA these can include: an overall increase in spending and visitor duration²⁶; support a greater choice and diversity of accommodation²⁷; and increased accommodation elasticity (that is ability for the accommodation market to cater for peak changes in demand)²⁸.

30.4 In terms of costs, these can include:

- (a) impacts on the housing market – although there is agreement that this is not an issue in the Christchurch context.
- (b) volatility of housing stock – although the impact in Christchurch is 'muted at best'²⁹.
- (c) redistributed spend – in terms of loss of agglomeration benefits to the CBD – where the impact was assessed to be minor³⁰, and could be further reduced through regulation that increases the propensity of HSA closer to the CBD³¹.
- (d) Impact on investment in commercial accommodation infrastructure – noting that the economists agree that increased competition from HSA in Christchurch has the potential to reduce investment in the formal accommodation sector, but agree that there is no factual evidence on such, and that the RMA is not the mechanism by which to resolve commercial inequity, should an issue exist³².

31 Based on the additional material provided by Mr Osborne, I consider PC4 has the increased potential to result in unintended effects, increasing social costs.

²⁵ Osborne Report [7.2.15]

²⁶ Osborne Report [4.2.3]

²⁷ Osborne Report [4.2.4]

²⁸ Osborne Report [4.2.8]

²⁹ Osborne Report [4.3.7]

³⁰ Osborne Report [4.3.9]

³¹ Osborne Report [8.2.4]

³² By way of example the City Council has a rebate scheme for non HSA residential development. <https://ccc.govt.nz/consents-and-licences/development-contributions/development-contributions-rebate-schemes/>

- 32 The regulation in PC4 is not effectively targeted; by introducing a blunt regulatory approach the costs (of consenting) ironically favour the commercial sustainability of larger premises (Table 1³³).
- 33 The modelled effect of the regulation is a disproportionate closure of smaller (1 and 2 bedroom) unhosted accommodation at 42% and 30% (of current provision), as representing 61% of total closures. It can reasonably be assumed that the smaller unhosted accommodation units would be less likely (given scale and number of patrons) to give rise to the disturbance, noise and nuisance issues raised by the Council in support of PC4.
- 34 Simply, the regulation results in a proportional increase in the closure of smaller unhosted HSA's and will displace reservation days into larger premises (or, and less likely³⁴, commercial accommodation).

Table 1: Proportion of closures of unhosted premises by scale – impact of PC4

Unhosted (bedrooms)	Listings Cease	Listings Continue	Listings 180days +	Total existing listings	Proportion of listings to cease due to PC4
1 Bed	270	319	57	646	41.8%
2 Bed	247	475	100	822	30.0%
3 - 4 Bed	277	492	90	859	32.2%
5 - 6 Bed	55	274	45	374	14.7%
7+ Bed	3	38	7	48	6.3%
Total	852	1598	299	2749	

- 35 I **agree** with Mr Bayliss as to the following:
- 35.1 The implications of Policy 6 of the NPS-UD in relation to PC4, which provides direction that urban amenity is not to be protected in a fixed state. Changes in amenity do not represent an adverse effect, where, in achieving well-functioning urban environments there are resultant changes to land use and discernible benefits, even where these result in significant changes to an area or detract from the amenity values appreciated by some but improve amenity values for others:

³³ Based on Osborne Report, Table 8

³⁴ Osborne Report [4.2.4]

Policy 6 *When making planning decisions that affect urban environments, decision-makers have particular regard to the following matters:...*

(b) that the planned urban built form in those RMA planning documents may involve significant changes to an area, and those changes:

- (i) may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and*
- (ii) are not, of themselves, an adverse effect.*

35.2 The complexity and extent of Objective 14.2.9 should be reduced and extraneous material removed³⁵. That there is no evidence of a significant implication for the supply of housing³⁶; nor effects on the centres-based approach³⁷ that would warrant inclusion in the objective (or policy).

35.3 That assessment matters associated with the maintenance of the exterior of properties is not appropriate, given the likely enhanced visual amenity associated HSA³⁸.

POINTS OF CONTENTION – SOCIAL COSTS OF THE REGULATION

- 36 I **disagree** with Mr Bayliss that the social costs identified in the Council's s32 assessment justify the basis of regulation within PC4 (as amended).
- 37 The evidence of the Council has narrowed from the notified s32. The focus, as I understand, solely rests on the potential for adverse effects on residential amenity and character, and adverse effects on residential coherence.
- 38 I have addressed these in my EiC commencing at [148] (amenity) and [172] (residential coherence) respectively. I am not aware of any additional matters raised in the addendum by Mr Bayliss that would result in amended recommendations from my EiC.
- 39 I have considered these matters further below.

³⁵ Addendum s42A [2.3.9]

³⁶ Addendum s42A [2.3.11]

³⁷ Addendum s42A [2.3.13, 2.4.15]. Noting I disagree with the reasons provided.

³⁸ Bonis EiC [156]

Are there demonstrable adverse effects on amenity and residential coherence (social costs) that warrant regulation?

- 40 As identified in my EIC, I do not consider that HSA (either hosted or unhosted) in an otherwise lawfully established residential unit exhibits a visual character (or scale) that is incongruous with residential living³⁹.
- 41 I accept that HSA has the potential to result in effects associated with noise, traffic and disturbance. Such effects have the potential to be greater than those anticipated from typical residential activity. However, the scale and extent of HSA in the Christchurch context is very small, the scale and character of physical attributes (the residential unit) is entirely consistent with residential amenity, management is provided by a range of proactive and reactive measures, and I do not consider residual effects to be of a scale or extent to warrant a regulatory approach for management.
- 42 Mr Bayliss places considerable weight on the 'evidence' from public stakeholder meetings, public feedback on the Home Share Accommodation District Plan Options Consultation, Drop in sessions, Life of Christchurch Survey, and Online Residents' Survey - as to the necessity for regulation to manage the adverse effects of HSA⁴⁰.
- 43 In terms of such, I disagree that the surveys / consultation provides the level of support implied by Mr Bayliss. The majority of residents who responded were not aware of HSA in their neighbourhood or were aware but not bothered by it. The consultation also shows there is about an equal level of support for this type of activity as there is opposition. The same survey could be read as identifying that 94% (district), 65% (CBD) and 92% (Akaroa) of respondents are either unaware (and hence un-impacted) or felt that holiday home accommodation was neutral or positive in terms of sense of community.
- 44 There is no attempt to seek to quantify or contextualise the consultation, nor consider issues with response bias – given that a number of parties that took part in the survey had either experienced issues or were associated with the industry. It is not clear how representative those surveys and stakeholder engagement are, what margin of error may be contained in the data, nor how statistically significant the results are. Ms Hampson discusses the surveys and stakeholder engagement in her evidence in chief from [69] to [82]. I prefer and rely on Ms Hampson's analysis of the surveys and stakeholder engagement information.
- 45 There are also benefits associated with HSA, which to the Council has not attempted to quantify and balance against the 'impacts' of

39 Bonis EIC [156 - 158]

40 Addendum s42A [2.2.5]

HSA raised, including increased occupation of HSA units, increased eyes on the street, and investment in housing stock.

- 46 For hosted accommodation, not only is there a permanent household member that can address issues of disturbance, manage rubbish bins, parking and wayfinding; also 82% of such providers relate to occupation of two (2) or less guests. These factors would – on their face - be conducive with promoting a residential amenity that is entirely congruous with surrounding residential character without the need to incur regulatory control to further manage ‘effects’.
- 47 For unhosted accommodation there are some 2,423⁴¹ listings in Christchurch representing 1.3% of the district housing stock⁴² (Ms Hampson’s evidence references 2,135 entire listings, making up 1.4% of total dwellings – she analysed the data on slightly different timeframes, taking active listings for 12 months ending August 2019 whereas Property Economics used year end February 2020). I understand that growth in this market was plateauing,⁴³ although there is some fluidity in the market (with units leaving the market, being replaced by new-entrants).
- 48 Based on Table 4 within the PEL report, the resultant usage patterns for unhosted accommodation are as set out in Figure 2.

Figure 2: Entire Listings/Apartment Listings as a proportion of total housing stock by usage (YE February 2020).

Usage	Residential Zone		Rural Zone		Commercial Zone / Mixed Use		Total	
	Unhosted units	% of total district housing stock	Unhosted units	% of total district housing stock	Unhosted units	% of total district housing stock	Unhosted units	% of total district housing stock
< 60 days	849	0.5%	81	0.0%	108	0.1%	1,038	0.6%
60 – 180 days	792	0.4%	98	0.1%	94	0.0%	984	0.5%
180 days +	357	0.2%	19	0.0%	54	0.0%	430	0.2%
Total	1,998	1.1%	198	0.1%	256	0.1%	2,452	1.3%

Source: Table 4 Property Economics Report Appended to Mr Osborne's Evidence, and percentages derived from Property Economics Report (1.3% of total housing stock)

⁴¹ Osborne Report [5.3.1]

⁴² Osborne Report [4.4.8]

⁴³ Statement of Evidence of Natalie Hampson 7 May 2021 (*Eic Hampson*) at [16.1].

- 49 Within the residential zone, the actual scale and significance of the issue relates to an even smaller percentage of total dwellings in the district. Ms Hampson's calculations were that there was an estimated 520 unhosted listing in residential zones.
- 50 As identified in my EiC⁴⁴, whilst I accept that the meaning of 'effect' in s3 of the Act extends to both temporary effects (clause b) and cumulative effects (clause d), the regulation is sought to be imposed relates to a modest number of residential units.
- 51 Figure 2 does not quantify an actual issue in terms of social cost associated with HSA, it only quantifies the proportion of total dwelling stock being occupied by unhosted HSA. There is not consequently a direct correlation with disturbance and social cost.
- 52 Formal noise complaints attributable to home sharing accommodation (assumed to be hosted and unhosted) are 'less than 0.34% of the total number of general noise complaints...' ⁴⁵
- 53 As identified in the s32 accompanying the notified Plan Change:
- 'notwithstanding the points above, the occupancy level of most units is not likely to be high enough to create a noticeable impact over and above full-time residential use of a unit.'* ⁴⁶
- 54 and in *Archibald v Christchurch City Council* ENV 2019-CHC-098:
- [44] 'The proposal is comparable to the residential use of the site over the last 50 years. The only difference being what is proposed now is the use the site for transient guest accommodation'.*
- 55 For **hosted** accommodation there is no reduction in residential coherence. For **unhosted** accommodation, there is occupation of the dwelling, albeit transitory. According to PE's latest report, unhosted accommodation represents only 1.3% of total housing stock. By comparison unoccupied housing represents both 4.5% of the district housing stock and represents a less efficient use of physical resources. I do not consider residential coherence to be a material matter in terms of regulation pursued through PC4.

⁴⁴ Bonis EiC [171]

⁴⁵ Statement of Evidence of Derek Nolan 7 May 2021 (EiC Nolan) [18].

⁴⁶ s32 Report [2.2.66].

Does the scale and significance of those social costs, if demonstrable, warrant management.

- 56 The addendum by Mr Bayliss identifies that justification for the regulation in the Plan Change does not require that harm be widespread nor is dependent on a substantial number of complaints.
- 57 Accordingly, Mr Bayliss and I appear to agree that the issue is not substantial.
- 58 We also agree that targeted controls need to be considered in terms of the efficiency and effectiveness in terms of managing the activity. Where we disagree, is whether those controls need to be in the form of regulation under the District Plan.
- 59 For **hosted accommodation**, whilst I support such being a Permitted Activity, I consider that there is no material evidence warranting the need for a discretionary consent to be sought and issued subject to guest numbers and / or arrival times. Because:
- 59.1 There is a permanent household member that can address issues of disturbance, rubbish bins and wayfinding;
- 59.2 As outlined in the EiC of Ms Hampson 99% of hosted listings have 6 or less maximum guests (with 82% of providers being for 2 guests)⁴⁷; and
- 59.3 As outlined in my EiC, restrictions on arrivals and check-in-times does not appear to be founded in any empirical evidence and hosts and listing operators are not able to always guarantee arrival time of guests. In addition, any listed guest arriving on a late-night flight from Australia would either need to be precluded (that is the listing would need to specifically exclude such guests), or a Host could find themselves in breach of the rules if their guest checks in later than expected due to a delayed flight.
- 60 Accordingly, I consider that the interplay of rules that seek to impose a limit to six guests or less, and enforce check-in-times⁴⁸, with non-compliance to be considered as a Discretionary Activity to be neither effective nor efficient.
- 61 For **unhosted accommodation**, the scale and significance of the issue, and the extent of proactive and reactive controls are such that regulation sought in the amended PC4 is not the more appropriate.

47 EiC Hampson [37]

48 For example Proposed Rule 14.4.1.1(P29) and Rule 14.4.1.4(D7)

What are the reasonably practical options (controls) for managing these issues, if any? Are they effective, and is regulation the more effective (including conditions to manage effects)?

- 62 There are a range of existing mechanisms to manage potential issues of disturbance with HSA.
- 62.1 Noise Complaint Process - is well established⁴⁹, and provides the reactive response to incidents of potential excessive noise and allows for an immediate response from noise control officers on receipt of a complaint. This remains the viable and effective mechanism to manage any isolated nuisance. Even with the imposition of regulation sought to be imposed by PC4, it is difficult to foresee any consent based mechanism to actively responding to specific issues of noise nuisance.
- 62.2 As outlined by Mr Nolan, proactive measures facilitated by Airbnb include:
- (a) The online review process, which lets hosts rate their guests, creates an incentive for guests to behave and manages the risk of disturbing the neighbours;
 - (b) A support line for neighbours to contact Airbnb directly if they are having issues with a host or listing;
 - (c) Airbnb's Community Standards⁵⁰; and
 - (d) Party and Events Policy⁵¹.
- 63 These controls are not embedded in the District Plan but provide mechanisms for issues to be resolved directly between Airbnb, hosts, and guests without the Council being required to act as an arbitrator of any potential issues. Airbnb already requires its hosts to act responsibly and comply with various standards and policies. In combination with the noise complaint process (which is also the more likely and reactive mechanism for any potential material disturbance issues) these mechanisms are considered to provide an effective response to the residual social cost issues without the need to impose further district plan regulation and transactions costs.
- 64 I consider the amended PC4 to be both inefficient and the less appropriate mechanism in terms of implementing **Objective 3.3.1** and **Objective 3.3.2** of the district plan.

49 <https://ccc.govt.nz/services/noise-control>

50 <https://www.airbnb.co.nz/trust/standards>

51 <https://www.airbnb.co.nz/help/article/2704/party-and-events-policy>

- 65 I have however considered whether there are additional matters that could be included in my recommendations that may assist in the more targeted provision of HSA in the district plan.
- 65.1 **Registration:** These respond to the Community Consultation feedback⁵² where respondents identified that 'Registration' would be an important measure in terms of both identifying HSA providers, but also the ability to confirm compliance with broader district plan requirements.
- 65.2 **Provision of signage / restrictions on outdoor use:** The provision of visible signage restricting outdoor space use between the hours of 0700 to 2200⁵³, and a breach of such requiring consent (as a Controlled activity).
- 66 I have made these recommended changes to the provisions recommended in my EIC [207].
- 67 Whilst I acknowledge the efforts made by Mr Bayliss is to reduce the complexity of PC4 and remove those elements erroneously predicated on economic matters, I retain the view that the regulation proposed in amended PC4 is not the more appropriate in terms of s32(1)(b).
- Additional matters**
- 68 I disagree with Mr Bayliss that a Discretionary activity status is more appropriate for a breach of performance standards⁵⁴, should the Panel concur with the recommendations of Mr Bayliss as to the requirements for consents.
- 69 Mr Bayliss has already identified that matters of concern now narrowly relate to amenity, disturbance and residential character. These matters can be adequately conveyed in matters of control. This would ensure that broader and unrelated matters such as housing supply and economic effects on centre recovery are not re-litigated on an incremental basis.
- 70 I have concerns with Mr Bayliss' references to s128⁵⁵, as I consider that such could be applied to consents almost as a punitive tool. My concerns with such are that the instrument is not intended to open the door for cancellation of the consent itself, would impact on investment certainty counter to Objective 3.3.1(a)(ii); and place City Council planners into the role of arbitrating on social disputes.

⁵² s32 Report [page 279]

⁵³ As consistent with Rule 6.1.5.2.1 Zone Noise Durations. Table 1.

⁵⁴ Addendum s42A [2.4.21].

⁵⁵ Addendum s42A [2.4.8, 2.5.5].

SUMMARY OF RECOMMENDATIONS

- 71 As identified in my EiC⁵⁶, I consider that:
- 71.1 HSA is not materially different from residential activity;
 - 71.2 does not affect housing supply – as now agreed to by the City Council;
 - 71.3 does not affect commercial centres – as now agreed to by the City Council; and
 - 71.4 matters associated with localised nuisance, given scale and significance and existing management controls do not warrant complex or rigid regulation under the district plan.
- 72 Accordingly, my recommended changes to provisions are as set out in my EiC. I do however recommend the following amendments to assist with the registration and identification of HAS, and an additional control on the use of outdoor space to coincide with the district plan durations for noise, these are identified as text in **red and shaded**.

All residential activity status tables	Permitted activities		
	Activity		Activity specific standards
	<u>PXX</u>	<u>Home sharing</u>	<ul style="list-style-type: none"> a. <u>The Christchurch City Council is notified in writing prior to the commencement of the Home Sharing activity.</u> b. <u>The owner of the residential unit must keep records of the number of nights booked per year, as commencing on 1 January of that year, and the dates used for visitor accommodation and provide those records to the Council on request.</u> c. <u>Outdoor space shall not be used between the hours of 10.00pm and 7.00am and sign/s are installed and visible from the outdoor space advising the permitted hours of use.</u>
	Controlled activities		
Activity		The matters over which Council reserves its control	
<u>CXX</u>	<u>Home sharing which does not comply with the activity specific standards in PXX</u>	<ul style="list-style-type: none"> a. <u>Record keeping and provision of information to the Council</u> b. <u>Host's plan to manage outdoor recreation and entertainment.</u> c. <u>Outdoor lighting and outdoor noise management.</u> 	

⁵⁶ Bonis EiC [207]

CONCLUSION

- 73 I acknowledge the considered approach by both Mr Osborne in terms of providing analysis that there is no compelling economic rationale in support of PC4, and the efforts of Mr Bayliss to remove previous considerations, particularly in Objective 14.2.9 and Policy 14.2.9.1 that related to inappropriate matters associated housing supply and a revitalised CBD.
- 74 Mr Bayliss has identified that he considers that PC4 in the main (and with his amendments) remains an appropriate response to the issues raised by short term accommodation and its direct and cumulative effects on the character of the environment in which it takes place – focused on residential coherence and the quality of the environment.
- 75 I am not of that view. The framework for consideration includes:
- 75.1 A backdrop of Objective 3.3.1 and Objective 3.3.2 which seek to expedite recovery, encourage innovation, and minimise transaction costs and the reliance on resource consents;
 - 75.2 there is no material evidence that HSA in residential zones runs counter to Objective 3.3.14 which requires conflicts between incompatible activities are avoided where they may be significant.
 - 75.3 the NPS-UD Objective 4 and Policy 6 which acknowledge that in achieving well-functioning urban environments that amenity values will develop in response to changing needs, and that a changing amenity is not of itself an adverse effect;
 - 75.4 that the scale and extent of HSA within the district does not run counter to Objective 14.2.6 which requires residential activities to remain the dominant activities in the zone; and
 - 75.5 lack of material evidence of a scale of HSA which would not achieve the outcomes sought by Objective 14.2.4 for High quality, sustainable, residential neighbourhoods which are well designed, have a high level of amenity, enhance local character and reflect the Ngāi Tahu heritage of Ōtautahi.
- 76 Accordingly, whilst I acknowledge that there have been considerable efforts by Mr Bayliss to improve the provisions of PC4, I am of the

view that these are not the most appropriate in terms of s32(1)(a) and s32(1)(b).

Dated: 24 September 2021

A handwritten signature in blue ink, appearing to read "Matthew Bonis", with a horizontal line underneath.

Matthew William Bonis