

Before an Independent Hearings Panel  
at Christchurch

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*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

Summary of Evidence of Natalie Hampson – Economics

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Dated: 20 October 2021

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REFERENCE: Jo Appleyard (jo.appleyard@chapmantripp.com)  
Amy Hill (amy.hill@chapmantripp.com)

**Chapman Tripp**  
T: +64 3 353 4130  
F: +64 3 365 4587

60 Cashel Street  
PO Box 2510, Christchurch 8140  
New Zealand

www.chapmantripp.com  
Auckland, Wellington,  
Christchurch



## **SUMMARY OF EVIDENCE OF NATALIE HAMPSON**

1. My name is Natalie Hampson. I am a director at Market Economics Limited.
2. My evidence sought to drill down into the detail of short term accommodation (STA) activity as it occurs in Christchurch and that PC4 seeks to regulate. Understanding the 'what', 'where' and 'when' of STA allows the actual or potential effects of that activity to be put in context so that the scale and significance of resource management issues can be more accurately determined.
3. My evidence was based on analysis of the AirDNA data for the year ending August 2019. This data showed evidence of a market that had started to plateau (mature) pre-Covid, with active un-hosted listings making up just 1.4% of all dwellings in Christchurch. Property Economics have since had access to an AirDNA dataset for the year ending February 2020. They have carried out a very similar scope of analysis and their findings are consistent.
4. The resource management issues that PC 4 seeks to address have since narrowed. Following the latest assessment by Property Economics, Mr Bayliss (for Council) has agreed that regulation to achieve economic objectives are neither effective or efficient and amendments have been recommended to remove those elements (relating to housing supply, a revitalised central city and revitalisation of commercial centres) from the proposed provisions. I support these changes. PC 4 (as amended) is now largely focussed (albeit the status of performance standards still confers full discretionary or non-complying activity status) on managing effects on residential amenity, character and coherence (social costs).
5. On this matter, the data shows that STA can be a temporary or short-term use of a residential dwelling (with any number of changes in owner circumstances or market conditions meaning that a dwelling may cease to be used for short term accommodation – particularly when the barriers to enter and exit the market are low). Covid-19 has highlighted this. The number of active STA listings has reduced. These dwellings have not disappeared, rather they have changed use, including anecdotally many being made available for long term rental. This elasticity of supply is one of the economic benefits of STA.
6. The data also shows that STA generates very few complaints to Council and that Council's community surveys showed that the significant majority of respondents across the district were unaware of holiday home accommodation in their neighbourhood (despite evidence that it is widespread across most zones) or were aware and felt it had a neutral or positive affect on their sense of community and how much they enjoyed living in their neighbourhood. This is consistent with the very low incidence (on average) of un-hosted STA listings across the housing estate.
7. While provisions that sought to support economic objectives have now been removed, the amended provisions of PC4 still generate economic costs and benefits for Christchurch City. These effects are driven through the proposed consenting framework, which while amended, still impose financial costs and a degree of uncertainty, particularly for those hosted and unhosted dwelling owners that would be required to apply for a discretionary or non-complying consent.
8. The proposed consenting framework of PC4 has flow on effects on the location and nature of capacity in the STA market that is available to meet demand. When these supply-side effects are taken into account, as set out in the Property Economics report, there are no demonstrable

or material net economic benefits for Christchurch from implementing PC4 (or the operative provisions). Mr Osborne and I are in agreement on this conclusion as set out in the Economics Joint Witness statement.

9. The key issue, as I now see it, is whether the social costs of STA in Christchurch sufficiently justify implementing PC4 as proposed and amended – which is still relatively strong and complex and generates a number of economic costs (particularly associated with requiring discretionary and non-complying consents).
10. Under section 32, regulation is efficient when it achieves the greatest benefit for the least cost. I consider that a discretionary consent is not the most efficient way to manage localised social and amenity effects and that other options that can effectively deliver the same or similar benefits, for less economic cost, should be considered.
11. I am happy to answer any questions.



Natalie Hampson

20 October 2021