

**Tuesday 19 October 2021**

Nikki Rogers, HNZ – Regional manager

Peter Morrison, HNZ, Canterbury Branch President and NHNZ national board member

Brett Giddens, Director of Town Panning Group, planner engaged on behalf of HNZ

**Intro**

Hospitality New Zealand is a member-led, not-for-profit organisation representing approximately 3,000 businesses, including cafes, bars, restaurants, taverns, retail liquor, and Commercial Accommodation providers including hotels, motels, country hotels, lodges, back packers and holiday parks.

Hospitality NZ has a 119-year history of advocating on behalf of the Accommodation and Hospitality sectors and is led by Chief Executive, Julie White

We are here today for the best interest of our Accommodation sector advocating for a level playing field with Short Term Rental Accommodation providers, seeking consistent application of the requirements for all accommodation providers across the industry

**Submission:**

Hospitality NZ is supportive of PC4 where it places further controls on visitor accommodation and its effects in residential zones throughout the district. Hospitality NZ considers that PC4 has a fundamental need as a response to issues in the district, and supports the 'Reasons for the Plan Change' as outlined in the section 32 report.

Hospitality NZ does not share the opinions of the economists in that there are no economic reasons to justify PC4. We are concerned that a lot of damage has already been done and the quantum of visitor accommodation established unlawfully has already deterred reinvestment back in the commercial centres, in particular the Central City.

Hospitality NZ also considers that the social effects of visitor accommodation in residential zones should not be overlooked. I refer to page 13 of the report "Feedback to CCC – Home-share Accommodation District Plan Review" that was provided to the Council.

I would like to highlight our recommendations of our submission S123 as follows:

- (a) That PC4 is approved with amendments to further control visitor accommodation in residential zones, and to avoid unhosted visitor accommodation in residential zones.
- (b) Non complying activity status is imposed on un-hosted visitor accommodation in residential units – I understand on this point our planner is satisfied with a discretionary activity status providing the objective and policy framework is robust.
- (c) Consideration is given to a threshold as to when a residential unit is no longer a residential unit by virtue of the principal activity being visitor accommodation.
- (d) A register is established of all home share providers to assist with future compliance.
- (e) Building Act / Building Code compliance is included in the provisions to address the significant shortcomings with respect to health and safety with buildings that have had a change of use, but are not fit for purpose.

(f) any other additional or consequential relief to the District Plan that will fully give effect to the matters raised in this submission.

(g) CCC effectively enforces the District Plan.

**Planning**

HNZ engaged an expert planner to provide focussed evidence in support of PC4.

I will pass you over to Brett Giddens, and any planning questions can be direct to Brett.



## Brett Giddens – Summary of Evidence / Position

1. I have provided planning evidence in chief (**EIC**) dated 7 May 2021 on behalf of HNZ. My qualifications and experience are set out in that brief. I have also participated in witness conferencing with Mr Bayliss (**CCC**) and Mr Bonis (**AirBNB**) and jointly produced a statement (**JWS**) dated 8 October 2021.
2. My EIC did not traverse the full extent of PC4<sup>1</sup> and was largely in agreement with PC4 as notified, relying on the s32 assessment in part, with a focus on what I considered as key issues which I'll briefly overview below.

### Economic effects

3. I share Mr Baylis's view that PC4 does not rise or fall based on economic effects alone, and that a key driver are the social effects arising from VA, particularly in residential zones.

### Social effects

4. The social effects were traversed thoroughly in the original s32 report and also by Mr Bayliss, as well as in submissions. The evidence is generally silent on the cumulative effect of VA, and the conglomerate effect of VA at a street or neighbourhood scale.
5. In my opinion the social effects of VA in residential zones is best managed through a discretionary or non complying consenting regime that allows for the area specific context to be properly considered.

### Joint Witness Statements

6. The planning JWS records my agreement/disagreement with Mr Bayliss and Mr Bonis. I noted my unease on fully relying on the economic JWS because:
  - I considered it oversimplified the issues and the effects are uncertain over the life of the Plan.<sup>2</sup>
  - *Hosted* VA was not included as part of the analysis. The proposed permitted hosted VA enables a significant degree of visitor activity over 365 days<sup>3</sup> with only one person residing on site in a residential capacity.
  - I have not seen any discussion on whether the degree of unconsented VA that has been allowed to establish has already had an impact on the centres-based approach under the Plan by deterring investment in hotels and motels in commercial zones.
7. Without having the full picture assessed, I am uncomfortable with agreeing with Mr Bonis and Mr Bayliss that matters associated with housing supply, and revitalisation of the central city and commercial centres find no support in economic terms, and such references should be removed from amended Objective 14.2.9 and Policy 14.2.9.1 (c). I acknowledge that I am not an economist, and it is the Panels role to consider my opinion as they see fit in the context of PC4.

### When is a residential unit no longer a residential unit?

8. This question is important as, if an activity in a residential zone is non-residential or commercial, then the higher order policy<sup>4</sup> creates what I consider as tension with PC4 as currently proposed.<sup>5</sup> In my opinion the provisions need to provide a demarcation.
9. I find the amended definitions very confusing. For instance, the definition of "residential unit" relates to a "residential activity" within a building, but with the amendments, a "residential unit" now includes "hosted VA" and "unhosted VA". These are non-residential activities under the Plan because a "residential activity"

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<sup>1</sup> See [9] of Giddens EIC.

<sup>2</sup> See Part 1.3.3.2 (c) of the Christchurch District Plan

<sup>3</sup> See [3.2.2] of the planning JWS

<sup>4</sup> Objective 3.3.14 – Incompatible Activities (Chapter 3) of District Plan; Objective 5.2.1 (Location, Design and Function of Development of the CRPS

<sup>5</sup> See [42] and [43] of Giddens EIC, and Annexure D

excludes “hosted VA” and “unhosted VA”. I also consider that they fall within the definition of “commercial services”.

10. I believe more consideration needs to be provided to the package of provisions as they are unclear. For example, a motel or backpackers could just as easily fit into the category of “hosted VA” as defined, it just depends on what activity you shuffle it into. The consenting pathway for the activities to establish in a residential zone is being made easier than a commercial zone.
11. I do not share Mr Baylis’ view that amendments to the Chapter 14 objectives and policies which carve out VA from the non-residential objectives and policies are necessary. This in my opinion overlooks that hosted/unhosted VA activity is in most cases a non-residential or commercial activity. The issue comes down to the scale and nature of the activity.
12. The author of the original section 32 report considered that “unhosted VA in a residential unit that exceed 180 days per year is a commercial activity in most instances...”<sup>6</sup> This view was also supported by the definition of commercial activity (linking to commercial services) under the District Plan and also the definition of “Commercial Activity” under the CPRS. In my opinion, within residential zones there needs to be a trigger point to prevent a residential unit no longer providing predominantly for residential activity. I have suggested that Objective 14.2.9 (b) should be redrafted such that VA in residential units should be “avoided” where the use of the unit is not predominantly a residential activity.

### **Building Act**

13. My EIC traverses the relationship of VA to the “change of use” requirements under the Building Act. In my opinion, the RMA has an interrelationship with the Building Act, which is ultimately a matter of peoples and communities wellbeing, health and safety under Part 2.<sup>7</sup>
14. Only a small scale hosted VA use would avoid the need for a building consent for a change of use. This in my opinion should be the starting trigger for whatever VA activities are permitted in the Plan.
15. I consider this is a resource management issue that needs to be addressed within PC4 through the definitions, policy, matters of control/discretion, and as an advice note to the rules.<sup>8</sup>

### **Policy**

16. I do not support the changes to the objectives and policies in Chapter 14 (Residential) that carve out VA activities from the non residential policy framework. My suggested policy is contained in Annexure A to my EIC.
17. As set out in my EIC, I believe that PC4 has tension with the CRPS around commercial activities in residential zones and incompatible activities (Objective 5.2.1). I believe it is important not to overlook Objective 3.3.14 (Incompatible Activities) of the Plan in the context of the social effects arising from PC4.

### **Conclusion**

18. It is current form, PC4 is not in my opinion the most appropriate option under s32.

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<sup>6</sup> See [16] of Giddens EIC

<sup>7</sup> See [78] and [79] of Giddens EIC.

<sup>8</sup> See Annexure A of Giddens EIC