

**UNDER THE RESOURCE MANAGEMENT ACT 1991**

**BEFORE THE**

Hearing Commissioners for the Christchurch City  
Council

**IN THE MATTER OF**

Proposed Plan Change 4: Short-term  
Accommodation

**STATEMENT OF ZETA PRINGLE IN SUPPORT OF:  
THE COALITION FOR SAFER ACCOMMODATION IN CHRISTCHURCH**

**DATE**

20 October 2021

## Introduction

### Qualifications and Professional Experience

1. My name is Zeta Pringle. I am the Owner and operator, in partnership with Bob, at the Christchurch Classic Motel & Apartments. We are commercial accommodation providers and I have 12 years' experience within the Hospitality Industry.
2. I am a member of the Coalition for Safer Accommodation in Christchurch (the Coalition) and will address the Coalitions concern over the potential effects of PC4 as notified on housing supply in Christchurch.

### The Effect of STRA on the Long-Term Rental Market and Housing Supply in Christchurch

3. I would like to begin with a statement from Local Government NZ on the impact of STRA on the housing supply:  
  
*'It is pushing out homebuyers by investors, affecting the tenure of local families and their ability to sustain long-term tenancy or ownership.' 'Importantly, our research indicates that New Zealand is different from other countries'.... In that 'Peri-urban areas (suburbs) around metro centres appear heavily impacted as not just units, but whole homes are rented.'*<sup>1</sup>
4. This statement says it all about the result of the proliferation of Home-share accommodation in New Zealand.
5. While the economic evidence provided disagrees with this and states that there are no material effects of STRA on housing in Christchurch, Mr Giddens raised a point in the planning joint witness statement that I think should be noted; *"that the economic evidence and Joint Witness Statement oversimplify the issue."* And that *"there could be localised effects on housing affordability and demand in centres from a predominance of unhosted short-term accommodation if the Plan provides an overly permissive pathway."*
6. It is my position and the position of the Coalition to agree with this statement and that it is our belief that certain areas of Christchurch are at risk of losing an affordable housing supply.
7. Covid showed the huge number of properties that were actually STRA and not lived in as home owner or renter. PC4 has to be strong enough to protect our city centre from becoming one big hotel, as more and more dual/ apartments are being built.
8. In March 2021 a Change of Use from Residential to Guest accommodation has been granted to build 21 units. This is just one example demonstrating the demand is still there for STRA in the central city

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<sup>1</sup> 'Unpacking the impacts of accommodation-sharing on local housing stock in New Zealand' December 2019.

and this demand is still strong and developers are wanting to be able to offer properties that can also be used as STRA. As a controlled activity STRA in any residential area in Christchurch, the ability to assess the environmental impact is restricted.

9. Developments are needed to help provide good quality affordable housing. I acknowledge many developments do just that, are positioned well, are built with the character of the neighbourhood in mind, are close to excellent amenities, excellent schools, recreational areas etc. Well priced good quality housing should provide the potential to repopulate respective areas, people to live and be part of the local community. However, this is not always the case and in many instances developers and/or agents have promoted and continue to promote developments as Visitor accommodation investment properties resulting in higher prices and effectively pushing home owners out of the market.
10. If I look at developments (that I am aware of) alone that have either promoted or inferred one of the benefits of the property is as a STRA investment in Christchurch's "peri urban areas' around Christchurch central, there are over 210 new properties in recent/new developments. To clarify this is within a 5-20 min walk to the Central 4 avenues.
11. A Ministry of Housing and Urban Development regulatory impact statement written ahead of the introduction of new minimum rental standards warned that more landlords might shift to Airbnb as a result. I can say I have either heard of this happening or witnessed it for myself more times than I would like to of have. It makes me very sad especially when it is a family, which have come to stay as our motel has some big 3-bedroom units.
12. HUD 'Homelessness Action Plan' Phase One 2020-2023 page 21.states '*in some areas in New Zealand, pressures in the housing market are especially acute and have resulted in significant increases in homelessness. These factors have been further exacerbated by... demand for Short term holiday rentals which has pushed up house price and rents.*'<sup>2</sup>
13. 'Analysis shows that the costs of Airbnb expansion to renters and local jurisdictions likely exceed the benefits to travellers and property owners. Thus, there is no reason policymakers should reverse long-standing regulatory decisions simply to accommodate the rise of a single company. Airbnb rentals reduce the supply of long-term rentals in communities, creating economic costs that outweigh the benefits, according to research presented by Economic Policy Institute Research Director Josh Bivens in

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<sup>2</sup> <https://www.hud.govt.nz/assets/Community-and-Public-Housing/Support-for-people-in-need/Homelessness-Action-Plan/271a3c7d79/Homelessness-Action-Plan.pdf>



a new paper<sup>3</sup>. Local policymakers should pay heed, says Bivens, and certainly not change local regulations and tax structures to benefit Airbnb.

14. The company has long marketed itself as a platform powered by local hosts, but the reality is quite different. Across most markets, the number of commercial hosts exceeds those simply seeking extra income by renting a spare room. As such, many Airbnb listings resemble hotel rooms rather than sharing economy holiday rentals. The profitability of short-term rentals has caused both property companies and small-time landlords to vacate the long-term rental market, resulting in a depleting supply of long-term housing<sup>4</sup>.
15. Christchurch is not immune to the investor/commercial STRA owner. Some people have between 12 and 20 listings in Christchurch that they own themselves, many are 'professional hosts' in the sense that they manage multiple properties for others. Some promote themselves as being a 'locally owned and operated company who manage holiday home rentals throughout New Zealand and also some in select places in Australia. *"We can convert your long-term rental into a thriving holiday home rental. (many claim to fame)"* Many have never even seen the properties they so called host. Others have diversified into what is best explained as the timeshare/ investment version. But what it all comes down to is that the interest in STRA as part of an investment portfolio is not at a plateau but continues to be popular and grow. As profit continue to be high as compliance cost are non-existence.
16. The new HUD announcement yesterday 'New intensification rules will allow buildings of up to three storeys on most sites in cities without any need for resource consent from August 2022. Analysis from PWC suggests these changes will add between 48,200 and 105,500 new dwellings over the next five to eight years.' One can ask the question since this policy is to help with the housing stock will this has a caveat attached that they cannot be used for Visitor accommodation, if not then this increase in housing will only add to the current prevalence of STRA.

#### Examples of the Effect of STRA on Housing Supply in Other Areas

17. Managing the Impacts of Airbnb: A Case Study of Queenstown, New Zealand looks at the relation to the regulations that were implement and found that: *"Exploitation by Investors of Queenstown's tiered system of consent helps deter investment interest in the activity. Results and literature revealed that companies exploiting the platform for commercial gain is an issue experienced globally. This practice*

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<sup>3</sup> <https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>

<sup>4</sup> <https://www.mironline.ca/the-airbnb-effect-on-affordable-housing/>

*adds to housing pressures and differs from the companies intended purpose. The resource consenting process enables restrictions on the number of nights Airbnb's are allowed to operate”<sup>5</sup>*

18. I provide other examples of the effects of STRA on housing throughout New Zealand appended to my statement but the above example shows that requiring a stricter resource consent, as sought by the Coalition, has a positive effect on the housing supply.

### **Conclusion**

19. In summary, the effects of STRA on housing throughout New Zealand is well documented. While the economic evidence provided for PC4 concluded that in Christchurch there were no material effects of this however it is the belief of the coalition that these effects will only be seen in certain location such as the central city. By increasing the requirement on unhosted STRA providers to achieve a restricted discretionary resource consent this will provide a hurdle that will hopefully see a retention of the housing supply in Christchurch and ensure residential areas in our central city do not become one large hotel..

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<sup>5</sup> <https://ourarchive.otago.ac.nz/bitstream/handle/10523/10214/McGoughS2019MPLAN.pdf?sequence=1&isAllowed=y>

## APPENDIX A: Articles Relating to STRA Housing supply

1. **Airbnb cannibalises employee accommodation in Tekapo** The rise of Airbnb in Tekapo seems to be throwing further fuel on the fire of employee accommodation shortages in the South Island tourist town. "Every second house around here [in Tekapo] is doing Airbnb, it's creating all sorts of issues for council," Mackenzie mayor Graham Smith said at a community meeting before Christmas  
<https://www.stuff.co.nz/timaru-herald/news/118906348/airbnb-cannibalises-employee-accommodation-in-tekapo?rm=m>
  2. **Call for regulations on Airbnb-style accommodation in Taranaki** "Peer-to-peer accommodation presents us with a challenge going forward here in Taranaki," Brennen said. "During their early rapid growth these companies disrupted an established industry before local policy makers could do anything about it." He said under the Building Act 2004, section 114 and 115, building owners are required to notify the council if they intend to change the use of a building.  
<https://www.stuff.co.nz/taranaki-daily-news/news/111563554/call-for-regulations-on-airbnbstyle-accommodation-in-taranaki?rm=a>
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