

Submission to Plan Change 4 Hearing Commissioners That they recommend that Plan Change 4 be Declined

19 October 2021

I represent Christchurch Holiday Homes on behalf of our business owners, a directly impacted party to Plan Change 4

Beyond providing accommodation for Christchurch visitors I own a number of rental properties and therefore pay a significant amount of rates to CCC each year. I am well aware of the greater impact of these tenants have on the neighbours and neighbourhoods. New tenancy laws have done much more to increase the impact of tenants on neighbourhoods than STRA.

By declining Plan Change 4 you have the opportunity to make Christchurch a better place for visitors and residents alike by recognising the wider accommodation marketplace in a more inclusive way. Please note in this submission we refer to 'STRA' – Short Term Rental Accommodation to include baches and holiday homes rather than what is often generically referred to as 'Airbnb'.

Our accommodation management business provides self-catering accommodation appealing to groups and families that hotels, motels, and backpacker hostels do not cater for.

Inconsistencies within CCC are apparent in the way this Plan Change has come about. There has been a lack of consultation with affected parties within their organisation and those supported by parts of their organisation. We have been supported by ChristchurchNZ, which is part of Christchurch City Council, both in our tourism and business development. There has been funding from ChristchurchNZ to support our growth through marketing and business strategy assistance, so that we can contribute more to the economy, which we have as a direct result. We employ staff, and use many services and supplies that are part of the economy of Christchurch. Over 11 years of operation we have developed systems to manage guests and their needs. This includes monitoring our phone 24/7, responding immediately to any issues raised and using a security firm if deemed necessary. Our business would not survive without excellent reviews from guests and owners alike. This includes being available and responding to issues raised by neighbours. We have cameras recording sound on the entry point of each short term property that views visitors arriving without invading their in-home privacy.

As responsible Managers we have self-regulated by:

- networking with similar companies in other regions
- providing more amenities for guest convenience
- providing additional fire safety such as fire extinguishers and fire blankets
- having a strict check-in and guest checking processes to verify guests identities
- strict terms and conditions which deter unwanted guests
- networking with neighbours to notify any potential disturbances where possible
- upskilling our staff with the RTA rules

In the time we have been operating Airbnb has gone from being a small platform to a major one, and along with other platforms we have a working partnerships to allow for guests to experience the increased amenities that STRA provides. These amenities include the ability to stay in a 'bubble' if required within the property, but also in other times of crisis included being able to have family and pets housed in a furnished home because of earthquakes, floods, fires and terrorism. There are many reasons that people have difficulty or are unable to visit if there is not the appropriate accommodation for their special needs, or they are staying longer for a variety of reasons.

As we emerge worldwide from yet another crisis we invite you to appreciate the value of STRA in recovering from earthquakes, terror attacks, natural disasters, and pandemics, alongside the well-known benefits for tourism. We request you to consider the big picture of the tourism marketplace that Christchurch operates in. There is a significant difference between this city environment and Queenstown Lakes, where homes are in more frequent use by owners is also important to note here. The other consideration is around the effect on neighbours of STRA, or having homeowners or rental homes in an area. Covid has presented a new marketplace with borders closed and some challenges with more difficult local guests. We look forward to welcoming international visitors back and sharing our wonderful city and surrounds again.

Christchurch is a city with big ambitions spurred on by 2011 Earthquakes to significantly increase its population, and build world class new convention, sports and adventure facilities. The massive Convention Centre is nearly open, and a covered stadium and Olympic size swimming pool are on their way with the big events to match. Millions is spent every year promoting tourism to the city and surrounds from one part of the Council and community while another part grapples with finding the right rules to regulate this. It's a big responsibility to capture the future potential of the city and provide the appropriate accommodation for one and all to visit. By this we mean families with special needs, elderly, pets and those with work to do here. Most available accommodation classes suit singles or couples, so STRA is a place where families or anyone spending any length of time is able to literally make themselves at home, experience our city for a longer time and self-cater. There has always been a necessity for this type of accommodation, which has been extreme at times, as in after the earthquakes, and other disasters. It is the STRA market, the baches and holiday homes that have led the way in developing new markets or offering unique accommodation in smaller places where commercial accommodation is not viable – such as New Brighton, Lyttelton and Banks Peninsula.

It is STRA that allows people to stay in the many places where it is not economically viable, or environmentally friendly to purpose build hotels or motels. The ability of STRA to up and downscale is critical to managing many situations all the time is important.

We know from our guest load over the years that a significant number would not have been able to visit or stay as long without accommodation that meets their needs. They may be visiting the grandchild's sports tournament, or bringing a special pet, or coming for work.

As someone who owns both long and short term rentals I can directly see the benefits of both and the marketplace for both types of properties. There are locations where demand is high for accommodation close to the city and sports facilities and homes work well for guests. There are places where tenants could be a much bigger problem for the neighbours than short term accommodation and owners are more careful now the tenancy laws have changed. With the changes to Brightline rules and interest deductability, there is less incentive for some owners to have tenants. Rather than having an empty house the opportunity for sustainable use by guests is both good for the economy and environment. The RMA was created for more sustainable of resources and this is where STRA excels.

The ability of STRA to decrease our carbon footprint and use resources sustainably should not be overlooked as we come under pressure to be more sustainable. By expanding the use of existing buildings for accommodation and to be able to upscale and downscale is one of the big benefits of STRA. It is wrong to use the RMA in a way that denies this.

The research clearly shows that STRA has an insignificant impact on housing in Christchurch and the ability it provides to upscale and cater to extra guests is extremely valuable for the local economy. The opportunity to provide a level playing field is understood but the proposed Plan Change 4 does not do this appropriately or well. We have not been invited to provide statistics and look forward to working with CCC constructively to assist creating a register and code of conduct that benefits our community.

The limitations placed on owners in a city by the proposed Plan Change 4 make it unviable for them to keep the home as a STRA or even consider using it for guest accommodation. These homes are not generally holiday homes that owners use frequently as may be the case in the Queenstown Lakes area, where the regulations have been in place. The community needs are very different here in a much larger city. There are too many parts to be policed in the proposed system and it will create more problems than it solves. We have so many guests that arrive for a short time then need to extend, or that stay for a month and the amount of red tape to provide and manage accommodation that suits them is being made impossible. This is being created by the same City Council that also has grand plans and is actively building and owning facilities to host thousands of visitors. Plus an Airport that is the gateway to the South Island. We are seeing the city growth with increasing demand for longer stays while people look for homes to buy in Christchurch. These are families and their pets. If our homes were not furnished, or available, where would they stay?

STRA homes are a significant part of the accommodation sector across Christchurch and the Canterbury region with benefits for travellers, local homeowners and local businesses. If these homes were not available due to the proposed restrictions under the current option, this would limit accommodation available for:

- University lecturers re-locating need furnished accommodation, often bringing family and pets.
- NASA scientists, who come every winter, with many staying in holiday homes for 2-3months boosting the winter economy.
- a mix of contractors, shop fitters, organ tuners and engineers renting our homes.
- families and people moving to Christchurch

With 11 years of experience in guest and home management Christchurch Holiday Homes and other local managers should be more included in the Planners understanding of the marketplace and more included in the decision making process.

Consider the real benefits of STRA homes:

- encourages visitors to seek out and spend at a more diverse range of local businesses.
- Visitors can also stay in areas that are not serviced or are under- serviced by traditional accommodation providers. This has the effect of opening up competition and thereby choice.
- Families, rather than traditional commercial providers, have the opportunity to reap direct benefit from tourism to their local area. This effectively creates new revenue streams and reduces barrier to entry in the tourism accommodation sector, ultimately, supporting families and economies in all parts of New Zealand.
- Holiday homes are an important start for the development of tourism in new areas – utilising existing infrastructure for accommodation purposes and leading to new opportunities for local businesses that thrive on new visitors.
- STRA homes don't require significant capital investment or government incentive packages to benefit local businesses, communities, homeowners and visitors alike.
- Short-term rentals have become an important part of the tourism accommodation sector across Christchurch and the Canterbury region.
- STRA homes have generated approximately \$25 million in additional economic activity and supported 330 FTE jobs across the region. \$12.2 million was generated through STRA visitor's spending at local businesses – shops, cafes, bars, restaurants, transportation, tourism and entertainment operators.

We advocate for the following:

- Encourage a NZ-wide approach to STRA regulation so as not to geographically distort the market, creating 'winners' and 'losers' among local areas.
- A simple registration system for properties listed on a short-term rental accommodation platform. This will collect meaningful sector data and help inform sensible and easily understood policy.
- Create a mandatory short-term rental code of conduct for owners, managers and guests which may include an enforceable 3 Strikes Rule for those who do not meet the standards.
- The establishment of an industry-funded and administered body to address problems and adjudicate questions about amenity, noise and overcrowding at short-term rental accommodation properties.

Why

- From a rate payers perspective the report is reactionary and a response to CCC losing a case for Resource Consent in the Environment Court. The solution leaves CCC exposed to future litigation over the use of the term 'visitor' and 'residential' activities. It is almost impossible to write their way out of this as the use of these homes is residential in nature whether by long or shorter term residents.
- The public were not consulted on the currently proposed option. To expect councillors to understand the proposed option and vote accordingly without being shown this choice either is unfair and unreasonable.
- STRA providers generate new business in the tourism industry at no cost to the council or ratepayers of Christchurch. The research on this has been disregarded.
- The Planners have not analysed the low level of complaints compared to the number of listings. Only 49 complaints for 2000 plus listings is very low and should be viewed with the number of complaints about noise and tenanted properties. Also there is no data about the source of the complaints, many of which have allegedly come from accommodation operators seeking a trade advantage through complaining.
- The 60 and 180 day 'nightcap' or limit on guest stays, without having to apply for a discretionary or expensive non-compliant resource consent offers commercial accommodation providers a direct trade advantage, which the report states is not their purpose.
- The report relies on data from 'AirDNA' which originated from Airbnb and only covers a small part of the marketplace and made up substantially by hosted homes. There are many more homes listed across other sites that are not coming under the statistical framework used in the report.
- In Christchurch STRA (short term rental accommodation) draws visitors to the district and into the central city. It provides a wider variety of accommodation options for the Christchurch visitor economy.
- The report neglects to consider our history of needing accommodation in a wide range of homes across the city at any time of the year. There have been numerous instances in the last 10 years where STRA has had a vital role in supporting recovery from the many disasters and crises we have experienced such as earthquakes, fires, gas explosions, floods, terror attack (for grieving families)
- The report claims that the effect of Covid 19 is temporary in the STRA marketplace. But it is clear for many reasons that Covid has influenced the STRA marketplace forever. There is already higher demand for facilities that are not shared and more amenities such as kitchens.
- The CCC report does not mention any consultation between the Planners and ChristchurchNZ. Yet the Council which funds ChristchurchNZ and the significant facilities being built in the city is making a far reaching decision without this crucial information. ChristchurchNZ have conducted significant research into the tourism marketplace and invested in marketing campaigns to attract visitors to Christchurch. Their campaign prior to Covid, for

example, targeted Auckland families with children aged 11+, who need family accommodation to suit a range of budgets.

- The purpose of the proposed District plan changes were to “appropriately respond to demand” , not “restrict supply”, of visitor accommodation. This ‘Nightcap’ limit on unhosted accommodation knocks out over 80% of the year for accommodation. It results in a lack of accommodation when and where its needed most.
- The proposal discriminates between hosted and unhosted short-term rentals. Whether a host is present or not at the rented property does not form a sound basis on which to regulate the home as both are residential activities.
- There is an MBIE Working Group underway for central government to come up with a plan for STRA providers and for the council to build their local plan around this, which needs to be included in the decision Councillors are making.
- The 60 Night cap option offered is repeating what has not served other councils well and has significantly cost their ratepayers through having to rescind decisions and readdress issues from a different angle.
- We are all in agreeance that a ‘level playing field’ is needed. A collaborative solution needs to be explored rather than regulation by RMA by District Plan. Privately we have met with Hospitality groups, but this has not been considered or brokered by the Planners report.
- In our increasingly sustainable society using extra capacity wisely across the city is a smart thing to do, better for the economy, and meets the sustainable objectives of the RMA.
- If you restrict STRA, visitors will limit their time in Christchurch and be frustrated when there are events on and they cannot find suitable accommodation.

If we don’t stop the process now we risk wasting more of the councils resources and ratepayers money on a plan which will reduce accommodation supply so that when the new stadium, Metro Sport, Covered Stadium and Convention Centre finally open and numerous events are happening, we have no way of addressing without reversing the whole process which may again take years. In addition we have disasters at least every two years requiring STRA accommodation. Please hold this bigger picture in your planning view.

Thank you for your time on behalf of:

Sue Harrison

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Directors

Christchurch Holiday Homes Ltd