

DISTRICT PLAN HEARING

Date Monday, 18 October 2021

Venue: Christchurch Netball Centre,
455 Hagley Avenue,

Christchurch Plan Topic:

Plan Change 4: Short-term accommodation

Statement by Ricki Jones

Submission S121 and FS15

One of the main things I hope to achieve today is to show that regulation in the form of PC4 is needed with a minimum activity of restricted discretionary.

I agree with Brett Gibbens in that he 'disagrees in part, and considers that the economic evidence and JWS oversimplify the issue. He considers 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. An example where this might occur would be around the central city (Residential Central City Zone). Whilst accepting the views expressed in the Economic JWS, he retains concerns as to economic issues over the life of the District Plan.'

There are many illustrations that highlight this.

- Central City needs people living and spending money in the city. Community is missing.
- Covid-19 showed the huge number of properties that were STRA and not lived in as home owner or renter.
- Within the 4 avenues between April and August 2020 at least 250 properties transitioned from STRA to Longer term rental. This does not take into consideration developments that were completing.
- The 12 month period from July 2020 only 2 Developments have been accepted under the Christchurch Central City Residential Development Contributions Rebate Scheme. The the previous 12 months there were 28 and a similar number in the year prior to that. One would have to wonder if the changes to the criteria of the Scheme, excluding the use of any residential unit in the developments for short term guest, hostel or rental accommodation or any other commercial or business activity, is the cause.
- One developer can account for 10 of the 28 successful applications (totally over \$2,000,000 Gst Excl) for the period 1 July 2019 to 30 June 2020. This same developer, although having many developments on the boil, is not one of the two filed for the 12 month period 1 July 2020.
- PC4 has to be strong enough to protect our city centre from becoming one big hotel, more and more dual/ apartments are being built and also Guest accommodation Change of use consents.
- In March 2021 a LUC from Residential to Guest accommodation has been granted for Williams Corp 259 Gloucester Street Central City and they will build 21 units.
- Across the road from where we are now at 420 Hagley ave an apartment has been advertised as 'Luxury 5 star Hotel style living. PC4 Submission S127 states that at 466 Hagley Ave apartments every single owner signed a contract stating that Airbnb could never be considered an unsuitable use for any apartment in the complex.'
- This is just some examples demonstrating the demand is still there for STRA in the central city is still strong and developers are wanting to be able to offer properties have being able to be used as STRA.

Outside the central city, the demand remains high as STRA remain a good investment Agents promote ' get a couple of you together and if you can get the First home grant (\$10,000 each person max) for a new build and live in it for 6 months and then airbnb cash cow'

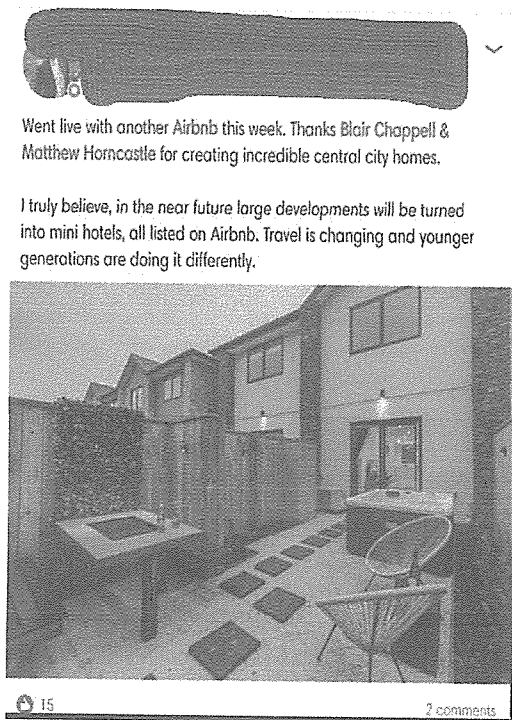
If STRA become anything less than anything less than restricted discretionary activity in any residential area in Christchurch, then the ability to assess the environmental impact is lost.

The movement to medium/long term rental appears to be for many properties a holding pen while they wait to see what happens in the Covid-16 environment that we now live. Initially fully furnished listings along with linen and even rolled towels on beds. However as time went on and covid-19 was still with us, property managers recommended, putting your contents in storage and then when borders open you will be ready for the STRA market.

The introduction of the P2P platform in relation to short term accommodation rental has added another tier to property investment portfolios. We have all read the research and the media reports with respect to airbnb and the like being a disruptor for conventional accommodation providers but in essence it more disruptive and destructive to our housing supply and price.

Often airbnb has been portrayed especially in the media as just an extension of the good old kiwi bach being rented out or the 'mum and dad investor' in effect it is even bigger than I think we all suspected.

What airbnb and the likes have created is in effect mini leased hotels, without the complications of owning an actual hotel or motel lease.



Some developments encourage multi unit purchases and in some instances are then leased out to a third party to run as airbnbs (in effect a mini hotel within a development).

"gig economy property owners and speculators who bought or leased real estate in pursuit of Airbnb profits. Airbnb spawned a cottage industry of homeowners running their own property empires, turning the start-up into a hotelier without any hotels." (<http://www.sharechat.co.nz/article/b23da6bb/a-bargain-with-the-devil-bill-comes-due-for-overextended-airbnb-hosts.html>) <https://www.wsj.com/articles/a-bargain-with-the-devilbill-comes-due-for-overextended-airbnb-hosts-11588083336>)

- Managing the Impacts of Airbnb A Case Study of Queenstown, New Zealand, Gives us some insights into impacts post regulation

6.2.2.2. Housing pressures. In comparison, housing affordability and availability issues were identified as the main adverse impact associated with Airbnb. This leads to further issues including staff retention and the ability for people to be able to afford the cost of living in Queenstown. The researcher notes that housing pressures could have been incorporated into existing regulation, to give effect to housing issues. Housing could have been included in the matters of discretion assessed by QLDC in the resource consenting process. Here, applicants and Council would have had to demonstrate the effects of the proposed activity on housing affordability and availability. However, it appears current regulation regarding Residential Visitor Accommodation does not directly address housing pressures in the District, yet the issue may be addressed in other areas 126 of regulation. Redeveloping existing regulation to include housing matters, is acknowledged as another conceivable option to address housing issues.

6.2.2.3. Exploitation by Investors 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 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 in the District annually, this likely negatively affecting investors more so than local homeowners. Page 126

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