

Addendum to s42A report

CHRISTCHURCH DISTRICT PLAN

PLAN CHANGE 4

SHORT-TERM ACCOMMODATION

PLANNING OFFICER'S REPORT UNDER SECTION 42A OF THE RESOURCE MANAGEMENT ACT 1991

1 September 2021

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1 INTRODUCTION

1.1 REPORTING OFFICER

1.1.1 My full name is Ian William Bayliss. I am a Senior Associate at Barker & Associates in Queenstown. I have held this position since June 2021 prior to which I was the Planning Policy Manager for Queenstown Lakes District Council, from December 2016 to April 2021.

1.1.2 I hold a Master of Planning Practice degree and a Bachelor of Arts degree from Auckland University. I have been employed in planning and resource management for over 20 years and have been a full member of the New Zealand Planning Institute since 2008. I worked as a principal planner at Auckland Council reporting to the Independent Hearing Panel on the Auckland Unitary Plan in 2015 and 2016, and as a senior policy planner at Rodney District Council between July 2005 and November 2010.

1.1.3 I had no involvement in the development or promulgation of Plan Change 4 prior to this hearing, however in my role as planning policy manager at Queenstown Lakes District Council I oversaw the preparation, consultation, evidence preparation and promulgation of a Plan Change addressing short-term accommodation for Queenstown Lakes District Council (QLDC) in 2018. In 2020, I was involved in Environment Court mediation for appeals to decisions on this Stage 2 QLDC Plan Change¹ as a delegated representative of the Council; appeals which remain unresolved at the time of writing this report.

1.1.4 Although this is a council hearing, I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note² and I agree to comply with it. I confirm I have considered all the material facts I am aware of that might alter or detract from the opinions that I express. I confirm this evidence is within my area of expertise, except where I state I am relying on the evidence of another person. I am authorised to give this report on behalf of the Christchurch City Council (**the Council**).

1.2 THE PURPOSE AND SCOPE OF THIS REPORT

1.2.1 This report has been prepared as an addendum to the original section 42A report prepared by Alison McLaughlin to assist the Hearing Panel Commissioners in considering the issues raised by submissions and further submissions to Plan Change 4 Short Term Accommodation (PC4).

¹ The QLDC District Plan is being reviewed in stages, not as individually numbered plan changes.

² <https://environmentcourt.govt.nz/assets/Documents/Publications/2014-ENVC-practice-notes.pdf>

It makes recommendations on submissions and further submissions received on the whole of PC4, it confirms where my opinion differs to that of Alison McLaughlin and confirms that I agree with the balance of the analysis provided for the Council. Where I recommend substantive changes to the plan change provisions (as notified or as recommended to be amended by Alison McLaughlin), I provide an assessment of those changes in terms of section 32AA of the RMA.

- 1.2.2 It is important to note that the purpose of this report is not to rebut the evidence from submitters provided after the Council's original s42A report was issued. If there is to be rebuttal of this material, that is to come later. Rather, the purpose of this report is to:
- a. consider the economic evidence prepared by Property Economics;
 - b. refer to the section 42A report provided to the Hearings Panel to date and provide advice on the appropriateness of this in light of the updated economic evidence; and
 - c. then make recommendations on whether to accept or reject submissions and further submissions (referred to hereafter as the submissions); and
 - d. specify where my opinion differs to that of Alison McLaughlin, author of the original s42A report.
- 1.2.3 This report is structured in four parts, the first dealing with changes in light of the economic evidence, the second being changes to the objectives and policies and rules, the third dealing with the provisions in rural zones and the fourth dealing with definitions and other matters.

1.3 SCOPE TO MAKE CHANGES TO PC4

- 1.3.1 As has been set out in the original section 42A report in detail, submissions on PC4 provide a broad scope for possible changes in making decisions on submissions across the 518 different requests for decisions. Submissions supported by expert evidence from Airbnb (**s112**) and Christchurch International Airport (**s101**) seek a more enabling and less constraining framework for home sharing accommodation through wide ranging changes to objectives and policies through to controls. Numerous other submissions from individuals and short-term accommodation providers such as Bachcare (**s119**) and Bookabach (**s100**), similarly favour removing the distinctions in PC4 between hosted and unhosted visitor accommodation and seek removal or relaxation of the rules in PC4 applied to unhosted visitor accommodation.
- 1.3.2 The general aspects of these submissions can be relied on to make the changes I have recommend, however the specific points in these submissions requesting particular wording for amendments and alignment with the residential activity controls remain recommended to be rejected as the changes only go a small part of the way towards providing the relief sought.

- 1.3.3 Hospitality NZ's submission (**s123**), (also supported by planning evidence), submissions from Community Boards (**s21, s36, s85, s102, 103 and 110**), Neighbourhood associations (**s87, s90**), and numerous community submissions (**s106**) all seek various forms of strong restrictions on unhosted visitor accommodation in residential areas. It is not always clear if PC4 meets the expectations of these submitters, however I make the same recommendations to accept reject these submissions as the previous s42A report.
- 1.3.4 The additional changes I recommend rely on several of the same submissions being accepted in part as recommended in the Accept Reject Table in **Appendix 4** of the original section 42A report, with the exception of several specific points explained in this report and highlighted in the Accept/Reject tables in **Appendix 3**. In the Accept/Reject Table of recommendations on specific submission points in **Appendix 3** to this report, I have identified the specific submission points where recommendations to reject or accept submissions differ from those in the original s42A report.

2 ECONOMIC EVIDENCE AND ITS IMPLICATIONS FOR PC4

- 2.1.1 The following section summarises the economic evidence prepared for PC4. I then comment on the implications of that evidence under the relevant statutory tests for the plan change and for recommendations on submissions.

Evidence for the Council

- 2.1.2 The section 32 assessment report for PC4 appends a report from Property Economics³ (**the PE Report**), which was completed prior to the development of PC4, sets out to model and quantify specific consequences of home sharing accommodation on the economy in Christchurch and in particular the impact on the distribution of tourists and spending in centres and the CBD along with high level commons on affordability, rents and rental availability and capacity, contribution to tourist numbers and spending and impacts on hotels⁴.
- 2.1.3 The PE Report modelled continued application of the status quo rules and policies with full enforcement (option 1)⁵; limiting the number of nights home share accommodation is allowed

³ PC4 Section 32 Evaluation Appendix 5A, pg 151-243, "Economic Advice on the Impacts of Home Share Accommodation", Property Economics for Christchurch City Council, January 2020.

⁴ Ibid page 9.

⁵ The operative rules for visitor accommodation generally require a discretionary resource consent for "guest accommodation" activities in residential, rural and Papakāinga/Kāinga Nohoanga zones (with some exceptions) from the first day that a unit is let. In commercial zones guest accommodation is a permitted activity.

in residential areas to 90 nights (option 2); restricting home share accommodation in certain areas and zones and permitting it in coastal areas and the central city (options 3A and 3B respectively), and permitting home sharing accommodation everywhere (option 4)⁶.

- 2.1.4 The first PE Report contains a literature review that identifies that there are economic and resource management issues from home share accommodation and it notes on pages 55-57, the body of research on the positive correlation between home sharing accommodation supply and prices in the housing market and that any short-term housing pressures caused by home sharing accommodation is likely to correct itself long term as the market responds.
- 2.1.5 In relation to tourism within Christchurch, the first PE report identifies that home share accommodation results in an increase in visitors to Christchurch by 2-4%⁷ and many (25%) stay longer as a result of home sharing. It notes that home sharing may be filling demand created by the loss of hotels in the Earthquake and is causing a redistribution of between \$7m and \$15m of spending away from the Christchurch CBD (page 58).
- 2.1.6 Summarising the impacts of potential home sharing accommodation options, the initial PE Report concludes (subject to a number of important caveats) that enforcing the status quo provisions (Option 1) would have a significant improvement on overall short term house price inflation levels, would be slightly worse in terms of relative CBD house prices, would improve CBD Spending by \$6m, would be moderately worse for total tourism and would have a minor improvements for the CBD formal accommodation sector (page 11). Option 2, the 90 Day Limit option had little benefit to CBD spending (\$2M) and some potential to decrease tourism spending but was assessed as having the smallest overall impact with potential to moderately improve house price pressures in residential areas and would have income benefits for homes that would otherwise be empty (page 11).
- 2.1.7 The area-based restriction options considered in the PE Report involving directing new home sharing accommodation out of the Four Avenues (Option 3A) or permitting home share accommodation only in the commercial central city (Option 3B) all offer significant short-term benefits for CBD spending (\$10m and \$5m respectively) and have the smallest effect on overall tourism as well as reducing overall short term upward house price pressure while retaining potential to increase house prices in the Four Avenues. Restricting home sharing accommodation in all zones except those in coastal suburbs (Option 3C) provides less benefit to spending in the CBD, promotes the development of hotels in the CBD and reduces impacts on housing affordability (page 75).

⁶ "Economic Advice on the Impacts of Home Share Accommodation", Property Economics for Christchurch City Council, January 2020, pages 59-60

⁷ Ibid., Para 2.2.117, page 42.

- 2.1.8 Overall, the modelled impacts on rents and house prices were anticipated to be short to medium term, after which the market should eventually respond with increased supply, depending on the ability of the market to provide this capacity.

Evidence for Airbnb

- 2.1.9 Economics evidence on PC4 from Natalie Hampson for Airbnb sets out data on the scale of unhosted short-term accommodation activity. Ms Hampson states that having regard to the small proportion of total dwellings in the District, the effects on amenity do not justify a strong and complex regulatory response⁸. Ms Hampson disagrees with the problem statement underpinning PC4 (paragraph 121 page 41) and provides analysis of the scale of the activity and its benefits, compares the approach to other plans and comes to opposite conclusions as to the effectiveness and efficiency of the proposed provisions – in particular the distinction between hosted and unhosted short-term accommodation, restrictions on check in times, restrictions on additional visitors and proposed thresholds of nights for controlled, discretionary and non-complying unhosted visitor accommodation.
- 2.1.10 Ms Hampson’s evidence points out that none of the options assessed in the PE Report are directly comparable with the proposed provisions in PC4, that consenting costs are not assessed (para 112 page 36), and that there are gaps in the evidential base resulting in the evaluation of efficiency and effectiveness being incomplete (para 71 Page 21).

Further economic evidence for the Council

- 2.1.11 As documented in the minutes issued by the Panel, the Council acknowledged that the timing of when PE’s initial economic report before the preparation of PC4 and the fact PE were not asked to update this as part of Council’s reporting meant the Council’s case was not complete and sought and obtained leave to prepare additional evidence on net economic benefits and costs of PC4 in comparison to a permissive counterfactual framework⁹.
- 2.1.12 The further economic evidence prepared by PE¹⁰ concludes that the current level of home sharing accommodation has the potential to generate significant revenue of up to \$50m a year (table 15 following para 7.2.4) with 80% of this spending being derived from unhosted accommodation. The report finds that PC4 does not encourage home sharing accommodation

⁸ Airbnb Economics Evidence for PC4, [Natalie Hampson](#), 7 May 2021, para 116-127, pg 37-43.

⁹ PE had no involvement with PC4 after January 2020, until their August 2021 report on the economic impacts of PC4 policy.

¹⁰ Property Economics “Economic Cost Benefit Assessment Plan Change 4” for Christchurch City Council, August 2021.

in residential areas within or around the CBD relative to other residential areas and that PC4 is considered unlikely to reduce the dispersion of activity across the City.

2.1.13 The modelling of the economic costs of the regulation of short-term accommodation through PC4 considers several distinct scenarios:

- a. The status quo operative plan provisions as they relate home share accommodation [discretionary resource consent for guest accommodation in residential, rural and Papakāinga/Kāinga Nohoanga zones (with some exceptions) from the first day that a unit is let; policy framework strongly opposes short-term-accommodation in residential areas. Guest accommodation permitted activity in commercial zones and a high degree of non-compliance with the District Plan (paragraph 7.2.1, page 45)].
- b. The proposals in PC4. [Visitor accommodation permitted in commercial zones, hosted VA permitted in all zones, unhosted VA permitted in Rural zones and Banks Peninsula up to 180 nights and discretionary over 180 nights, unhosted VA controlled activity in residential zones up to 60 nights, discretionary activity 60-180 nights. The analysis also looks at the difference between discretionary 60-365 nights and non-complying 180-365 nights].
- c. A permissive scenario where hosted and unhosted visitor accommodation has the same status as residential activity in all zones (the current environment is utilised as a proxy for this).

2.1.14 The modelling results estimate that PC4 has the potential to reduce visitor nights by 10.6% resulting in a potential loss of associated visitor spending cost of \$3.4m per annum (paragraph 7.2.4-7.2.5 pages 46 – 47)¹¹. In addition, the consenting costs of implementing PC4 and having existing operators obtain consents is estimated at \$13m (as one-off costs for existing businesses and with further costs being incurred by new entrant businesses). This assumes a cost of \$4,000 for a controlled activity consent and \$15,000 for a discretionary consent (paragraph 7.2.6, pg 47). Reduced options for home sharing accommodation resulting loss of income and impacts on the elasticity of the short-term accommodation market from reduced competition between providers are also described in the report (paragraphs. 7.2.9-10). It also notes that PC4 may impact on some owners supporting their home ownership through income from home sharing which could be detrimental to reducing inequality (by reducing opportunities to use housing as an investment) (para 7.2.14). The report notes the social costs that can be associated with home sharing accommodation but does not seek to quantify the economic impact of a loss of residential amenity and coherence in residential zones over time.

2.1.15 The extent of any decreased housing volatility, reduced inequality improved affordability and resident housing supply, impacts on investment and equitable competition (paras 7.2.14-17)

Potentially mitigated at least in part by a 'uptake' of reservation nights by properties that remain in the market.

from implementing PC4 are all found to be unlikely to be material given that, “the very small proportion of the overall housing stock undertaking HSA make it difficult to separate the HAS impacts from the house price trends”. The assessed transaction costs from the regulatory impact of PC4 are described as a partial counterweight to the volatility effect of home sharing accommodation on the much larger traditional visitor accommodation market for Christchurch. They also partially offset the uneven building regulations and controls on rates and the location of traditional visitor accommodation providers (paras 7.2.19.1-7.4.4).

2.1.16 It also describes how the existing provisions in the Operative District Plan (see para 2.1.14(a) of this report) distort the market in favour of traditional commercial visitor accommodation providers. It estimates that 90% of the existing home sharing accommodation market will leave the market if the Operative Plan provisions were fully implemented resulting in a negative impact on GDP of \$7.1m per annum¹², gross reductions in income in excess of \$25m per annum (para 7.3.6) and reduced competition and market elasticity. On the other hand the modelling identifies that the permitted activity status for unhosted home sharing accommodation of less than 40sqm in the Central City Residential Zone “has the potential to redirect an additional half a million dollars of spend per annum into the Central City” (para 7.3.9).

2.1.17 It is important to note the caution in the expression of the conclusions of this evidence :

“There does not seem to be any likely material, demonstratable net economic position (either significantly negative or positive) for PC4. Essentially, the propensity for economic impacts to result from compliance with the PC4 provisions are (at a wider economic level) likely to be similar both in relation to costs and benefits (in terms of regulation) to that of compliance with the Operative Plan.”; and

“Consideration of the impact on commercial accommodation providers is difficult to ascertain given both the shock of the 2011 earthquakes and Covid. However, the growth of HSA does not seem to have changed the direction of recovery,”¹³.

2.2 GENERAL IMPLICATIONS OF THE ECONOMIC EVIDENCE

2.2.1 It is my analysis that the economic evidence is an important consideration for PC4, having regard to the efficiency and effectiveness of policies and methods for achieving the objectives as required by the relevant section 32 tests in particular, however the main reason for the Council proposing PC4 is not to address an issue of economic impacts. Consistent with the

¹² Property Economics “Economic Cost Benefit Assessment Plan Change 4” for Christchurch City Council, August 2021, para 7.3.3, pg 53

¹³ Ibid., paras 8.1.2 and 8.1.3, pg 56

issues set out in detail on pages 21 – 50 of the section 32 report, the purpose of PC4 was (and is) to address gaps in the operative provisions addressing short-term accommodation in the Christchurch District Plan, and a disconnect between the Plans’ methods addressing short-term accommodation and their observed and likely adverse effects on amenity in residential, commercial, rural areas and zones.

- 2.2.2 The economic evidence reinforces the need to consider whether the policies and rules are the most efficient and effective provisions to achieve the objectives. The following sections describe changes and additions to the s42A report that I propose following consideration of the economic evidence received from Phil Osborne for Property Economics, followed by an assessment of further changes where my assessment differs in a material way from that of Alison McLaughlin.
- 2.2.3 My evidence follows the format of the previous section 42A report in providing analysis following a series of tables summarising relevant submission points and paragraph references from the section 42A report where that matter was discussed.

Issue	Relevant submission points	Relevant paragraphs of s42A report
1. General support or opposition	General opposition to the proposed plan change as a whole (e.g. requests for less regulation or fewer costs). A number of these submissions also sought in general terms a different set of provisions with greater recognition of the economic and community benefits of visitor accommodation in residential units. (S7.1; S8.1; S15.1; S25.1; S31.1; S34.1; S35.2; S37.1; S38.1; S42.1; S44.1; S48.2; S49.1; S50.2; S51.1-2; S53.1; S54.1; S58.1; S64.1; S67.1; S72.1; S73.1; S74.7; S76.1; S76.4; S77.2; S96.1; S100.6-7; S101.3-4; S114.1-2; S115.1; S127.1)	Paragraph 7.1.2 and 7.1.3 <i>In general, the changes proposed reduce some of the requirements for resource consents for visitor accommodation in residential units (e.g. removing maintenance of the exterior of the property as a matter of control; changing the scale of the accommodation where non-residential parking and transport standards apply; more permissive rules for Banks Peninsula residential zones). 7.1.3 However, I consider the general approach taken in the notified Plan Change remains the most appropriate.</i>

- 2.2.4 In light of the evidence around the costs and benefits of PC4, it is necessary to consider the importance and necessity of the particular constraints proposed. In my assessment not all the changes proposed are the most appropriate, in that several of the restrictions do not apply to similar residential related activities and properties and although they are not without benefits and justification, are not warranted in order to achieve the objectives and the purpose of the Act.

- 2.2.5 In saying this, in my view the relevant legal tests for a plan change do not require the evidence to show that there is a clear net economic gain from the plan change, or that this activity otherwise produces widespread harm, opposition from residents, or huge numbers of complaints, for carefully targeted controls to be more appropriate in terms of their efficiency and effectiveness. The evidence compiled from stakeholder meetings (page 155 of the section 32 report), public feedback on the Home-Share Accommodation District Plan Options consultation (pages 251-294 of the s32 report), comments from drop-in sessions (pages 295-301 of the s32 report), a Life in Christchurch Survey (December 2019) (pages 301-309 of the s32 report), Online Residents' Survey (September 2018) (pages 310-314 of the s32 report) clearly demonstrates:
- a. A need for focused objectives on how to achieve sustainable management of the resources of different environments described in different zones in the Christchurch District Plan and the purpose of the RMA (see discussion on the objectives in section 2.3 of this report for further detail);
 - b. That short-term accommodation has differing effects in different areas and zones and that different types of home share accommodation have different adverse effects that are readily discernible from what would otherwise be the case if the activity were not allowed, can be more than minor, are predictable if the activity is allowed and are likely to be recurring (see discussion on the policies in section 2.4 of this report for further detail);
 - c. Specific policies and rules (and definitions) are needed to manage the effects efficiently and effectively in different areas and zones (see section 2.4 and the recommended provisions in **Appendix 1** of this report for further detail).
- 2.2.6 I agree with the analysis set out in paragraphs 2.2.49, 2.2.54, 2.2.66-72 of the s32 report that the adverse effects of short-term accommodation on peoples' enjoyment of the qualities of a residential neighbourhood and the coherence of the environment, can be significant, even with a relatively small proportion of the overall housing stock undertaking this activity and my consideration of the submissions does not change that view. I also agree with the analysis in the s32 report that a reasonably clear distinction can be drawn between the effects of hosted and unhosted short-term accommodation in residential, rural settlements, semi-rural and rural situations that warrants different definitions and provisions to achieve good resource management.
- 2.2.7 Notwithstanding the lack of definitive conclusions in the economic analysis¹⁴ as to the efficiency and effectiveness of the proposed provisions compared with a more permissive framework, I consider that it is still necessary to determine the most appropriate approach to

¹⁴ Property Economics "Economic Cost Benefit Assessment Plan Change 4" for Christchurch City Council, August 2021, paras 8.1.2 and 8.1.3, page56

addressing the issue with a suite of provisions that will allow the substantial and uncontested benefits of home sharing accommodation to be realised wherever possible, while ensuring that the adverse effects that it can create are avoided or managed effectively. This means, with the minimum necessary cost in terms of consent requirements, uncertainty and impacts on the housing, long term rental and short-term accommodation markets, commercial centres, residential areas and rural environments.

- 2.2.8 My conclusions about submissions in general support or general opposition, in light of the economic evidence, equate to the same recommendations on submissions in general support or general opposition as recommended by Alison McLaughlin.
- 2.2.9 Following the hierarchical structure of RMA planning documents, this will begin with the objectives for PC4 and follow with the policies to implement the objectives and the rules to implement these policies. I note at the outset that the statutory test for objectives is the extent to which it is the most appropriate way to achieve the purpose of the Act (section 74(1) and section 32(3)(a)), whereas the test for policies is to implement the objectives (section 75(1)(b)).

2.3 OBJECTIVES FOR PC4

Issue	Relevant submission points	Relevant paragraphs of s42A report
6. Proposed new objective for visitor accommodation in residential zones Objective 14.2.9	<p>Amend proposed Objective 14.2.9 to reflect the listing platforms' and their supporters' view that visitor accommodation in a residential unit is a form of residential activity. Airbnb's submissions sought to:</p> <p>...</p> <p>add a clause supporting enabling home sharing in residential zones and recognising the contribution that it makes to the economic and social wellbeing of the District. (S112.22)</p> <p>HospitalityNZ also sought amendments to Objective 14.2.9 to include more directive language to "avoid" visitor accommodation in residential zones and to require that applications demonstrate consistency with residential</p>	<p>Paragraph 7.6.7</p> <p><i>The Airbnb submission (S112.22-23) also seeks amendments to Objective 14.2.9 and Policy 14.2.9.1 to recognise the significant contribution of home-sharing to the economic and social wellbeing of the district. While I agree that visitor accommodation in a residential unit, particularly where it is hosted and/or accessory to the long-term residential use of the property, does have positive economic and social effects I do not consider that the amendments proposed are necessary or would be the best way to achieve the higher order directions or the purpose of the Act.</i></p>

	<p>amenity levels and no impact on housing supply. (S123.5, S123.7)</p> <p>HospitalityNZ sought that Objective 14.2.9.1(b)(iii) be reframed to address the effects of visitor accommodation in residential zones deterring the use of visitor accommodation facilities within the Central City and commercial centres. (S123.5)</p>	
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2.3.1 To confirm the appropriateness (or otherwise) of the specific provisions in PC4 in achieving the purpose of the Act, it is necessary to first consider the relevant objectives taking into account and giving effect to the direction of higher order planning documents. On this matter I differ with Alison McLaughlin’s analysis of the NPS UD 2020 in section 5.1.1 of her section 42A report and the analysis in paragraph 2.1.7-2.1.10 of the section 32 report and what it means for plan making in relation to residential amenity and coherence¹⁵. In differing on this matter I wish to add the following updated analysis of the NPS UD to section 5 Statutory Instruments, on page 33 of the original s42A report.

2.3.2 The RMA requires that district plans must give effect to any relevant NPS (section 75(3) and that the Council must prepare and change its Plan in accordance with any relevant NPS (s74(1)). For the purposes of this plan change, these requirements only relate to the objectives and policies of the NPS UD 2020, which came into force on 20 August 2020 (one month before the notification of PC4 on 21 September 2020). In my view, this national direction represents a significant shift in how planning instruments (policy statements and district plans) are to now approach the planning of urban environments:

- Achieving a well-functioning urban environment that enables people and communities to provide for their social, economic and cultural well-being, now and into the future (Objective 1).

¹⁵ I otherwise generally agree with and support the analysis of the higher order documents that give direction for PC4 including the Strategic Directions chapter of Chapter 3 of the Christchurch District Plan, the Canterbury Regional Policy Statement, the Land Use Recovery Plan (LURP, Christchurch Central Recovery Plan (CCRP), Otakaro Avon River Corridor Recovery Plan (OARCRP), and National Planning Standards. Any differences of opinion on those matters that I have are not material.

- *“Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply*
 - i. *the area is in or near a centre zone or other area with many employment opportunities*
 - ii. *the area is well-serviced by existing or planned public transport*
 - iii. *there is high demand for housing or for business land in the area, relative to other areas within the urban environment.”* (Objective 3)
- New Zealand’s urban environments, including their amenity values, develop and change over time in response to the diverse and changing needs of people, communities, and future generations (Objective 4).

2.3.3 My interpretation of the policies that require the provision of development capacity (Policy 2, 7 and 8) is that providing sufficient capacity for housing and for business land means providing enough capacity to meet expected demand for permanent residents, long term renters, visitors, holiday homes, formal accommodation businesses and short-term accommodation businesses. In the absence of any suggestion of protecting existing capacity for permanent residents from other uses in the NPS UD, it is my assessment that it could be contrary to the NPS UD for a plan change to restrict short-term accommodation for capacity reasons.

2.3.4 The NPS UD sets defined timeframes for different aspects of the NPS UD to be implemented in an integrated manner rather than in a piecemeal manner. PC4 has been introduced prior to the NPDS UD being implemented through the Christchurch District Plan, so at this time Policy 6 does not have a strong bearing on the appropriateness of PC4. However, Policy 6 is worth considering in detail in that PC4 will ultimately have to give effect to the NPS UD. It clearly does not imply that areas should be allowed to degrade in quality in accommodating change, but it does in my view preclude the sort of hard and fast Euclidian zoning (requests to exclude unhosted visitor accommodation from residential zones for example) that some submitters would like PC4 to promote:

“When making planning decisions that affect urban environments, decision-makers have particular regard to the following matters:

(a) the planned urban built form anticipated by those RMA planning documents that have given effect to this National Policy Statement

(b) that the planned urban built form in those RMA planning documents may involve significant changes to an area, and those changes:

- (i) may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and*
- (ii) are not, of themselves, an adverse effect*
- (c) the benefits of urban development that are consistent with well-functioning urban environments (as described in Policy 1)*
- (d) any relevant contribution that will be made to meeting the requirements of this National Policy Statement to provide or realise development capacity*
- (e) the likely current and future effects of climate change.” (Policy 6 NPS UD 2020).*

2.3.5 I consider it is reasonable to interpret that Policy 6 captures scale, height, setbacks, space, coverage, and relationships between built elements and public and private domains and provides direction that the style and character of urban areas are not to be protected by a plan in a fixed state for the benefit of the preferences of existing residents while ignoring amenity values that may be appreciated by others. Following this approach, the benefits of change for future residents need to be considered, and changes to the elements that contribute to the amenity of urban environments in both residential and more commercial areas are not to be considered adverse effects in their own right.

2.3.6 This direction in the NPS UD is to be considered along with the balance of the requirements of the RMA for plan changes in looking at objectives but in my assessment, the direction in the NPS UD when implemented will require provisions such as those in PC4 not to prevent diversification and changes of land use and activities in urban areas unnecessarily, where these activities involve discernible benefits that are consistent with well-functioning urban environments. It is also important not to overemphasise this high-level direction about urban development in general to this particular situation and context, and to not oversimplify the direction as implying that allowing amenity values to be degraded is implicitly supported by the NPS UD, as this is not the case.

2.3.7 It is also important to consider any objectives for PC4 with the strategic objectives of the plan in Chapter 3 Strategic Directions, which it must give effect to, and also the objectives in the relevant zones, which PC4 has to work alongside to achieve integrated management of effects (further analysis on this is provided in **Appendix 3** Section 32AA). I note the discussion in paragraphs 4.2.3-4.2.7 of the original section 32 report explaining the interplay of PC4 with the Strategic Directions objectives whereby objectives 3.3.1 and 3.3.2 have relative primacy within chapter 3, and Urban growth, form and design (3.3.7), Revitalising the Central City

(3.3.8), and the objectives around Commercial and industrial activities (3.3.10) are all important drivers. All other objectives and policies in all other chapters of the District Plan are to be expressed and achieved in a manner consistent with those strategic objectives. I agree with the evaluation of the proposal against the relevant District Plan objectives and policies in section 2.4 and Appendix 2 and section 5 of the section 32, except where I have noted I am recommending changes in the analysis of issues and S32AA assessment (**Appendix 2**) below.

Objective 14.2.9

Objective 14.2.9 - Visitor Accommodation in Residential Zones (as recommended by Alison McLaughlin)

- a. Visitors and other persons requiring short-term lodging have a broad choice of types and locations that meet their needs where:
 - i. this is compatible with the function and level of amenity intended for the zone; and
 - ii. the use of any residential unit is still predominantly a residential activity, and the residential character of the site is retained.
- b. Visitor accommodation is only established in residential zones (except for the Residential Visitor Accommodation Zone and Accommodation and Community Facilities Overlay) where it is of a scale and character that is consistent with meeting objectives for:
 - i. a sufficient supply of housing, including affordable housing, with a choice of locations including an increase in the number of households within the Four Avenues;
 - ii. a revitalised Central City with a wide diversity and concentration of activities that enhance its role as the primary focus of the City and region;
 - iii. enabling the revitalising of commercial centres;
 - iv. protecting strategic infrastructure from incompatible activities and avoiding reverse sensitivity effects on them; and
 - v. high quality residential neighbourhoods with a high level of amenity.
- c. Visitor accommodation in the Residential Visitor Accommodation Zone and Accommodation and Community Facilities Overlay can establish, operate, intensify and/or redevelop in a way that is compatible with the character and amenity of adjoining residential, rural or open space zones; and does not expand the activity outside of the existing zone or overlay area into other non-commercial zones.

2.3.8 In my view objective 14.2.9 as notified is overly long relative to other objectives in the Christchurch District Plan, partly because it seeks to reinforce numerous aspects of other objectives in the district plan in way that is in my view, not necessary. On this point I am not entirely aligned with the analysis in the original section 42A report where Ms McLaughlin suggests the objective should address impacts on housing affordability in case this becomes an issue in the future (para 7.6.19, page 50) and therefore supports the notified wording to address impacts on housing supply and affordability. The phrasing that visitor accommodation “is only established” “where it is of a character and scale that is consistent with meeting objectives for”, “housing, including future housing” requires that the outcome of the visitor

accommodation needs to be addressed against the outcomes in the objectives at the present time and not in the future in the event that this situation changes.

- 2.3.9 Depending on the status of the activity, objectives of the District Plan addressing the sufficient supply of housing, a revitalised central city and commercial centres, high quality residential neighbourhoods apply to developments, irrespective of whether they are repeated in an objective for visitor accommodation in residential zones. They do not need to be reinforced in this objective unless visitor accommodation has particular implications for those objectives such that the plan should provide direction to assist plan users and providers of short-term accommodation to address them. Relevant issues requiring particular direction from an objective for this topic are in my view, residential amenity and coherence, high quality residential neighbourhoods, and strategic infrastructure.
- 2.3.10 The economic evidence from Mr Osborne for Property Economics indicates that in the Christchurch context, short term accommodation locating in residential areas is likely to have some cumulative effects on commercial centres depending on whether it is wholly distributed or concentrated around the City Centre, but it does not have significant implications for the supply of housing¹⁶. The cumulative effects on a revitalised Central City or other commercial centres (para 4.4.8, pg 29) (other than trade competition effects on formal visitor accommodation providers which must be ignored in this analysis) from short term accommodation (as distinct from office and retail activities) have in my view not been demonstrated by the economic evidence in a way that is practical to respond to and manage through the District Plan so I do not see a strong basis for elevating this as a key outcome through this objective.
- 2.3.11 I agree that higher order plan provisions in the CRPS would require the District Plan direction in Policy 6.3.6 to “primarily direct new commercial activities to the Central City, Key Activity Centres and neighbourhood centres where these activities reflect and support the function and the role of those centres or in circumstances where locating out of centre, will not give rise to significant adverse distributional or urban form effects”. I also agree with Alison McLaughlin’s assessment that when visitor accommodation in residential areas become a “commercial activity” and falls within the ambit of this policy when visitor accommodation is the predominant activity, this brings provisions in the plan that seek to have commercial activities locate primarily in commercial centres through centres based strategy into play¹⁷.

¹⁶ Property Economics “Economic Cost Benefit Assessment Plan Change 4” for Christchurch City Council, August 2021, para 4.4.7, pg 28

¹⁷ As set out in paragraph 7.6.44, page 53 of the original Section 42A report: “Strategic Directions Objective 3.3.7(a)(v) to “maintain and enhance the Central City, Key Activity Centres and Neighbourhood Centres as community focal points”¹⁷ and Strategic Directions Objective 3.3.10 to “expedite recovery and long-term

However I do not agree with her conclusion in para 7.6.45 on page 54 of the s42A that a certain number of days of letting (over 180 nights a year) creates this situation (of it switching to a commercial activity). In my view this occurs when there is a combination of factors such as a more people staying the night than would normally occur in a house in the area, large numbers of visitor and service vehicles attending the site through the day and night, commercial signage, substantial areas of the site being set aside for parking, deliveries, cleaning equipment and supplies and laundry facilities in addition to the duration of these activities.

- 2.3.12 The notified wording of objective 14.2.9, if translated directly into policies and rules, would introduce a complex set of tests; a decision maker would have to assess if a proposal is compatible with the intended function and level of amenity for the zone and to also assess if its scale and character impact on objectives for affordable housing, increasing housing supply, revitalising the Central City and commercial centres. In my view this complex set of assessments is not warranted for clauses (b)i-iii for a fairly common activity that in most instances is residential in character and that the economic evidence suggests is only significant on a cumulative basis. My analysis is not that the centres based strategy and its controls on the location of commercial activities is simply too hard to administer, it is that visitor accommodation in residential properties and its implications for the Central City and commercial centres does not warrant being a key focus of the outcomes articulated in the Plan for visitor accommodation in residential areas.
- 2.3.13 It is therefore recommended these clauses on housing affordability and centres (Roman i-iii) can be deleted from the PC4 objective and submissions seeking them be rejected relying on general submission points from the short term accommodation providers regarding the objectives and policies for scope. ‘High quality residential neighbourhoods with a high level of amenity’ is repeated elsewhere in provisions not affected by PC4 (Objective 3.37 and 14.2.4) however in my view how short-term lodging businesses achieve “high quality residential neighbourhoods with a high level of amenity” is a key issue for PC4 and this clause should be retained.
- 2.3.14 As set out in full in **Appendix 1** to this report, my recommended text for this objective is set out below, with my recommended changes in **red text and yellow highlight** with additions underlined and deletions struck through. **Red text** with no yellow highlight are changes recommended in the previous S42A with additions underlined and deletions struck through.

economic and employment growth through enabling rebuilding of existing business areas, and revitalising of centres.” Objective 15.2.2 is that “commercial activity is focussed within a network of centres... in a way and at a rate that... supports intensification within centres [and] enables the efficient use and continued viability of the physical resources of commercial centres and promotes their success and vitality reflecting their critical importance to the local economy.”

14.2.9 Objective – Visitor Accommodation in Residential Zones

- a. *Visitors and other persons requiring short-term lodging have a broad choice of types and locations that meet their needs where that use is compatible with:*
- ~~i. this is compatible with the function and level of amenity intended for the zone; and~~
 - ~~ii. the use of any residential unit is still predominantly a residential activity, and the residential character of the site is retained~~
 - ~~i. residential activity being the predominant activity on sites and the residential character being maintained, with minimal disturbance to neighbours, and.~~
- b. *Visitor accommodation is only established in residential zones (except for the Residential Visitor Accommodation Zone and Accommodation and Community Facilities Overlay) where it is of a scale and character that is consistent with meeting objectives for:*
- ~~i. a sufficient supply of housing, including affordable housing, with a choice of locations including an increase in the number of households within the Four Avenues;~~
 - ~~ii. a revitalised Central City with a wide diversity and concentration of activities that enhance its role as the primary focus of the City and region;~~
 - ~~iii. enabling the revitalising of commercial centres;~~
 - ~~ii. protecting strategic infrastructure from incompatible activities and avoiding reverse sensitivity effects on them; and~~
 - ~~iii. high quality residential neighbourhoods with a high level of amenity.~~
- ~~e.-b. Visitor accommodation in the Residential Visitor Accommodation Zone and Accommodation and Community Facilities Overlay can establish, operate, intensify and/or redevelop in a way that is compatible with the character and amenity of adjoining residential, rural or open space zones; and does not expand the activity outside of the existing zone or overlay area into other non-commercial zones.~~

2.3.15 While the above changes go some way to addressing some of Airbnb's concerns with this objective, the relief provided does not go as far as what is sought by Airbnb in their submission. **Therefore, my recommendation in relation to Airbnb submission (S112.22) is that it should be accepted in part, but to also reject the submission points from Hospitality NZ around the avoid approach and including matters relating to housing supply and deterring visitor accommodation from the central city and commercial centres (S123.5, S123.7).**

2.4 POLICIES FOR PC4

<p>Issues 6: Proposed new policies for visitor accommodation in residential zones</p> <p>Policy 14.2.9.1 Policy 14.2.9.2 Policy 14.2.9.3 Policy 14.2.9.4</p>	<p><i>Directions regarding maintenance of residential character and amenity</i></p> <p>a. Retain the notified objective and policy directions to maintain the residential character and amenity of residential zones. (S36.3; S90.14; S101.23-24; S102.5; S124.1; S131.2)</p> <p>b. Airbnb sought to replace Policy 14.2.9.1 with wording that is more enabling of home sharing including:</p> <ul style="list-style-type: none"> ○ recognising it as a valid use of a residential unit; ○ not imposing any additional requirements beyond the standards for residential use; and ○ only restricting it locating in areas that could give rise to reverse sensitivity effects on strategic infrastructure. (S112.23) <p>c. HospitalityNZ (S123.6-7, 9) also sought changes to Policy 14.2.9.1 to:</p> <ul style="list-style-type: none"> ○ limit unhosted visitor accommodation in a residential unit to 60 nights a year, require that residential use remain the dominant use of the site and apply the “avoid” direction in Policy 14.2.9.1(c) to any unhosted visitor accommodation in a residential unit that exceeds 60 nights per year; ○ clarify for hosted visitor accommodation in a residential unit that the host must occupy the same residential unit (paras 7.6.22) <p>d. Some submitters sought stronger wording that would make it clear that consent would not be</p>	<p>[Paragraphs 7.6.1-7.6.49]</p> <p>recommend that the Panel accept the decisions requested in Issue 6(a) supporting the notified proposal</p> <p>recommend that the Panel reject the decisions requested in Issues 6(b) and 6(d) and accept in part the decisions requested in 6(c).</p> <p>recommend that the decisions requested in Issue 6(e), (f) and (g) be rejected.</p> <p>with respect to impacts on commercial centres, I recommend that the Panel accept in part the decisions requested for Issue 6(h)</p> <p>recommend that the decision requested for Issue 6(i) be rejected.</p> <p>recommend that the decisions requested for Issue 6(j) be rejected.</p> <p>recommend that the decisions requested for Issue 6(k) be rejected</p> <p>recommend that the decisions requested for Issue 6(L) be accepted in part</p>
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	<p>granted for unhosted visitor accommodation in a residential unit that exceeded the night limits in the Residential Central City Zone (S88.4-5; S90.8, S90.11, S90.15; S124.1)</p> <p><i>Larger-scale and/or commercial-type visitor accommodation directed to commercial centres</i></p> <p>e. Support the proposed changes to the objective and policies for visitor accommodation in residential zones to reinforce the centres-based strategy. (S36.3; S75.4, S75.8; S90.4; S91.1; S102.3; S110.1; S124.1)</p> <p>f. Provide more definition around what is meant by “commercial-type visitor accommodation” and suggest this apply only to large capacity venues and not hosted residential dwellings. (S70.5)</p> <p>g. Amend the objectives and policies to also require commercial-type visitor accommodation in residential zones to comply with commercial accommodations requirements. (S85.2; S126.1)</p> <p>h. One submitter acknowledged there were likely to be amenity impacts on neighbours but did not consider that the effects justified non-complying activity status after 180 days or that the other considerations in Policy 14.2.9.1(c) (i.e. impacts on commercial centres or strategic infrastructure) should be included (S118.4). In particular, this submitter considered that having an “avoid” policy for impacts on commercial centres in combination with non-complying activity status for activities over 180 days a year, effectively prohibited the activity in residential zones. (S118.6-7)</p>	
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	<ul style="list-style-type: none"> i. Provide more definition around what is meant by “commercial-type visitor accommodation” and suggest this apply only to large capacity venues and not hosted residential dwellings. (S70.5) j. Amend the objectives and policies to also require commercial-type visitor accommodation in residential zones to comply with commercial accommodations requirements. (S85.2; S126.1) k. HospitalityNZ sought that Objective 14.2.9.1(b)(iii) be reframed to address the effects of visitor accommodation in residential zones deterring the use of visitor accommodation facilities within the Central City and commercial centres. (S123.5) l. One submitter acknowledged there were likely to be amenity impacts on neighbours but did not consider that the effects justified non-complying activity status after 180 days or that the other considerations in Policy 14.2.9.1(c) (i.e. impacts on commercial centres or strategic infrastructure) should be included (S118.4). In particular, this submitter considered that having an “avoid” policy for impacts on commercial centres in combination with non-complying activity status for activities over 180 days a year, effectively prohibited the activity in residential zones. (S118.6-7) 	
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2.4.1 I agree with the thrust of the four policies to implement and explain how to achieve objective 14.2.9 as recommended by Alison McLaughlin and the assessment of the costs and benefits of the policies on pages 88-92 of the section 32 report, however (as signalled earlier), several clauses signal particular restrictions and rules that in my assessment potentially go too far in restricting the rights of people undertaking short-term accommodation and that go beyond addressing the probable extent of adverse effects.

Policy 14.2.9.1 Visitor accommodation in a residential unit – clause a

- 2.4.2 In Policy 14.2.9.1 **clause a**, the restriction on additional guests not spending the night seeks to address well documented issues with parties associated with short-term accommodation causing serious disturbances¹⁸, and the point is well made in the section 32 report, that people are likely to be less inhibited about creating noise and disturbance when they do not know the neighbours, or there is no-one in attendance who cares about relationships with neighbours. However, I note that Christchurch has a 24 hour noise control service¹⁹ that together with the Police and complaint contact information requirements (required by other recommended provisions in PC4) should be able to manage parties and significant nuisance from one-off events to the extent that it is reasonable to do so.
- 2.4.3 I accept that there are clear advantages in managing short term accommodation consistently through the plan. I also accept that the use of residential properties rented for short term accommodation for large or loud parties can be an issue notwithstanding the above mechanisms for controlling noise and nuisance behaviour, however if it is taking place for fewer than 60 nights a year (the proposed limit for a controlled activity in PC4) or is in a rural location, or in a small and relatively remote rural settlement far away from pubs and bars and nightclubs, it is significantly less likely to be a significant and recurring problem. On the other hand, if the short term accommodation provider is seeking to operate beyond the permitted and controlled activity thresholds for residential zones, there is an opportunity to address this risk (if necessary) through conditions of consent to achieve the balance of the policy which is “the number of visitors is comparable to use by a residential household”.
- 2.4.4 The phrase itself, “the number of visitors, including additional guests not spending the night, is comparable to use by a residential household” seems innocuous and reasonable in that it is addressing a non-fanciful and potentially serious issue that can be associated with this activity. However, in my view, specifying this outcome in the policy (that there should be limits on additional guests not spending the night) would make conditions prohibiting events and functions hard to resist and could make decision makers too quick to apply such a constraint.
- 2.4.5 District Plans can have policies and regulations around one off / temporary activities but should only do this where they have environmental effects that fall within the functions and powers of an authority to manage under the RMA that are not otherwise adequately regulated. Minimising disturbance (and the associated plan provisions around check in times²⁰

¹⁸ See paragraphs 2.2.49, 2.2.54, 2.2.58-64, 2.2.66-72 of the section 32 report pages 28-30.

¹⁹ Details of the noise control service in Christchurch is easily located on the Council’s website: <https://ccc.govt.nz/services/noise-control>

²⁰ Noting that Christchurch Airport is a 24-hour international airport.

and things like controls on outdoor activities at night) on the other hand, are in my view appropriate and where adhered to, are likely to be effective methods in achieving the plans objectives relating to the quality of residential environments (Objective 14.2.4) without impinging significantly on the benefits of this activity and so should be retained in the policies. Several submissions challenge the need for the limits functions in general and provide scope for this change, which I recommend be accepted in part (**S27.3; S39.2; S61.3; S70.3; S74.5**), however there is no analysis of this particular clause of the policy in the section 42A report. To conclude this point, I do not think it is credible for a district plan to seek to prevent providers and guests engaged in hosted or unhosted visitor accommodation from having visitors attend a modest function at the premise without a resource consent, so as set out in full in **Appendix 1** it is recommended that this clause about additional guests be removed resulting in the following **clause a.** to this key policy.

14.2.9.1 Policy – Visitor Accommodation in a Residential Unit

- a. Permit visitor accommodation in a residential unit where:
- i. at least one permanent resident of the site is in residence for the duration of the stay;
 - ii. the number of visitors, including additional guests not spending the night, is comparable to use by a residential household; and
 - iii. disturbance to neighbours is minimal.

Policy 14.2.9.1 Visitor accommodation in a residential unit – clause b

2.4.6 The issue dealt with in **clause b.** of Policy 14.2.9.1 on the management of visitor accommodation in a residential unit while the permanent resident(s) are not in residence is a key issue for submitters and providers of all forms of visitor accommodation, as well as in the feedback on the plan change and the international literature cited in the section 32 report. It is well traversed in the body of evidence already before the Panel (and the assessment on pages 92-100 of the section 32 report) such that my summarising it is unlikely to further assist.

2.4.7 I agree with Alison McLaughlin in paragraphs 7.4.1-7.4.13 on pages 42-44 of the section 42A that this activity has the potential for additional effects over and above what is likely to occur with hosted short-term accommodation in residential zones, such that good resource management and addressing the relevant objectives warrants (at least) a minimal consent requirement for unhosted visitor accommodation in a residential unit. On the appropriateness of addressing this issue through a consent, I would add the following opinion in support to the content in section 7.4 of the Section 42A report. Obtaining a consent can clarify, formalise and if necessary allow enforcement of expectations and undertakings for the management of

effects to enabling appropriate change while maintaining residential amenity values and the coherence and character enjoyed in residential neighbourhoods. This policy approach can be implemented in a way that need not be overly burdensome with the following characteristics:

- i. Requiring a controlled activity consent which is processed within 10 working days and for which consent must be granted;
 - ii. It is not standard with a controlled activity for approval from neighbours to be needed;
 - iii. Council to collaborate with short-term accommodation providers on developing a standardised management plan setting out how key issues such as use of outdoor spaces at night, how refuse is to be managed, procedures for managing arrivals, contact information for disturbances and complaints and the like are to be approached;
 - iv. Development of standardised information requirement check lists and standard consent conditions which can be agreed or otherwise by applicants further reducing uncertainty for applicants and the extent of issues to be considered by Council;
 - v. A level of use that comfortably encompasses what many (based on the feedback to PC4) residential owners are likely to want to do in terms of home sharing (accommodating 6 persons a night for up to 60 nights a year).
- 2.4.8 Through the development and use of standard conditions and implementation of specific application forms and standard report templates it is reasonable to expect that the standard \$1,000 deposit that currently applies to this activity could be kept to a minimum to further streamline these consents and possibly changed to a fixed fee. The potential to review conditions of consent under section 128 of the RMA (if a condition provides for it and there are clear and valid reasons to do so) also serves as an important backstop that would not exist if permitted activity standards were relied on. Fees for more consistent monitoring can also be charged with a controlled activity through conditions of consent; monitoring which is not normally done with permitted activities.
- 2.4.9 As set out in **Appendix 1** my only recommended changes to proposed **clause b.** of policy 14.2.9.1 is to change the relevant adjectives from setting out to 'manage' and 'restrict' the activity, to 'manage' and 'controlling' to reflect that it is a controlled activity. I also prefer the wording "manage visitor accommodation in a residential unit" "to ensure", over the notified wording "manage" "to minimise". These changes of wording are mainly a style preference and are not addressed in the original section 42A report or section 32 report. I also support removing reference to controlling the 'duration and frequency' of the use as this (whether each letting lasts for 2 or 6 nights in a row, or how many separate times the property is let in a month) is not proposed to be controlled directly in PC4 – it is the 'scale and extent' of use (being how many persons and for how many nights in a year) that is controlled. The proposed wording for proposed **clause b** is as follows:

- b. Manage visitor accommodation in a residential unit where a permanent resident(s) is not in residence to ~~minimise ensure~~ adverse effects on the residential character, coherence and amenity of the site and its immediate surroundings ~~are minimised~~ including through:
 - i. ~~restrictions on controlling~~ the scale, ~~duration and frequency and extent~~ of use to ensure that the residential unit is still predominantly used for a residential activity; and
 - ii. management of operations to minimise disturbance of neighbours, including providing contact and site management information to guests and neighbours.

Policy 14.2.9.1 Visitor accommodation in a residential unit – clause c

2.4.10 The notified avoid policy in proposed **clause c** of Policy 14.9.2.1 (set out below) is consistent with the assessment by Alison McLaughlin that this activity (unhosted visitor accommodation) should be non-complying where it exceeds a (discretionary activity) threshold of 12 guests and 61 -180 nights per year explained in paragraphs 7.6.38-7.6.48 on pages 52 and 53 of the original section 42A Report. My analysis informed by the economic evidence, supports the activity status being discretionary rather than non-complying.

14.2.9.1 Policy – Visitor Accommodation in a Residential Unit (as recommended by Alison McLaughlin)

c. Avoid visitor accommodation in a residential unit at a scale, duration and/or frequency that:

- i. cannot be managed in a way that minimises adverse effects ~~on commercial centres or~~ the residential character, coherence and amenity of the site and its immediate surroundings; or
- ii. having regard to the cumulative effects of visitor accommodation and other non-residential activities offered in the same commercial centre catchment, would be inconsistent with the centre-based framework for commercial activities in Objective 15.2.2; or
- iii. ~~that~~ would be likely to give rise to reverse sensitivity effects on strategic infrastructure.

2.4.11 The statutory test for policies is to implement the objectives (section 75(1)(b)), and the rules are to implement the policies (section 75(1)(c) and objectives and policies (section 76(1)). Policies and rules are required by section 32 to be examined having regard to their efficiency and effectiveness, as to whether they are the most appropriate for achieving the objectives taking into account benefits and costs of the method, the risk of acting or not acting and the level of available information and uncertainty (section 32(3)(b)).

- 2.4.12 As is pointed out in the evidence of Ms Hampson²¹, in order to achieve 180 nights of letting, a property would have to be made available for a much greater amount of time than 180 nights, so in practice this anticipated level of use (180 nights a year) would only see a dwelling available for uses other than short-term accommodation for a small proportion of the year. I also note the conclusion of Mr Osborne that, as is the case with the Operative Plan provisions for short-term accommodation, PC4 if implemented in a way that prevented holiday homes and short-term rental properties from being used to their economic potential, would lead to more of the supply of housing being taken up by short-term accommodation than would otherwise be the case, and/or would see dwellings sitting empty and underutilised for periods of time, both of which are inefficient outcomes²².
- 2.4.13 I have a further concern that the additional adverse effects of a short-term accommodation business in a home operating for, 220 nights a year for instance, are likely to be similar (and possibly indistinguishable) to making the property available for a sufficient period of time to achieve bookings of, 175 nights a year. I disagree with the analysis in the original s42A report in paragraph 7.6.38-39 on page 53, that unhosted visitor accommodation for more than 180 nights per year warrants a very high bar for fear that a less restrictive wording will not manage the cumulative effects or achieve Objective 14.2.6, that residential activities remain the dominant activity in residential zones. I accept that many thresholds used in district plans are arbitrary to varying degrees but they should follow a reasonable expectation that the threshold will better achieve the objectives and policies of the plan than not having a limit beyond which it becomes non-complying, which in this instance doesn't seem to be clearly the case.
- 2.4.14 Removing the non-complying threshold and the certainty it provides begs the question how many nights would be too much in seeking to preserve the predominance of residential activity on a site. On this point I differ from the conclusion in Alison McLaughlin's section 42A report that if a residential property is used for more than 180 nights a year for short term accommodation the activity becomes inherently more commercial than residential and is therefore contrary to several settled objectives of the plan (paragraph 7.6.45 on page 54). I come to this view taking into account Environment Court in *Archibald v Christchurch City Council 2019* [NZEnvC 207] which found that a proposed visitor accommodation development

²¹ Airbnb Economics Evidence for PC4, [Natalie Hampson](#), 7 May 2021, para 31, pg 9.

²² Property Economics "Economic Cost Benefit Assessment Plan Change 4" for Christchurch City Council, August 2021, para 4.4.8, pg 29

in a six-bedroom house operating for six months of the year²³ was “residential in nature” and didn’t contradict the policy seeking to “restrict” non-residential activities in the Zone. I agree that the evidence supports using the word “avoid” (which implies it should be prevented if the attached conditions apply), but do not agree that applying a non-complying activity threshold into the rules to place a number on a point at which short-term accommodation activity is considered predominantly residential or commercial in nature is appropriate. Rather, I consider this determination should be made based on a range of factors about a proposal relating to factors highlighted by the policies of the plan.

- 2.4.15 The recommendation in the original section 42A report (in paragraphs 7.6.28-7.6.31 on page 51) that the policy on visitor accommodation should strongly reinforce the centres-based strategy for commercial centres is another area where I do not agree, following consideration of the further economic evidence. The further economic evidence from Mr Osborne confirms that PC4 does not redistribute spending away from the City Centre by more than \$7m, which is assessed to be “a minor impact” in the context of Christchurch’s CBD total retail market of close to \$1billion²⁴ and so PC4 as it was notified with its policy framing to “avoid” residential visitor accommodation “at a scale, frequency or duration that cannot be managed in a way that minimises adverse effects on commercial centres” can be considered unlikely to effectively reduce the dispersion of activity across the City.
- 2.4.16 In my view the alternative wording described above and as explained in paragraphs 7.6.38-7.6.47 of the section 42A report on pages 52-54, is no better than that notified in requiring the activity to be avoided unless assessed to be of a scale, frequency and duration where cumulative effects within catchments are consistent with Objective 15.2.2 Centres-based framework for commercial activities. My analysis is that the activity is primarily not a commercial activity in most instances, and relates to cumulative effects which are minor, making an assessment driven by this strong “avoid” policy directive inefficient and ineffective and therefore deficient in terms of the tests for plan provisions in section 32(1)(b).
- 2.4.17 The proposed wording of policy 14.2.9.1 from the section 42A report would, if implemented, require applicants to show whether cumulative effects on the centres-based framework are occurring within one or more commercial catchments in which the short-term accommodation was considered to be located, that could be attributed to non-residential activities and visitor accommodation. Although I accept that addressing cumulative adverse effects is important in achieving the sustainable management of resources, in my view the

²³ I note that the Court did not make a determination on whether six months a year of use for visitor accommodation made the activity non residential rather than residential in this case.

²⁴ Property Economics “Economic Cost Benefit Assessment Plan Change 4” for Christchurch City Council, August 2021, para 4.3.9, pg 27

distribution of economic effects of home sharing (given the complex analysis and caution expressed by the expert economists in coming to conclusions about this point) is not something that it is practical or reasonable for individual applicants to address for a range of different impacts, or for decision makers to determine on a case-by-case basis.

2.4.18 In making recommendations on this point I note that in residential zones, the District Plan objectives and policies, particularly Objective 14.2.6 envisages that “residential activities remain the dominant activity in residential zones” and Policy 14.2.6.3 seeks to ensure that non-residential activities do not have “significant adverse effects on the character and amenity of residential zones” but that PC4 proposes an advice note attached to Policy 14.2.6.3 directing that this policy does not apply to visitor accommodation and directing this issue to the specific visitor accommodation provisions in Objective 14.2.9 and Policies 14.2.9.1-4.

2.4.19 Implementing these above conclusions in **clause C** of policy 14.2.9.1 means retaining the “avoid” verb at the start of the policy and removing the clause about having regard to cumulative effects in the same commercial catchment and the centre-based framework for commercial activities (Roman ii). I consider that the carefully qualified “avoid” verb (taking into account how it has been applied in decisions of the Court in *Fright v Christchurch City Council*²⁵ and *Archibald v Christchurch City Council*²⁶ in) achieves the correct balance between anticipating the activity and not seeking to prevent the activity, while ensuring its adverse effects will be avoided through careful and appropriate controls.

2.4.20 For completeness, I also do not support reducing this non-complying threshold from 180 to, for instance, 91 nights or 61 nights, as that is in my view too much of an arbitrary cut-off taking into account the limited extent to which additional effects can be discerned at this increased level of use. A threshold where the activity becomes discretionary, should see proposals involving large numbers of guests, inadequate management of effects arising from parking²⁷, poor guest management, frequent servicing by commercial vehicles and the like (potentially in conjunction with some existing cumulative effects from visitor accommodation on the local environment) being refused or encouraged to be amended, withdrawn or conditioned appropriately. This is in my view achievable without preventing carefully and discretely run small-scale home share accommodation businesses from getting consent.

2.4.21 I also do not support restricted discretionary activity (in preference to discretionary activity) as even though many of these applications are somewhat similar and deal with similar issues

²⁵ *Fright v Christchurch City Council* [2018] NZEnvC 111

²⁶ *Archibald v Christchurch City Council* [2019] NZEnvC 207

²⁷ To the limited extent that effects of parking can be considered when there are no rules requiring minimum numbers of parks

(a situation which would normally support restricted discretionary activity status), in my experience from seeing restricted discretionary activity class apply to large numbers of un-hosted visitor accommodation developments in Queenstown, this often means²⁸:

- a. the activity is processed without discretion to promote adherence to policies; policies which can be helpful in understanding how best to avoid or minimise the adverse effects of this activity;
- b. the immediate and broader benefits of the activity are not consistently taken into account (in the way that should happen as a matter of course with a discretionary activity) and the consent process is heavily focussed on considering adverse effects on the environment;
- c. the plan never-the-less directs applicants and decision makers to address a range of matters which are not all that cut and dry such that discretion is not particularly 'restricted' in reality;
- d. it is difficult to give cumulative adverse effects serious consideration in dealing with individual applications, or to know where to draw the line at any point before which the character of a neighbourhood is changed for the worse in a significant way; and
- e. adjoining neighbours are frequently frustrated at being excluded from the process.

2.4.22 Consistent with the above analysis and as set out in track changes **Appendix 1**, I support the following wording for **clause C** of Policy 14.2.9.1:

- c. *Avoid visitor accommodation in a residential unit at a scale ~~duration and/or frequency or extent~~ that cannot be managed in a way that minimises adverse effects on commercial centres or the ~~is inconsistent with:~~*
 - i. *retaining predominantly residential character, coherence and amenity of the site and its immediate surroundings; or*
 - ii. *minimising the risk of disturbing neighbours; or*
 - iii. *protecting strategic infrastructure from reverse sensitivity effects.*

~~ii. having regard to the cumulative effects of visitor accommodation and other non-residential activities offered in the same commercial centre catchment, would be inconsistent with the centre-based framework for commercial activities in Objective 15.2.2; or~~

~~iii. that would be likely to give rise to reverse sensitivity effects on strategic infrastructure.~~

2.4.23 While the above changes go some way to addressing some of Airbnb's concerns with the policies, the relief provided does not go as far as what is sought by Airbnb in their submission. **Therefore, my recommendation in relation to Airbnb submission S112.22-.23 is different to**

²⁸ I of course acknowledge that there is nothing in the RMA saying a restricted discretionary activity has to be processed in this way.

that in the original section 42A report and is to accept in part these submission points. It is the same recommendation to accept in part the submissions from Jacob Turnbull (s118.6), and to reject those from HospitalityNZ (s123.5) and other points seeking strong locational controls (points S36.3; S75.8; S91.1; S102.3; S110.1; S124.1) It also alters the recommendation on points S75.4, s90.4., s91.1.

2.5 PERMITTED ACTIVITY AND CONTROLLED ACTIVITY STANDARDS IN PC4

Issue	Relevant submission points	Relevant paragraphs of s42A report
Issue 8 Planning issues managed by the proposed plan change	More permissive provisions that focus on “planning issues” rather than “behavioural issues”, which some submitters considered were addressed by other parts of the regulatory framework (S1.5; S57.9; S67.10; S69.5; S73.1; S83.10; S84.9)	<i>Paras 7.8.1 – 7.8.7</i> recommend that the Panel accept in part the decisions requested for Issue 8, removing assessment matters relating to the maintenance of the exterior of the property but retaining the other standards and assessment matters
Issue 10 Activity specific standards for hosted visitor accommodation in a residential unit in the proposal	<p>a. Support additional activity specific standards for hosted visitor accommodation in a residential unit including restrictions on check-in and check-out times after 10pm or before 6am and functions or events on the property with more guests than paying overnight visitors. Supporting limits on check-in/check-out times: S10.3; S36.5; S75.2; S102.2; S110.2 Supporting limits on size of functions: S75.2; S102.2; S110.2</p> <p>b. Remove additional activity specific standards for hosted visitor accommodation in a residential unit proposed in the notified plan change Opposing limits on check-in/check-out times: S26.2; S27.3; S31.2; S39.2; S42.4; S45.3; S61.3; S70.3; S70.6, S74.4; S76.2; S90.3; S96.2; S111.2; S117.2; S124.1</p>	<i>Paras 7.10.1 – 7.10.10</i> recommend that the submissions on Issue 10: a. supporting the new proposed standards for hosted visitor accommodation in a residential unit (Issue 10(a)) be accepted; and b. opposing the new proposed standards for hosted visitor accommodation in a residential unit (Issue 10(b and c)) be rejected.

	c. Opposing limits on size of functions: S27.3; S39.2; S61.3; S70.3; S70.6, S74.5	
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Functions and events

- 2.5.1 I acknowledge the provisions of PC4 have a level of complexity that is not ideal for plan users, however I do not intend to recommend a re-write of the provisions of PC4. If confirmed, the same deletions discussed above in relation to the changes to clauses a-c of Policy 14.2.9.1 described above for PC4 should flow through into the permitted activity and controlled activity standards. I therefore recommend retaining the 60 night limit for a controlled activity, and deleting the permitted and controlled activity limits beyond which a discretionary consent is required for visitor accommodation in a residential unit for guests holding functions where the number of additional attendees exceed the number of paying guests staying overnight. Reasons for this change to the standards in relation to functions and events are set out in paragraphs 2.4.2-2.4.5 of this report and differ from the analysis of this issue in paragraphs 7.10.8 on page 72 of the original s42A report. As set out in **Appendix 1** to this report, this requires changes to the permitted activity and controlled activity rules for hosted and unhosted visitor accommodation in a residential unit in the following zones: Residential Suburban Zone and Suburban Density Transition Zone, Residential Medium Density Zone, Residential Central City Zone, Residential Hills Zone, Residential Banks Peninsula Zone, Area-specific permitted activities, Residential Large Lot Zone, Residential Small Settlement Zone and the Residential New Neighbourhood Zone.
- 2.5.2 I also consider this requirement to need a consent to have additional visitors for any type of function or event should be removed from Chapter 12 Papakāinga/Kāinga Nohoanga Zone. The same recommendation (to remove the constraint on guests not staying the night) applies in Chapter 16 Industrial Waterloo Park for the same reasons that I recommend it should be removed from the residential zones.
- 2.5.3 Similarly in rural zones, I recommend the constraint on additional guests attending a function or event should also be taken out of the PC4 provisions for Chapter 17 Rural Banks Peninsula Zone, Rural Urban Fringe Zone, Rural Waimakariri Zone and the Rural Port Hills Zone. There is in my assessment, less justification for this constraint in rural areas where, notwithstanding the reduced levels of, or less regularly recurring = background noise expected in rural areas and the expectation that people have of avoiding a lot of the types of noises common in urban areas, distances between neighbours are significantly greater than in urban areas and there are no competing statutory and district plan drivers seeking greater intensification and density of development. In these rural areas the potential for disturbance, impacts on privacy and parking concerns from parties and gatherings are less. In my view these factors make controls on events and functions considerably less critical in order to achieve the objectives of the Plan.

- 2.5.4 These permitted activity and controlled activity standards are in my assessment an unusually intrusive restriction. People use short term accommodation to more easily visit family and friends and often expect to host them in an environment that can be carefully designed to accommodate such events. In my view being able to do this is a reasonable expectation for people (if the host or owner chooses to allow it) and doesn't necessarily mean the environment is more likely to be degraded.
- 2.5.5 The proposed changes would not prevent the imposition of conditions of consent that prevented events and functions for people not staying the night, if it was appropriate to do so where that business is operating for more than the permitted and controlled activity thresholds in terms of the number of nights they are being let for in a year. An applicant might also offer such a condition to mitigate against concerns that their proposal was likely to have adverse effects on amenity. If the situation transpires where (as PC4 proposes) unhosted visitor accommodation businesses have either a controlled activity or a discretionary activity consent and partying activity and related noise problems and nuisance behaviour is becoming problematic, conditions of consent can be reviewed under section 128 of the RMA (if there is a condition of consent that provides for review, and following an appropriate process) and conditions addressing adverse effects could be applied and enforced²⁹.
- 2.5.6 For the same reasons, I recommend removing the permitted and controlled activity standards for visitor accommodation in residential units (hosted and hosted), which stipulate that guests can only check in between 6am and 10pm in all rural and industrial zones in chapters 16 Industrial and 17 Rural; these being Industrial Waterloo Park and I note that as notified it does not apply to the Rural Banks Peninsula Zone, Rural Urban Fringe Zone, Rural Waimakariri Zone and the Rural Port Hills Zone.
- 2.5.7 As set out in the section 32 report (paragraphs 2.2.44-2.2.80) disturbances created by visitor arrivals at odd times and visitors coming to the wrong house is significantly more likely to occur and become a recurring issue with visitors arriving at night. This can also be an issue in rural areas in my experience but in my assessment, people going astray at night is less likely to impact on people other than the businesses and the guests themselves in rural areas. Short-term accommodation businesses in rural areas have a clear incentive to proactively assist customers with wayfinding for reputation and safety reasons because of the relative lack of street signs, street lighting, letter box numbers, cell phone coverage and other aids to wayfinding that commonly occur in rural areas. This assessment differs from the analysis and recommendations in the original s42A in paragraphs 7.10.1-7.10.7 on pages 70-71 (in relation

²⁹ This ability would be more limited in a controlled activity situation given the limited matters of control proposed for PC4.

to night time arrivals) and 7.10.8 in relation to functions and events involving more than the number of guests staying the night.

2.5.8 While the above changes go some way to addressing some of concerns from short term accommodation providers (**s112.5, s119.6, s100.6**) the relief provided does not go as far as what is sought in their submissions. **Therefore, my recommendation in relation to Airbnb submission points and related submissions is the same as that in the original section 42A report, to reject the submission points requesting specific changes and accept in part those more general points seeking an approach with fewer controls relying on the following for scope (those opposing limits on check-in/check-out times: S26.2; S27.3; S31.2; S39.2; S42.4; S45.3; S61.3; S70.3; S70.6, S74.4; S76.2; S90.3; S96.2; S111.2; S117.2; S124.1 and those opposing limits on size of functions: S27.3; S39.2; S61.3; S70.3; S70.6, S74.5).**

3 VISITOR ACCOMMODATION IN RURAL AREAS

Issue	Relevant submission points	Relevant paragraphs of s42A report
12. Rural zone and Papakainga/ Kainga Nohoanga zone provisions	<p>Airbnb’s submission points S112.28 and 112.29 seeks that in the rural zones the proposed hosted and unhosted visitor accommodation provisions be replaced with a single “home sharing” activity that would be a permitted activity, subject to a single activity specific standard to provide records to the Council,</p> <p>a. Support for the proposed provisions for rural zones (S70.2; S102.6; S103.1)</p> <p>b. Support for splitting the activities that formerly sat under the “farm stay” definition and considering their provisions separately. (S70.7)</p> <p>c. Rural zones should not have different provisions for unhosted visitor accommodation to what was proposed for residential zones (S13.1)</p> <p>d. In Rural and Papakāinga/Kāinga Nohoanga Zones, replace the proposed provisions with a “home</p>	<p>Paragraph 7.12.24 <i>In a rural context, hosted accommodation is more likely to be related to a rural activity (whether that activity is farming or not) so has greater support under Policy 17.2.2.1 because it provides a supplemental revenue stream for landowners engaged in a range of rural productive activities and therefore provides for the economic development potential of the land without resulting in a proliferation of visitor accommodation activities that might increase demand for development and reduce the rural character and amenity of the zones.</i></p> <p>7.12.29 <i>recommend that the Panel reject decisions requested under Issues 12(c), 12(d), 12(e) and 12(f) seeking to remove or amend night limits on unhosted visitor accommodation in a residential unit in rural and papakāinga zones or combine the different kinds of visitor accommodation provided for in those zones.</i></p>

	<p>sharing” activity that would be Permitted subject to a single activity specific standard to keep records and Controlled for activities that did not comply with that standard. (S112.16-17, 29-30)</p> <p>e. Opposed to night limits in rural zones (S27.2; S39.3) Issues 9(b) and 9(f) also include submissions that opposed night limits in general terms without specifying rural zones.</p> <p>f. CIAL also raised concerns about potential overlaps between the definitions of “hosted” or “unhosted” “visitor accommodation in a residential unit” and terms replacing “farm stay” (e.g. visitor accommodation accessory to farming”) (S101.35)</p> <p>g. In the 50 dB L_{dn} Air Noise Contour or 50 dB L_{dn} Engine Testing Contour, for the three categories of visitor accommodation replacing the “farm stay” definition, require guests to be accommodated in an existing residential unit (if accessory to farming) or an existing residential building (excluding any vehicle, trailer, tent, etc.) if accessory to a conservation activity or rural tourism activity (S101.35; S101.37)</p>	
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3.1 FARM STAYS AND VISITOR ACCOMMODATION ACCESSORY TO FARMING

3.1.1 The exclusion of “farm stay” from the definition of hosted visitor accommodation in a residential unit is explained in the section 32 report (paras 2.5.2 on page 59-60, 2.2.150 on page 49 and 5.3.1-5.3.8 on page 92) whereby “farm stays” are provided for separately to hosted visitor accommodation and un-hosted visitor accommodation in a residential unit and are provided for in provisions enabling “visitor accommodation accessory to farming”. Farm

stays fall within the District Plan definition of a residential unit where it is excluded from the limit on the number of kitchens, however PC4 deletes bed and breakfast and farm stays from this definition and from the exclusion from the limitation on additional kitchens, but retains family flats in the definition and exclusion. PC4 also deletes the separate definitions of farm stay, and bed and breakfast along with the global term of guest accommodation. In my view, farm stay and bed and breakfast are well understood forms of accommodation and the plan will be more readily understandable if they are used to explain the new framework for managing short-term accommodation in PC4 by nesting these terms within hosted visitor accommodation.

- 3.1.2 The term ‘Visitor accommodation accessory to farming’ as proposed by PC4 is more broad and permissive than hosted visitor accommodation, as it allows the host to be located on an adjoining site, it allows up to 10 guests, and visitors can be accommodated in outbuildings, tents and up to three vehicles. It also does not restrict additional guests not staying the night. In my assessment, there is no reason not to add these additional features to the permitted activity standards for hosted visitor accommodation in rural zones to provide for the established concept of a farm stay and the additional flexibility proposed with the visitor accommodation accessory to farming standards. These standards for visitor accommodation accessory to farming standards are for the most part, an appropriate and effective way to achieve the relevant objectives for these zones in relation to short-term accommodation however, the regulation of people staying in tents and people staying in up to three vehicles seems confusing and unnecessary and should be deleted.
- 3.1.3 It would make the plan more simple to understand to include farm stays and bed and breakfasts within the definition of hosted visitor accommodation and this can be done without any significant loss of plan efficacy in my view. Different activity standards for hosted visitor accommodation in rural zones to those in residential zones could be applied where it makes good sense to have them. In my view this can replace the new definition of ‘Visitor accommodation accessory to farming’ concept introduced by PC4 to replace farm stay. With the Christchurch District Plan being an e-plan where definitions can be clicked to instantly and searched for very easily, in my opinion this nesting would be unlikely to cause any significant confusion or detract from the useability of the plan.
- 3.1.4 The evidence from Hospitality NZ, Airbnb and Christchurch Airport and others all helpfully address the relevant definitions in PC4 so, in my view, it would be preferable to address these matters in the light of this evidence at the time when the Panel allow rebuttal evidence to be exchanged³⁰. It may also benefit from conferencing between planners. I want to signal my

³⁰ Noting that as stated at the outset of this report, this Addendum report is not a statement of rebuttal evidence.

intention to address these and related definitions and make them less complex where practicable, however at this point, it is clear that there is an already complex interplay between the definitions of guest accommodation, residential units, family flats, homestays, farm stays, commercial services and others with differing approaches to where non-compliance with specific standards occurs, some aspects of which are not intended to be altered by PC4. As a consequence, further work is required to address the bundle of definitions, although I appreciate that from the point of view of other participants in this process, the sooner this is completed the better and I also do not propose any changes to the recommendations for submissions addressing the definitions.

3.2 PERMITTED ACTIVITY STANDARDS IN RURAL ZONES

3.2.1 I agree with the recommended permitted activity standards for hosted and unhosted visitor accommodation as explained in paragraphs 7.12.13 –7.12.29 on pages 78-80 of the s42A report, however taking into account the potential for visitors frequenting rural areas to cause significant nuisance to neighbours (mainly because of unfamiliarity with the area and the nature of farming in New Zealand) I consider they could be further improved by the addition of a requirement to provide guests with information about staying in a rural environment. In my view, this is an efficient way to reduce the potential for direct effects and reverse sensitivity effects on neighbouring properties. I recommend this should include information about wayfinding (how to locate and access the property during the day and at night), hazards (electric fences, spraying, unfenced drops, dangerous stock), inaccessible areas (private land, constraints on hunting, areas where lambing and other sensitive activities are occurring), stock (vulnerable and nervous animals, instructions not to feed), rural activities (noises and smells to be expected). As set out in track changes in **Appendix 1** my suggested wording for this permitted activity standard for rural zones is as follows:

d. Guests must be provided with information about wayfinding, hazards, inaccessible areas, stock, and rural activities in the area.

3.2.2 I acknowledge that information requirements can be difficult to enforce, and I note the submissions from short term accommodation providers endorsing a code of conduct discussed in paragraphs 7.2.2-7.2.11 on pages 38-39 of the original s42A report (as a preference to district plan rules) that would in my assessment achieve similar results if implemented, however I agree with the reservations about relying on a code of conduct expressed by Ms McLaughlin. I note that even though many short term accommodation providers are not complying with the current framework for visitor accommodation in the District Plan, most business operators try to operate within the legal framework of the district and regional plan, building code, taxation framework and other regulations as a matter of

course and most operators are likely to be taking steps towards this already and will see this as formalising standard business practise.

3.2.3 While the above changes (together with the other changes for rural settlements recommended by Alison McLaughlin in the original s42A report) should go some way to addressing some of the concerns expressed by short term accommodation providers, the relief provided does not go as far as the specific changes sought by providers in their submissions. **Therefore, my recommendation in relation to these submission points is the same as that in the original section 42A report, to reject the submission points other than S112. 30 which is accepted in part.**

4 OTHER POTENTIAL CHANGES

4.1 UNHOSTED VISITOR ACCOMMODATION AND HOSTED VISITOR ACCOMMODATION

ISSUE	CONCERN / REQUEST	
7. Definitions distinguishing between kinds of residential and visitor accommodation activities	<p><i>All definitions</i></p> <p>a. General support for the proposed changes to the definitions (S75.5; S82.4)</p> <p>b. One submission sought consistent use of formatting with defined terms (S82.2)</p> <p><i>“hosted visitor accommodation in a residential unit” and “unhosted visitor accommodation in a residential unit”</i></p> <p>c. A simpler defined term (e.g. for “home sharing”) instead of the multiple activities proposed. (S57.2; S67.2; S83.2B; S84.1; S101.11; S107.2; S112.10, 12)</p> <p><i>“residential activity” “residential unit”</i></p> <p>d. Include either all visitor accommodation in residential units or some versions (e.g. low capacity hosted units) in the definition of a “residential activity”</p> <p>e. Clarify how the phrase “visitor accommodation accessory to a residential activity” in the proposed definition of “residential unit” relates to the new proposed definitions for “hosted visitor accommodation in a residential unit” and “unhosted visitor accommodation in a residential unit” (S101.14)</p>	<p><i>[Paras 7.7.1-7.7.18]</i></p> <p><i>recommend that the decisions requested for Issue 7(a) be accepted in part.</i></p> <p><i>recommend that the changes sought in this submission point for Issue 7(b) be rejected as the notified version shows the changes with sufficient clarity.</i></p> <p><i>recommend that the decisions requested for Issue 7(c) be rejected.</i></p> <p><i>recommend that the Panel accept the decision requested for Issue 7(e).</i></p> <p><i>recommend that the Panel reject the decision requested for S112.10 and accept in part the decision requested for S101.13.</i></p>

	<p>f. Individual stays longer than 21 days (rather than the proposed 28 days) are included in the definition of a residential activity. (S112.10) There was also support for the proposed classification of individual bookings over 28 days as a residential activity (S101.13). Another submitter sought a more explicit threshold in the Plan for when a residential unit is no longer considered a residential unit by virtue of the principal activity being visitor accommodation. (S106.5)</p>	<p><i>recommend that the Panel reject the decision requested S106.5</i></p>
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- 4.1.1 The provisions in the plan providing for “family flats” appear to be narrowly prescribed and particular provisions that may be something of an artifact of their time, and which I do not wish to explore or interfere with here. Excluding the use of a family flat from use for hosted visitor accommodation is not explored in the section 32 report other than expressing a desire to ensure the permissive approach to hosted visitor accommodation in PC4 doesn’t undermine the controls in the plan over density of development, which is managed by equating the numbers of separate kitchens as a proxy for overall density of residential development (other than with bed and breakfasts, family flats and farm stays which can have additional kitchens) (see paragraphs 5.3.1-5.4.2 on pages 92-100 of the section 32 for details). In my view it is consistent with the objectives for PC4 to enable hosted visitor accommodation in a family flat if someone was minded to do it, however as stated earlier, I am not providing a revised suite of recommended definitions at this time but will endeavour to do so in the light of the evidence received addressing these matters as part of rebuttal and if so directed by the Independent Hearing Panel, address this in caucusing with the other planners.
- 4.1.2 I also consider the addition of the words “in a residential unit” that follow the terms “hosted visitor accommodation” and “unhosted visitor accommodation” are superfluous and can be deleted throughout PC4, while retaining the explanation that this takes place “in a residential unit” in the actual definitions for these activities themselves in Chapter 2 and where necessary within the associated policies. The key to integrating these changes will be to avoid disrupting the controls in the Plan on the density of development within sites, or further complicating the relationship of these terms with the global definition of Visitor Accommodation incorporated from National Planning Standards. This is not a point of difference with the section 32 or a matter discussed in the original section 42A report.
- 4.1.3 While the above changes (once confirmed) may go some way to addressing some of the concerns of short-term accommodation providers (**s112.10, s119.19, s100.6**), the relief provided does not go as far as what is sought by the specific points in their submissions.

Therefore, my recommendation in relation to Airbnb submission points S112.10 and 119.19 and 100.6 is to accept those points in part and are otherwise the same as that in the original section 42A report, to reject the submission points.

5 SUMMARY

- 5.1.1 In summary, I support the majority of the assessments and recommendations in the section 32 report which evaluate the Plan Change 4 proposals, and I also agree with and endorse the majority of the consequential recommendations on submissions in the section 42A report by Alison McLaughlin.
- 5.1.2 Mr Osborne’s evidence that has been developed to support decision making for PC4 has evolved from an economic analysis of visitor accommodation in the Christchurch economy, the home sharing accommodation market in Christchurch and the implications of regulating it in different ways, to a more specific analysis of the efficiency and effectiveness of PC4 against a counterfactual more permissive approach to the management of home sharing accommodation. It finds that although home sharing accommodation can generate economic issues including impacts on centres (primarily the CBD) and the competitive environment for commercial accommodation operators, the analysis does not demonstrate a clear net economic negative or positive position for PC4. It notes the economic costs of the regulation of home sharing accommodation in PC4 and how different activity status and limitations on the scale of this activity can reduce the benefits to individuals and the economy and act as an impediment to the market operating in a flexible and responsive way.
- 5.1.3 Mr Osborne’s evidence further reinforces the need to carefully consider the need for and practical efficacy of the proposed provisions and to focus the provisions on the more direct effects of different forms of short-term accommodation in different areas of the City and surrounding district. However, my assessment is that PC4 is, in the main, an appropriate response to the issues raised by short term accommodation and its direct and cumulative effects on the character of the environment in which it takes place, particularly residential coherence and a range of contributors to the quality of the environment.
- 5.1.4 Having regard to the economic evidence and the practical difficulties of addressing cumulative effects of short-term accommodation I am of the opinion that some of the changes proposed in plan change 4 as notified are not the most appropriate. I recommend the following changes:
- i. refining Objective 14.2.9 to focus on maintaining residential character and a predominance of residential activity within sites, minimising disturbance to neighbours, protecting strategic infrastructure from reverse sensitivity effects and focussing visitor accommodation in defined areas.

- ii. following this change through into policy 14.2.9.1 by removing the test in policy 14.2.9.1 that the activity be avoided where having regard to cumulative effects, it is inconsistent with the centre-based framework for commercial activities.
- iii. remove the rule changing the status of unhosted visitor accommodation in a residential unit for more than 180 nights a year from discretionary to a non-complying activity.
- iv. remove the constraint on guests holding functions where the number of additional attendees exceed the number of paying guests staying overnight.
- v. add a further permitted activity standard in rural zones (Rural Banks Peninsula, Rural Urban Fringe, Rural Port Hills, Rural Waimakariri and Rural Templeton Zones) requiring guests to be provided with information about wayfinding, hazards, inaccessible areas, and rural activities in the area.

5.1.5 As a result of my separate analysis of these changes in **Appendix 2 Section 32AA** appended to this report my analysis of the changes in this document is that:

- the recommended changes to Objective 14.9.2 are the most appropriate to achieve the purpose of the RMA compared with a range of alternatives including the corresponding notified objective, the operative plan provisions, the alternatives considered in the original section 32 report and a more enabling and positively framed objective as sought by submissions;
- the recommended changes to Objective 14.9.2 are the most appropriate to give effect to relevant higher order objectives in the District Plan, the Regional Policy Statement and the National Policy Statement Urban Development relating to the same alternatives;
- taking into account the benefits and costs of implementing the provisions, their efficiency and effectiveness, and the risk of acting and not acting, the provisions are (with the addition of the above changes) the most appropriate way to achieve the objectives.

5.1.6 I recommend therefore that:

- a. Plan Change 4 be approved with modifications, as set out in the attached **Appendix 1**; and
- b. submissions on the Plan Change be accepted or rejected as set out in **Appendix 3** to this report.