BEFORE THE HEARINGS PANEL FOR THE CHRISTCHURCH DISTRICT PLAN

UNDER THE	Resource Management Act 1991 (" RMA ")
IN THE MATTER OF	Plan Change 4 to the Christchurch District Plan
BETWEEN	HOSPITALITY NEW ZEALAND
AND	CHRISTCHURCH CITY COUNCIL

Planning Authority

EVIDENCE OF BRETT JAMES GIDDENS IN SUPPORT OF THE SUBMISSION OF HOSPITALITY NEW ZEALAND

7 MAY 2021

PROFESSIONAL DETAILS

Qualifications and experience

- 1. My full name is Brett James Giddens.
- I am a Senior Planner and Managing Director of Town Planning Group (NZ) Limited, a resource management and development consultancy established in 2006 with offices in Christchurch, Queenstown and Auckland.
- 3. I am an associate member of the New Zealand Planning Institute and have over 18 years planning experience. I hold the qualifications of Bachelor of Science (Geology) from Canterbury University, Master of Environmental Management from Lincoln University, Master of Regional and Resource Planning (current) from Massey University.
- 4. Prior to establishing Town Planning Group in 2006, I had been employed in planning and development for local authorities, as well as in private practice undertaking planning work throughout New Zealand. My planning work to date has included large scale plan changes, development planning and consenting, policy development, and consent processing for local authorities. Clients include private landowners, corporations, iwi groups, local authorities and government agencies.
- 5. I have been working with the Christchurch District Plan (and its former versions) since around 2005.

Code of conduct

6. Although this is a Council hearing, I confirm that I have read the Code of Conduct for Expert Witness contained in the Environment Court Practice Note and that I agree to comply with it. I confirm that I have considered all the material facts that I am aware of that might alter or detract from the opinions that I express, and that this evidence is within my area of expertise, except where I state that I am relying on the evidence of another person.

Declaration

7. I have previously been a committee member of the Canterbury branch of Hospitality New Zealand (HNZ), associated solely with licensed premise businesses that I have involvement with. This involvement was also prior to the HNZ launching the Accommodation Association NZ in November 2020.¹ I confirm that this presents no conflict to my impartiality as a witness on the subject matter relating to Plan Change 4 (PC4).

SCOPE OF EVIDENCE

8. I have been asked to provide planning evidence on behalf of HNZ, a submitter on PC4 to the Christchurch District Plan (**District Plan**). HNZ is generally supportive of the proposal.

¹ The purpose of the Accommodation Association is to ensure that the accommodation sector is well understood by central, local government and regulators.

- 10. I have read, and will respond to as necessary, the section 32 and 42A reports prepared by Council officers, and read a number of the more substantive submissions on PC4.
- 11. For the purposes of my evidence, I have largely relied on the section 32 and 32AA evaluations prepared by the Council officers, except as it relates to the matters that I discuss throughout my evidence that I consider warrant further attention.

EXECUTIVE SUMMARY

- 12. Visitor accommodation of all forms is an essential component of providing for the growth and vitality of Christchurch. In my opinion, the District Plan should enable a range of accommodation types throughout the district providing those effects are appropriately managed. The scale and nature of accommodation in some zones and locations may need to be more stringently controlled, such that certain forms of visitor accommodation use are avoided.
- 13. Fundamentally, any changes to the District Plan are only as good as the monitoring and enforcement that links with non-compliance with it. The Council has taken a non-enforcement approach to visitor accommodation within residential units to date meaning that it has essentially morphed into a prominent activity within residential zones within and outside of the Central City. What this indicates to me is that there needs to a more robust approach taken to the provisions that what has been presented by the Council to date.
- 14. The appropriate response in my opinion is the use of a register to be maintained of visitor accommodation providers who use residential units, with reporting requirements included as conditions on resource consents.
- 15. A fundamental question that I consider is left wanting from this plan change exercise is: *when will a residential unit no longer be a residential unit?* In my view this is important in the context of the policy considerations of PC4, namely Objective 11.12 (directing a predominating residential environment) and operative Objective 14.2.6 (directing residential activities to remain the dominant activity in residential zones) of the District Plan.
- 16. I support the statement in the section 42A report at [7.6.45] that "unhosted visitor accommodation in a residential unit that exceeds 180 nights per year is a commercial activity in most instances because the unit is no longer being used for a residential activity the majority of the time".
- 17. Objective 14.2.6 of the Christchurch District Plan Non residential activities requires that "residential activities remain the dominant activity in residential zones…". The new proposed sub-clause in this objective to link to new Objective 14.2.9 and its associated policies weakens Objective 14.2.6 by enabling visitor accommodation activity in residential units in residential zones. There is no directive in this objective to address cumulative effects arising from a proliferation of visitor accommodation activity that could be established within residential neighborhoods via resource consent.

- 18. For this reason, I consider that Objective 14.2.9 (b) should be redrafted as an "avoid" policy. My suggested drafting is set out in **Annexure A** to my evidence. If proposed limb (ii) to Objective 14.2.6 is deleted, then the directive that residential activities remain the dominant activity in residential zones provides a clear mechanism to consider cumulative effects.
- 19. I have suggested a new limb (c) to Objective 14.2.9 directing that visitor accommodation is avoided in residential zones when the use of the residential unit will no longer remain as a predominantly residential activity.
- 20. These changes will give effect to the Canterbury Regional Policy Statement (**RPS**), particularly Objectives 6.2.5, 6.2.6, and 6.3.1.
- 21. I consider that there is a significant shortcoming in the lack of guidance that the provisions currently contain regarding the wider compliance with other legislation. I support HNZ's submission that there needs to be reference to the Building Act in the provisions. I have also suggested changes to the definitions, as well as matters of control/discretion to reference the Building Act.
- 22. Practically, someone undertaking an accommodation activity would in most cases fall foul of the 'change of use' requirements under the Building Act. An activity with an approved resource consent may well not be an activity that can be legally undertaken. This issue in my opinion is a shortcoming in the provisions and represents a significant "cost" in terms of section 32 of the RMA that has not been evaluated by the Council. In my opinion, the costs of introducing provisions that do not provide a clear picture of fundamental legal obligations could be a cost that would not only send the wrong message to prospective accommodation providers (i.e. that they only need a resource consent to change the use of a dwelling) but could introduce a high degree of risk (and liability) for both the accommodation provider and the Council.
- 23. By incorporating the amendments I have suggested, I consider that PC4 would align with section 32 and overall present a workable planning framework to provide for visitor accommodation in residential units while placing necessary controls on its scale, nature and location.

OVERVIEW OF PC4

24. The Council seeks to introduce changes to the District Plan through PC4, which the section 42A report at [2.1.1] summarises as:

"... to more specifically recognise and manage the demand for a range of short-term accommodation options including visitor accommodation in residential dwellings but also home exchanges, house-sitting and serviced apartments. This affects zones that generally enable residential activities at present (including residential, rural and commercial zones and the Papakāinga/Kāinga Nohoanga Zone)."

25. Broadly, PC4:²

(a) includes the amendment of a number of definitions (including the introduction of the National Planning Standard definition of "visitor accommodation") with the aim of providing greater differentiation between the activities;

² [2.1.2] of section 42A report

- (b) introduces a new objective and several new policies in the residential chapter which are specific to visitor accommodation. The purpose is to differentiate between small-scale and/or hosted visitor accommodation activities that retain a residential character and are appropriate to locate in residential zones and larger scale activities with a commercial character that are primarily directed to commercial centres;
- (c) amends a policy in the commercial chapter to clarify that visitor accommodation within the Four Avenues is not to be primarily directed into the Entertainment and Hospitality Precincts; and
- (d) changes the activity status for unhosted visitor accommodation in a residential unit in most residential zones from Discretionary to Controlled for 1-60 nights per year, Discretionary for 61-180 nights per year and Non-Complying for more than 180 nights per year.

ISSUES

- 26. I have focused on the following issues in my evidence:
 - (a) Will PC4 address what the plan change seeks to achieve?
 - (b) When is a residential unit no longer a residential unit?
 - (c) The relationship of changing the use of a residential building for short-term accommodation and the Building Act.

Will PC4 address what it seeks to achieve?

27. The Council is clear in its reports as to what PC4 is aiming to achieve³. The section 42A report articulates the issue at [2.2.11]:

"...a review is appropriate because there is a lack of evidence to justify the current policy framework and rules in the District Plan. Through research that Council has undertaken, there has not been found to be significant negative impacts of home-share accommodation in a Christchurch context on housing supply and affordability, rural character and amenity nor the regeneration of the Central City that would otherwise provide a basis for such a restrictive approach to small-scale, part-time listings by permanent residents of the unit or rural holiday homes listed when not in use by the owner(s)".

- 28. I agree with this statement insofar that the effects relate to "small-scale, part-time listings by permanent residents of the unit or rural holiday homes listed when not in use by the owner(s)".
- 29. From my understanding, the issues with peer-to-peer accommodation are broadly attributed to its scale (i.e. frequency of visitor accommodation activity), its nature (e.g. whether it is hosted or unhosted), and its location (e.g. whether it is in a residential or commercial zone).
- 30. The Council estimates that 1600 listings in residential zones in 2019 required resource consent.⁴ I understand from the section 32A⁵ report that of the 10 consent applies for, four consents have been granted for visitor

³ See section 2.1 of the section 42A report.

⁴ [2.2.6] of section 42A report

⁵ Appendix 4, Page 148

accommodation in residential zones, five in rural zones, and only one declined.

- 31. The section 42A report states that 2,135 residential units were listed on just two home sharing websites for the 12 months up to September 2019.⁶ This is not insignificant. Looking at the issue in more detail, the analysis of Air BnB listings from the 2019 year that HNZ obtained and previously provided to the Council (March 2020) found:
 - (a) There was a total of 2,858 listings in the 2019 calendar year. This generated \$40.4M in revenue for 1,912 operators.
 - (b) 2,112 listings were in a residential zone 74%.
 - (c) Residential zone listings generated \$28M in revenue for 1,502 operators meaning on average, operators derive \$18.5k in income per year but the most prolific operator derives \$500k in income per year.
 - (i) An operator referred to as 'Sue, Karen & Team' has the greatest number of listings at 42; and
 - (ii) Bachcare is an ancillary service provider and has two operator profiles that combined provides 58 listings.
 - (d) All operators have an average of 1.5 listings.
 - (e) 415 operators have more than 1 listing 20%.
 - (f) 2,086 residential listings are within 500m of a commercial zone 73%.
 - (g) 1,664 residential listings were operated for greater than 28 days 79%.
- 32. What the evidence shows is that visitor accommodation within residential units has been almost entirely unregulated in the planning during the recovery phase.
- 33. I have appended a copy of this report to my evidence as **Annexure B**.
- 34. It does not matter what the policy direction is or what the rules require if they are not enforced, which is essentially the current situation.
- 35. The need for a register of users, with clear provisions directing the need to maintain records an have those available for inspection is essential in my opinion. Compliance would also be assisted if the Council held a register of all homes used for visitor accommodation.
- 36. The section 42A report author at [7.2.4] discusses the establishment of a registration system that was suggested by Christchurch Holiday Homes and Bookabach hosts⁷:

"A registration system or other form of information-sharing agreement would assist with administration of the District Plan provisions but are not a

⁶ [2.2.2] of section 42A report

⁷ See [7.3.2] of the section 42A report

substitute for them if there are identified environmental effects that cannot be effectively managed through non-District Plan methods."

- 37. I agree with this statement and consider the issue should be taken further within the planning framework. The difference between myself and the reporting officer is that the reporting officer has looked at this method in isolation to a planning framework (i.e. as a substitute⁸), whereas I consider both methods together as presenting the most efficient planning framework.
- 38. Registration is engrained in the Queenstown Lakes District Plan and works very well as I understand.

When is a residential unit no longer a residential unit?

- 39. PC4 removes the current discretionary activity regime by introducing a tiered consenting path that directly correlates to the quantum of use a unit has for visitor accommodation. Use over 180 days is a non complying activity, while 1-60 days is controlled and 61 to 180 days is discretionary. I am supportive of this approach as representing a good balance of enabling some peer-to-peer accommodation at an appropriate scale while imposing stronger controls on higher degrees of non residential, commercial use.
- 40. PC4 does not address the question as to when is a residential unit no longer a residential unit? This in my mind is a fundamental issue that has direct correlations to the policy framework in both the CRPS and District Plan strategic framework.
- 41. In my opinion, it is reasonable to hold the view that a residential unit ceases to be a residential unit when the residential activity is no longer the predominant activity. The rights attributed under a land use consent, once implemented, last in perpetuity, so unless resource consents are granted with a shorter duration then any change of use would need to be considered as altering the 'base' residential unit status in my opinion.
- 42. I support the statement at [5.2.3] of the section 42A that:

"...visitor accommodation in a residential unit that is not primarily also used for a residential activity meets the definition of a commercial activity under the CRPS and consideration needs to be given to whether or not (or which types) of this activity need to be primarily directed to commercial centres rather than being enabled in residential zones."

- 43. If the thresholds in rules were relaxed from what has been recommended by the Council, then I consider that PC4 would fall foul of key objectives and policies in the CPRS relating to non-residential and commercial activities (which must be given effect to).
- 44. This leads me to the issues associated with changing the use of a building, and the interrelationship with the Building Act.

Building Act and a "change of use"

- 45. HNZ, as well as a number of other submitters have raised issues with the lack of correlation to the PC4 provisions to other related regulations.
- 46. The section 32 report comments on this issue on page 4:

⁸ See [7.3.3] of section 42A report

Where other requirements (e.g. taxes, rates, upgrades required under the Building Act) create costs for one operator and not another operator, that needs to be addressed through the appropriate Acts or requirements, not the District Plan.

- Provisions in the District Plan should not conflict with or duplicate the functions of provisions in the Building Act, Building Code or fire safety regulations that sit at the national level.
- 47. I consider that this view is too simplistic and misses the interrelationship between a 'change of use' under the RMA and a 'change of use' under the Building Act.

. . .

48. The section 42A further comments on this matter in response to submissions at [7.3.7], reproduced below:

"In my view, these amendments [incorporating health and safety and Building Act references] are not required because:

- a. all activities in the District Plan are already required to also comply with the Building Act and other relevant acts and regulations. Specifying this requirement for visitor accommodation but not for other activities could raise confusion as to why that activity was singled out;
- other Acts and regulations may be updated and amended. Duplicating those requirements in the District Plan increases the risk of conflicting or outdated rules or references which may require another plan change to amend or may cause confusion for plan users;
- c. the Council maintains pages on its website to assist people considering offering visitor accommodation as well as employing duty resource consent planners and building officers to answer queries. The Council's page on visitor accommodation includes information on the Building Act and other requirements (https://ccc.govt.nz/consents-and-licences/resource-consents/residential-and-housing/providing-guest-accommodation). This is the "plain English" summary of the rules which is more likely to be used by general public rather than direct reference to the District Plan. The website is also easier to keep updated if there are any changes to the non-District Plan requirements."
- 49. I do not agree that these reasons negate the need for reference to the Building Act in the provisions.
- 50. In my experience, the relevance of the Building Act is often glanced over when it comes to visitor accommodation in residential units. The change of use requirements are clear, but generally unenforced when it comes to commercial accommodation in residential buildings. What is an issue in practice is the lack of awareness that is made for the need for building consent for a 'change of use', and this is where greater transparency in planning provisions is essential.
- 51. I have made enquiries with the Council to ascertain how many residential units in Christchurch have building consent for a 'change of use' to enable visitor accommodation. I have not had a formal response to my query but in follow up calls through the main line I was advised that it is unlikely that there will be any recent examples, with the older "boarding house" style

apartments likely being compliant due to them falling under earlier regulations. This is consistent with my understanding.

- 52. As permitted by the New Zealand Building Code (**NZBC**) A1 2.0.2 and clause C/AS 2.2.9 a domestic dwelling can be used as boarding house type accommodation for up to five people (not including members of the residing family) and can be treated as risk group "SH".
- 53. Sections 114 and 115 of the Building Act require a property owner to give written notice that they intend to change the use of a building. The regulations to the NZBC allocate all buildings a *use*. Accordingly, the term 'change of use' has a regulated meaning which is "to change the use of all or a part of the building from one use (the old use) to another (the new use) and with the result that the requirements for compliance with the building code⁹ relation to the new use are additional to, or more onerous than, the requirements for compliance with the building code in relation to the old use".
- 54. If, for example:
 - (a) an owner of a residential unit is simply allowing a guest to use a spare room and that guest is living in the house as if they were a family member, using the family bathroom and kitchen, then it is likely that a change of use has not occurred because they are effectively living as a single household.
 - (b) Alternatively, if the owner has separated a portion of the house so that the guest(s) has exclusive use of that portion, often providing separate bathroom, cooking and entrance facilities then it is likely that a change of use has occurred because that house is no longer acting as a family or single household.
- 55. Appendix 3^{10} of the section 32A report states that:

"A change of use under the Building Act means that the building needs to be upgraded "as nearly as is reasonably practicable" to new building standards for such items as structure, fire safety, sanitary facilities and access and facilities for people with disabilities."

- 56. This statement is not quite correct. The Building Act directs that the Building Code is to be met. An ANARP solution is an exception where circumstances support it through a building consent process, and is not a process in itself.
- 57. If it is determined that a 'change of use' has occurred, then building consent will be required to make the building NZBC compliant. The required work would in most cases include passive fire protection, fire alarms and access and facilities for people with disabilities (this includes the provision of an accessible car park and possibly access ramps in certain circumstances).
- 58. It is a given in my view that there are a significant number of activities currently undertaken in buildings throughout Christchurch that are currently in breach of the Building Act. It is highly likely that property owners do not realise that they may be breaking the law by using their house for visitor accommodation.

⁹ https://www.legislation.govt.nz/regulation/public/1992/0150/latest/DLM162576.html

- 59. The Building Act definitions for some of the more likely short term visitor accommodation uses are appended to my evidence as **Annexure C**.
- 60. I consider that amendments should be made to the provisions relating to:
 - (a) Amendment of the definitions specifying that Building Consent may be required for changing the use of a property; and
 - (b) Including an advice note and matters of control/discretion with the rules to make it clear to an accommodation provider that the change of use requirements under the Building Act need to be considered; and
 - (c) Introducing policy support for the Council to consider changes to a building that may result from building code compliance (such as the need for an accessible park and access ramps) as part of the consenting framework to ensure that additional issues do not arise as secondary problem post commencement of the activity.

STATUTORY PLANNING CONSIDERATIONS

61. I have identified what I consider as the key objectives and policies in **Annexure D**. This is not an exhaustive list and I rely on the section 32 and 42A reports in this regard.

National Policy Statement for Urban Development 2020

- 62. As stated at [5.1.1] of the section 42A report, Policy 11 of the National Policy Statement on Urban Development requires that the minimum carparking standards be removed from District Plans, other than for mobility carparks. The report author confirms that this process is underway.
- 63. The section 42A report contains some discussion regarding car parking matters in response to issues raised in submissions.
- 64. A point that has been overlooked is that even though the District Plan may state that an accessible park is not required, this does not negate the issue as it relates to the Building Act and the trigger to consider accessibility with a change of use.
- 65. The NPS-UD is directive of the retention of accessibility car parks in District Plans, which indicates to me the relationship back to the accessibility requirements in the Building Code that need to be met when a change of use is advanced.
- 66. This supports my opinion that reference to the Building Act needs to be contained in the provisions. If an applicant is to advance a resource consent process and secure that resource consent, but not be able to implement it because of the Building Act obligations (e.g. they cannot provide an accessible park as they do not have space), that would significantly impact the certainty and efficiencies of the PC4 framework.

Canterbury Regional Policy Statement

67. The RMA requires that PC4 give effect to the Operative Canterbury Regional Policy Statement (**RPS**).

[5.2.3] of the section 42A report concisely identifies the tension with PC4 against the PRS:

"There are a number of directions in the CRPS seeking to support commercial centres by primarily directing commercial activities there and avoiding development that undermines the viability of commercial centres.¹¹ This is relevant to the Plan Change to the extent that visitor accommodation in a residential unit that is not primarily also used for a residential activity meets the definition of a commercial activity under the CRPS and consideration needs to be given to whether or not (or which types) of this activity need to be primarily directed to commercial centres rather than being enabled in residential zones." (emphasis added).

- 69. In my opinion, PC4 presents a tension with key objectives and policies in the PRS, and in its current form, does not give effect to it.
- 70. I have highlighted those relevant objectives and policies in **Annexure D**.

Section 32 of RMA

- 71. Section 32 (1) (b) (ii) requires an examination as to whether the provisions in the amending proposal¹² are the most appropriate way to achieve the objectives by assessing the efficiency and effectiveness of the provisions in achieving the objectives. The requirements of this sub-clause are further subject to section 32 (2).
- 72. By introducing the provisions relating to the Building Act and the need for a register as methods, land use is appropriately guided to ensure that the rules implement the policies, and policies implement the objectives.¹³ Including my suggested provisions would in my opinion be the most appropriate way to achieve the objectives.
- 73. Taking into account section 32 (2), PC4 introduces a framework that enables a generous degree of visitor accommodation in residential units, while setting a non complying benchmark at 180 days. I do not consider that the Council's policy framework marries with the non complying status and is currently at tension with the RPS. I consider that my suggested amendments would address this tension.
- 74. In regard to section 32 (1) (b) (i), a reasonably practicable option to the Council would be to maintain the status quo. The issue with this is that the status quo is not enforced and therefore it leads to significant non compliances with the District Plan. A framework that includes the requirement for monitoring and enforcement is preferable.
- 75. The Council's current provisions for PC4 are uncertain in my opinion. The amendments to the Objective framework weakens the ability to address cumulative effects from arising through the grant of consent for visitor accommodation in residential units. The provisions contain no "checks and balances" with respect to monitoring and reporting, and therefore are prone to the same enforceability weaknesses as the current District Plan. The enforceability issues are evident in practice, and not a hypothetical or risk.
- 76. Through my suggested amendments, I consider that the provisions are more certain, and greatly assisted by the links to the Building Act to help

¹¹ Objective 6.2.1; Policy 6.3.1(4) of the RPS

¹² As required under section 32 (3)

¹³ Section 32 (1) (b) (iii)

ensure that the wider ambit of effects from an activity are considered (e.g. accessible parks and access ramps). Notably, the NPS-UD removes the requirement for Councils to specific minimum parking requirements but that does not extend to accessible parks, which I understand is a direct correlation to the Building Act.

77. In my opinion, the risk of not acting will result in an inferior outcome in the context of achieving the purpose of the RMA given the Council's track record on enforcement.¹⁴

Part 2 of the RMA

- 78. The purpose of the RMA is to promote the sustainable management of natural and physical resources. Sustainable management means managing the use development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety subject to the three qualifications in subsections (a), (b) and (c).
- 79. Enabling people and communities health and safety can also be achieved by making the provisions clear in their relationship to the Building Act.
- 80. The definition of effect under the RMA includes "cumulative effects" and it is imperative that cumulative effects is clearly provided for within the planning framework to avoid a proliferation of non residential, commercial accommodation within residential zones which conflicts with the wider framework of the District Plan, and the higher order policy in the RPS.
- 81. There are no specific matters of relevance under Section 6 (Matters of National Importance) or Section 8 (Treaty of Waitangi).
- 82. Section 7 contains other matters that particular regard shall be had, including:
 - (b) the efficient use and development of natural and physical resources:
 - (c) the maintenance and enhancement of amenity values:
 - (f) maintenance and enhancement of the quality of the environment:
 - (g) any finite characteristics of natural and physical resources:
- 83. PC4, as amended, would achieve the outcomes in section 7.
- 84. In my opinion the proposal accords with the purpose of the RMA. Furthermore, the proposal better achieves the PDP's objectives and thereby Part 2 of the RMA in a more efficient and effective manner than the framework as notified.

Brett Giddens 7 May 2021

¹⁴ Section 32 (2) (c) of the RMA

Annexure [A] Suggested Provisions for PC4

Additional matters of control / discretion

Control/discretion is reserved to:

- The keeping of records of visitor accommodation use, and the availability for records for Council inspection.
- Monitoring requirements, including imposition of an annual monitoring charge.
- The requirement to notify the Council in writing prior to the commencement of the activity.
- Compliance of the residential unit with the Building Code as at the date of the consent.
- Health and safety provisions in relation to guests.
- Guest management and complaints procedures.

New policy

Require that conditions are imposed on resource consents for visitor accommodation activity within residential units that avoid, remedy and mitigate adverse effects on the environment, while providing methods for monitoring and enforcement of consents, including by providing consent conditions for:

- annual monitoring at the consent holder's cost.
- keeping of records of visitor accommodation use (including a record of the date and duration of guest stays and the number of guests staying per night) and the availability of records for Council inspection.
- the need to obtain any necessary Building Consent prior to the commencement of the activity.

Suggestions on Council's provisions

(additions underlined and deletions struck out)

14.2.6 Objective - Non-residential activities

a. Residential activities remain the dominant activity in residential zones, whilst also recognising the need to:

i. provide for community facilities and home occupations which by their nature and character typically need to be located in residential zones; **and**

ii. provide for visitor accommodation in accordance with Objective 14.2.9 and Policies 14.2.9.1 to 14.2.9.4; and

 iii. iii. restrict other non-residential activities, unless the activity has a strategic or operational need to locate within a residential zone, or is existing guest accommodation visitor accommodation on defined sites.

Note: this objective and its subsequent policies do not apply to brownfield sites.

14.2.6.3 Policy - Existing non-residential activities

a. Enable existing non-residential activities to continue and support their redevelopment and expansion provided they do not:

i. have a significant adverse effect on the character and amenity of residential zones; or

ii. undermine the potential for residential development consistent with the zone descriptions in Table 14.2.1.1a.

Advice Notes: Note:

 This policy also implements Objective 14.2.4.
Policy 14.2.6.3 does not apply to visitor accommodation. Refer to Objective 14.2.9 and Policies 14.2.9.1 to 14.2.9.4 for the relevant provisions.

14.2.6.4 Policy - Other non-residential activities

a. Restrict the establishment of other non-residential activities, especially those of a commercial or industrial nature, unless the activity has a strategic or operational need to locate within a residential zone, and the effects of such activities on the character and amenity of residential zones are insignificant.

Advice Note:

Policy 14.2.6.4 does not apply to visitor accommodation. Refer to Objective 14.2.9 and Policies 14.2.9.1 to 14.2.9.4 for the relevant provisions.

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:

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 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 is avoided in residential zones (except for the Residential Visitor Accommodation Zone and Accommodation and Community Facilities Overlay) where the use of any residential unit is not predominantly a residential activity. **e. d.** 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.

Visitor accommodation definition

"means land and/or buildings used for accommodating visitors <u>in compliance with the</u> <u>Building Act 2004</u>, subject to a tariff being paid, and includes any ancillary_activities."

Unhosted visitor accommodation in a residential unit

"means a residential unit that is also used for visitor accommodation where:

- a. no permanent resident of that residential unit is in residence in the same residential unit for the duration of the stay;
- b. individual bookings by visitors are for less than 28 days each; and
- c. any family flat is not used for visitor accommodation; and
- d. the building and activity comply with the Building Act 2004.

Unhosted visitor accommodation in a residential unit excludes hotels, resorts, motels, motor and tourist lodges, backpackers, hostels, farmstays and camping grounds."



Hospitality New Zealand Canterbury Branch

Feedback to Christchurch City Council -Home-share Accommodation District Plan Review

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Introduction:

Hospitality New Zealand (Hospitality NZ) is a voluntary trade association which has operated since 1902 and currently represents over 3,000 hospitality businesses throughout New Zealand, including Taverns, Pubs, Bars, Restaurants, Cafes, Retail Liquor and Commercial Accommodation providers such as Camping Grounds, Lodges, Motels, Hotels and Back Packers.

Of our 3,000 members, over 1,000 are traditional commercial accommodation operators managing around 28, 000 rooms nationwide. We have 300 financial members (not including affiliates) in the Christchurch Territorial Licensing Authority (TLA)

Hospitality NZ has a 118-year history of advocating on behalf of the hospitality and tourism sector and is led by Chief Executive, Julie White. Hospitality NZ's Canterbury Branch President is Peter Morrison, and our Accommodation Sector Chair is led by Bob Pringle. One of our Christchurch based Regional Managers is Anna Halliday. Our National Business Development Manager, Amy McLellan-Minty is also based in Christchurch.

The Canterbury Branch of Hospitality NZ appreciates the opportunity to provide feedback and congratulates the Council for publicly engaging with the community.

If the opportunity presents itself throughout either inside or outside this process, we would welcome speaking with Council on this matter. Additionally, we request written confirmation that our feedback document has been received. We are committed to working with Christchurch City Council (CCC) in order to develop a sensible solution for both our members, the community and Council.

Canterbury Branch Position

Unlike accommodation business requirements to meet all NZ legislative standards, home-share accommodation is not required to meet these standards, or they choose not to meet minimum standards. A key issue is the inability to identify home share visitor accommodation providers, and because of that, identification is a roadblock to enforcing any standards, especially District Plan standards. Therefore, we propose a further option (option 6, or 'other') as our preferred position, specifically:

1. Lobby Central Government for a National Register

We propose formation of a working group that includes Hospitality NZ, Local Government NZ, and other appropriate organisations (such as Fire & Emergency NZ, NZ Insurance Council, and IRD) to lobby Government (including the Minister for Local Government, Minister for MBIE, Minister for Housing, and Minister of Finance) to implement a nationwide framework regarding the management of short term visitor (home share) accommodation.

The framework would:

i) Require short term visitor accommodation businesses to declare their explicit purpose such as requiring a NZ Business Number and identifying their location. This would then enable site specific monitoring and enforcement as well as enabling a wider appreciation of the effects of these businesses

ii) Set clear definitions as to business specifics e.g. regarding terminology such as 'home-share' accommodation with a more appropriate term such as 'short-term' visitor accommodation

iii) Set clear standards for these businesses e.g. fire evacuation, smoke alarms, insurance, parking standards (including cycling and car parking), maximum occupancy and requirements for on-site supervision etc.

iv) Provide coherency and uniformity for regulators including local authorities and key stakeholders ensuring that rules are consistent across the country and removing the need for duplicative local debates especially in the context of District Plan reviews.

Similar to other overseas jurisdictions, the framework at minimum must specify

i) any accommodation provider is identifiable

ii) any home sharing digital platform shares data with the specified New Zealand regulator.

We note that the largest worldwide home sharing accommodation digital platform agrees with the thrust of our position and AirBnB has recently made public statements to the New Zealand media regarding the need for a national register and regulations framework. A description of their policy position can be found here: <u>https://news.airbnb.com/en-au/nzregulatoryprinciples/</u>.

To be clear, we do not agree with all of AirBnB's position, but we are similarly aligned on the important need for increased regulation.

2. Immediate Enforcement of the Current District Plan

Regardless of the outcome of this consultation process, we ask for immediate enforcement and compliance resources to be allocated to this issue. A suggestion to Council would be to raise awareness of the current District Plan rules regarding unconsented commercial activity, specifically, short term visitor accommodation. At a minimum, and as an example educative initiative, we request a letter to all ratepayers reiterating their obligations in conjunction with the quarterly rates invoicing process.

3. Further Regulatory Refinement

In addition, and without prejudice to the above, we propose Council could adopt a variation of option 2a with specific caveats, including:

i) a maximum of 28 days per year for non-hosted, whole house permitted activity

ii) at the 28+ day threshold, the activity becomes prohibited

iii) we propose non-permitted activity zones for greater acknowledgment of location specific requirements

iv) the 28 days maximum duration as a permitted activity aligns with tax obligations under IRD's short stay accommodation requirements. A link to the IRD requirements is provided here: https://www.classic.ird.govt.nz/resources/a/4/a4897e46-1ce6-4e32-8961-a0541a235170/overview-short-stay-accommodation-items.pdf

v) a quantitative study into the anticipated effects must be undertaken prior to any proposal or decision making regarding the appropriate threshold limit.

*Please note for the purpose of this document, we have adopted the Council's use of the term 'home-share accommodation' and define this as any person undertaking **whole home, non-hosted accommodation provision in residential areas**. Hospitality NZ does not have an argument with 'Mums & Dads' who want to rent a room on occasion to minimally supplement their income such as offsetting holiday costs. For future reference, we prefer the term 'short-term visitor accommodation' (STVA) to define this new accommodation sector, more accurately reflecting its commercial intent.

Section 1. Quantifying the Problem & Enforcement of the Current District Plan

New Zealand local authorities' approach to environmental enforcement is well known. It has been researched and reported extensively by the Environmental Defence Society in their 2018 report that notes "[enforcement] *is usually deprioritised compared with other stages of the policy cycle.*"¹

Nevertheless, Councils remain empowered and obligated to undertake enforcement. This obligation is provided under various powers delegated to them through specific legislation such as but not limited to the Resource Management Act (RMA) 1991, Local Government Act (LGA) 2002, Building Act 2004, Land Transport Act 1998, and Dog Control Act 1996. The powers provided to Councils are extensive, for example Part 8 of the LGA provides a number of coercive powers including bylaw making, enforcement and development contribution powers. That said, enforcement takes resources to investigate, notify, prosecute and defend any actions. It is therefore wasteful to undertake enforcement if it is not efficient and effective.

Some of the tools available to council to undertake enforcement include: advice and education, issuing warnings and statutory notices, enforcement orders, infringement notices and prosecution. If local authorities are to proceed with stronger enforcement, for example in terms of the RMA, it requires the details of the time, place, and nature of the alleged offence. Therefore, having clear definition and terminology around legal and illegal practices to determine those facts is critical.

Consequently, the feedback options proposed by the Council to enable STVA is at odds with its current obligations in opening the door to these activities (such as allowing restrictive minimum night stays per year) increases the burden of proof when Council undertakes enforcement. There are also additional complications such as the Summary Proceedings Act 1957 where the Ministry for the Environment recommends the initial infringement notice should be issued promptly and at least within 14 weeks of the date of the alleged offending.² Therefore, rather than enabling unconsented environmental effects and more laissez-faire compliance monitoring, a regulatory environment where rules are well defined, communicated and enforced is the preferred course of action. It is our strong opinion that to do anything else simply defers the issue of enforcement, creates even greater environmental impacts and

¹ <u>https://www.eds.org.nz/our-work/publications/books/last-line-of-defence/</u>

² <u>https://www.mfe.govt.nz/sites/default/files/media/RMA/best-practice-guidelines-cme-final.pdf</u>

compounds the effects of failing to enforce in the first instance. Simply put, the proposals and options Council has suggested immediately complicate Council's statutory duties.

Applying these practical matters to the tourism sector is even more complicated. The effects of being more enabling are often cumulative as noted in the report 'Management of the Environmental Effects Associated with the Tourism Sector' published in 1997 by the Parliamentary Commissioner for The Environment. The report states:

- *"Also,* [these principal effects] *are cumulative, and at least have the potential to cause irreversible change to the natural environment and/or human communities. For these reasons, all are significant in terms of tourism sustainability."*
- *"Gradual erosion of amenity values through the cumulative effects of many small developments can also be significant. This gradual change is much harder for local authorities to control, because measuring the contribution that a particular development will make to landscape change is very difficult."*
- *"Although under the* RMA, *local authorities must consider the cumulative effects of proposals, this has proven to be difficult. Managing such effects can be hard when the effects of individual projects or activities may on their own be minor."*

Most tellingly, these individually minor but cumulatively damaging effects currently exist because Council has already described enforcement as challenging. **However, the argument does not follow that enforcement is not required, or possible.** Enforcing unregulated activities is a statutory duty and given the developing sophistication of the technology sector, is not as difficult as Council contends.

A report titled 'Airbnb and the Formal Accommodation Sector: Perceptions of Stakeholders' commissioned by Tourism Industry Aotearoa and ChristchurchNZ, and published by University of Canterbury Business School in 2019 concurs with this assessment:

"The current approach to compliance with this requirement is reactive through the investigation of complaints received. To [the report] date, approximately 20 complaints have been received since June 2017. The Council acknowledges that this approach to compliance is perceived to put certain sectors of the formal accommodation industry at a competitive disadvantage compared to those renting their properties through Airbnb." Pg 6⁶

Cumulative Effects Assessments (CEA)

"NZ has the policy and regulatory framework and institutional set up to cover the assessment of cumulative effects. It is defined in the RMA and local authorities are required to consider cumulative impacts. In practice, CEA is not occurring anywhere

³ 'Management of the Environmental Effects associated with the Tourism sector'

⁴ 'Management of the Environmental Effects associated with the Tourism sector'

⁵ 'Management of the Environmental Effects associated with the Tourism sector'

⁶ <u>https://www.christchurchnz.com/media/iw4frhyu/airbnb_final_report_2019.pdf</u>

near comprehensively around New Zealand... In many places there is not enough data or applicable knowledge thus neither applicants nor decision-makers are able to predict effects. In the RMA context, determining when exactly the cumulative impact of an activity, or the cumulative effect of all like activities, has reached a threshold where the effects are considered significantly adverse and unacceptable can be extremely difficult. This is particularly so if the assessment relates to activities that are not easily quantified.⁷⁷

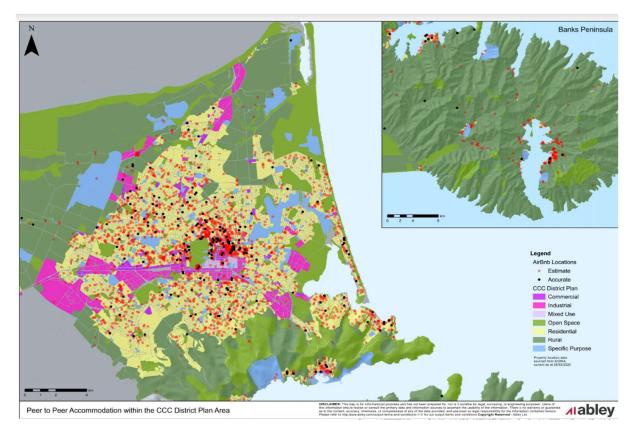
Based on the necessity for hard data, and the difficulty in measuring unconsented activities like home share accommodation, we propose that Council undertake a CEA, employing digital technology (like geospatial analysis) to produce quantitative evidence around key items like traffic dispersal, parking availability, and wear and tear on waste and water infrastructure to inform decision making around current and potential future environmental impacts.

For a modest cost, the Canterbury Branch of Hospitality NZ commissioned a consultant to produce data analysis of AirBnB listings in the Christchurch and Banks Peninsula area. The data provides an evidence-based snapshot of which suburban and rural areas are heavily weighted to home share accommodation and therefore, where the potential cumulative effects will be most impactful. The analysis also provides useful intelligence regarding where Council could direct its enforcement efforts.

Insights include the following statistics and the map shown over page:

- There were a total of 2,858 listings in the 2019 calendar year. This generated \$40.4M in revenue for 1,912 operators.
- 2,112 listings were in a residential zone 74%.
- Residential zone listings generated \$28M in revenue for 1,502 operators meaning on average, operators derive \$18.5k in income per year but the most prolific operator derives \$500k in income per year.
 - An operator referred to as 'Sue, Karen & Team' has the greatest number of listings at 42
 - Bachcare is an ancillary service provider and has two operator profiles that combined provides 58 listings.
- All operators have an average of 1.5 listings.
- 415 operators have more than 1 listing 20%
- 2,086 residential listings are within 500m of a commercial zone 73%
- 1,664 residential listings were operated for greater than 28 days 79%

⁷ http://www.tba.co.nz/kete/PDF_files/ITP402_cumulative_effects_assessment.pdf



Under the umbrella of CEAs and the RMA, Social Impact Assessments (SIA) give Councils the tools to undertake a wide-ranging analysis including but not limited to; economic, social, physical and environmental components. Where previously the Council has spent millions of dollars conducting SIAs to reverse the impacts of poor planning around retail sectors (specifically, Variation 86 to the District Plan, operative from 16 Nov 2009,⁸) we would warn decision makers to disregard negative social and community implications of short term visitor accommodation at their peril.

"Social impacts in the tourism sector are often diffuse and cumulative. Therefore a community, or wider, perspective is needed to assess them. But there does not appear to be application of SIA at the plan level for areas with tourism development, especially where there are a large number of cumulative effects or social issues evident in the process of plan development. The tourism industry is insufficiently involved in resource management at a regional and local level, particularly in the development of regional and district plans for resource management."

Mike Mackay, Senior Social Scientist, AgResearch & Nick Taylor, Principal, Taylor, Baines & Associates recently commented about the challenges in conducting (SIA) in an article published for the New Zealand Association for Impact Assessment.

8

https://webcache.googleusercontent.com/search?q=cache:D_viYy388mYJ:https://www.ccc.govt.nz/assets/Do cuments/The-Council/Plans-Strategies-Policies-Bylaws/Plans/district-plan/city-plan/ProposedVariationsproposedvariations.pdf+&cd=1&hl=en&ct=clnk&gl=nz

⁹ <u>http://www.tba.co.nz/kete/PDF_files/ITP404_social_impact_assessment.pdf</u>

"There is increasing public concern about disruptive technologies and impacts of change remain a concern in cities, regions and communities. SIA has always had a practical interest in effects experienced by people and communities and how they can be avoided, managed, or enhanced.¹⁰

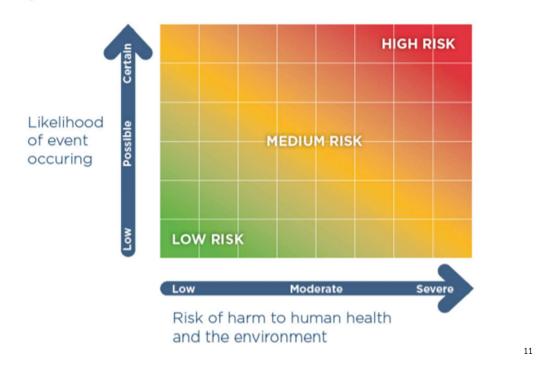


Figure 3: Environmental risk matrix³⁶

Given the legislative tools provided under the RMA, the risk assessment guidelines and the challenges raised by the home sharing platforms, assessment guidelines and the challenges raised by home sharing platforms, we suggest the Council arms itself with measurables to ensure transparency, effectiveness and coherency in any future decision-making process.

Section 2. Trade Competition Restrictions under the RMA

Whilst we acknowledge that Part 11A of the RMA restricts considerations around trade competition, this does not mean that Council can afford to ignore the impacts of large scale, unregulated home share accommodation on the community. We would like to point out that

*"… These restrictions do not prevent the decision maker considering wider amenity or economic effects which are not caused directly by trade competition.*¹²

¹⁰ <u>https://www.nzaia.org.nz/</u>

¹¹ <u>https://www.mfe.govt.nz/sites/default/files/media/RMA/best-practice-guidelines-cme-final.pdf</u> pg 44

¹² <u>http://www.environmentguide.org.nz/rma/resource-consents-and-processes/processing-of-resource-consent-applications/making-a-decision/</u>

Professor Sarah Donicar from the University of Queensland Business School¹³ explores the theme of sliding scales of economic and environmental impacts in her work entitled 'Peer to Peer Accommodation Networks - Pushing the Boundaries'.

"Most importantly, it is not possible to develop one set of specific regulations suitable for all the possible sharing economy businesses and variants of peer-to-peer accommodation networks. For example, a single retiree could be offering a spare room in their house in a regional part of the country such as Toowoomba (Australia) for a small amount of money. This small amount of money helps the single retiree make ends meet, brings a bit of life and joy into their life, and some extra business to the local pub.¹⁴

Although potentially well-meaning when describing a single retiree, the reality is an average operator in Christchurch significantly exceeds what might be considered 'a bit of life and joy'. Referring a small amount of extra business to the local pub doesn't negate the impacts on surrounding residents.

On the very same platform, a real estate investor could evict long-term tenants and instead sell short-term accommodation in a purpose-built apartment block, deliberately circumventing hotel regulations, thus creating unfair competition for hotels without creating any additional value to the community and local economy. Sharing resources that are truly underutilized, that attract new tourists, enrich the community through social interactions, and create economic value for local businesses (as is the case with the single retiree in Toowoomba) are in the best interest of the regulator. On the other hand, rent-seeking behaviour trying to capitalize on loopholes in the currently under-regulated sharing economy is detrimental to: local service providers bound by industry regulation; community members exposed to negative external effects; and the regulator losing tax income necessary to mitigate negative effects as well as to maintain shared tourism resources and infrastructures.⁴¹⁵

Our members have rights and form an important part of the community. They have invested in commercial businesses and abide by a multitude of compliance regulations. They do not deserve to be less valued in the community than individuals who are either deliberately or unintentionally avoiding compliance with existing rules.

Section 3. Shirking Responsibility

Where the Council fails to identify home share accommodation developments (in spite of significant and very public advertising), we suggest that compliance officers (and potentially

¹³ https://business.uq.edu.au/profile/2207/sara-dolnicar

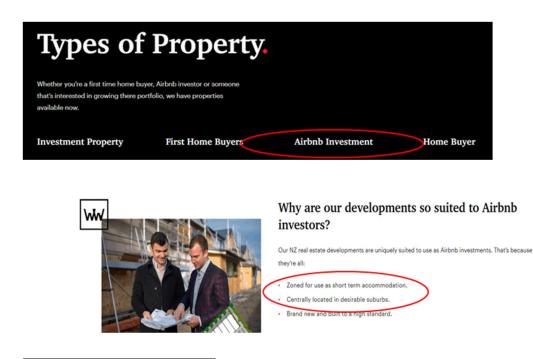
¹⁴ <u>https://business.uq.edu.au/profile/2207/sara-dolnicar</u>

¹⁵ <u>https://www.oapen.org/download?type=document&docid=640674</u>

other Council staff) driving east on Blenheim Road adjacent to the Sockburn roundabout must be blind. The image below demonstrates the flagrant and obvious nature of the issue.



Property developers recognise Council does not undertake enforcement activities and are actively pursuing short term accommodation opportunities. For example, Williams Corporation boldly advertise their AirBnB investor expertise in self-published information memorandums and investment strategies. ¹⁶



¹⁶ Williams Corporation information memorandum - 21 Hargest Crescent Sydenham, Christchurch and <u>https://www.williamscorporation.co.nz/airbnb-investing/</u>

A full page AirBnB appraisal is included in the information memorandum documents for 21 Hargest Crescent comparing short term accommodation income to that of long-term rental income.

The AirBnB appraisal is provided by Rose Bos - who makes her living from specialising in AirBnB Accommodation Management and who states:

*"The owner may be required to obtain resource consent but the likelihood of the council enforcing this is low at this stage..."*¹⁷



Images direct from the Williams Corporation website infer AirBnB investment is legitimate and valuable to the community, but residents from Merivale Lane clearly disagree as shown in a recent article in The Press by Tina Laws:

"Residents in an affluent Christchurch suburb are outraged at plans to build two highdensity housing developments on already congested streets.

They fear the developments in Merivale Lane and Leinster Rd in Merivale will lead to the "touristification" of their neighbourhood, if snapped up by Airbnb-type operators. The residents are also concerned the buildings are being considered and approved under residential zoning rules, without neighbours being notified or allowed to have any input, when they should be considered as commercial operations.¹⁸

¹⁷ <u>https://www.facebook.com/pages/category/Property-Management-Company/Rose-Bos-</u> <u>Accommodation-Management-264660227535100/</u>

¹⁸ https://www.stuff.co.nz/life-style/homed/real-estate/119763771/outrage-at-plans-to-commercialisehousing-in-affluent-christchurch-suburb

Additionally, a report commissioned by Tourism Industry Aotearoa and ChristchurchNZ and conducted by University of Canterbury Business School states:

'A cohort of high-end wealth investors in New Zealand is also using Airbnb as a revenue tool to increase returns to their real estate portfolios. The use of Airbnb over long-term rentals has implications for rental prices, as well as effects on the formal accommodation sector. An example is the William Corporation, who is actively advertising their properties in the city centre of Christchurch as being perfect for "Airbnb investment" [pp32-33]¹⁹

In the November issue of 'LG' NZ Local Government Magazine, Ruth Berry (challenge director for the Building Better Homes, Towns and Cities (BBHTC) National Science Challenge) discusses the disruption of the housing market, stating:

"BBHTC analysis seems to support the assertation that Airbnb is disrupting housing markets, with data indicating that there is a trend towards offering entire properties for rent through Airbnb rather than spare rooms in owner/renter-occupied homes.

This finding is supported by another study conducted by the University of Canterbury Business School and ChristchurchNZ for Tourism Industry Aotearoa.

The UC Business School study included interviews with a range of Airbnb hosts, accommodation industry leaders and formal accommodation providers in Canterbury.

The research identified three different types of Airbnb hosts:

• Professional hosts (who overlap in character and interest with formal accommodation providers);

- Semi-professional hosts (mainly owners of investment properties); and
- Casual hosts (who offer rooms in their home).

*Professional and semi-professional hosts are most likely to offer self-contained properties for the exclusive use of their guests. Generally, these hosts have no personal interaction with guests, utilise lock-boxes for guest access and do not live on site.*²⁰

Where developments incur the volume of disruption that Merivale Lane will face with 18 units on one section and current on street parking already at a premium, residents will feel significant impacts. Legitimate activity (residential use and housing for families) is something anticipated in residential zones. In reality the subterfuge of these activities disguises their real intent and operation as mini hotels, motels and backpackers.

¹⁹ <u>https://www.christchurchnz.com/media/iw4frhyu/airbnb_final_report_2019.pdf</u>

²⁰ <u>https://localgovernmentmag.co.nz/airbnb-impact/</u>

Section 4. General Disruption and Deterioration of the Local Community

As a result of the recent, exponential growth in the home-share accommodation sector, increasing disruption to, and the undermining of community social fabric, has occurred. Recently in other parts of NZ, concern has turned to the impact home-share accommodation is having on local communities, residents' peaceful enjoyment of their homes and the ability to attract and retain staff where long-term rental properties are nearly non-existent.

There is an important aspect to having a sense of place, community and identity that is inherent in a permanent neighbour living in a residential neighbourhood. The perception of community that underpins our sense of belonging can deteriorate within neighbourhoods with high turnover home share accommodation properties. Exposure to strangers, multiple vehicles parking in crowded environs and the noise associated with strangers enjoying themselves outside their own home environment and normal routines become tiring on a daily basis. It is therefore essential that community and amenity values are controlled and managed properly.

The options and proposals suggested by Council through this consultation process do not address amenity. Rather, Council appears to focus on the changing environment as being 'the new norm,' without looking to the regulatory tools available. Regulating this potential 'new environment' without due diligence to the amenity and cumulative effects is contrary to Council's role to uphold the District Plan including monitoring the effects of developments (legal or illegal).

"The term "amenity values" is defined in the Resource Management Act 1991 (RMA) as "those natural or physical qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes" (s 2 RMA). Contributing factors to suburban amenity values include public and private open space, historic and cultural heritage, neighbourhood character, vegetation (eg bush, trees and gardens), **safety, views, and noise levels**. Significant effects of intensification on suburban amenity values include:

- changes to the streetscape and the combination of the natural and built environment;
- the loss of vegetation, special character, and public and private open space;
- *increased traffic, noise levels, on-street car parking and the effects of increased traffic levels on safety.*^{"21}

To be clear, loss of amenity through an environmental effect is an important tenet of the existing District Plan

5. Impacts on Traditional Commercial Accommodation Providers

If the share-economy is here to stay, it is essential that all entities acting as businesses face the same regulations and enforcement regimes to ensure accommodation sector viability. Based on the fact that many shared-accommodation providers are operating whole house entities full time, local government has a duty of care to regulate the home share accommodation sector so

²¹ <u>https://www.pce.parliament.nz/media/pdfs/sub_amenity_Chch.pdf</u>

it more closely aligns with the safety regulations that commercial accommodation providers must adhere to.

Commercial accommodation providers have always had to bear the cost of keeping their guests safe - this includes significant compliance costs around stringent fire and safety regulations, BWoFs, and building code requirements. These compliance costs are targeted to ensure safety. The vast majority of home share-accommodation providers do not have fire safety systems in place or building code of compliance around safety regulations (otherwise the council would have identified them through the resource and or building consent process). Even more concerning is that the vast majority of operators are not even aware of any liability. With the introduction of the Health and Safety at Work Act 2015 and critical liabilities underpinning governance structures, the Council's lack of action to ensure safety is remiss at best and potentially negligent at worst.

In an increasingly competitive market place, commercial accommodation operators face ever increasing fixed costs to operate their businesses, yet non-regulated enterprises (such as short-term accommodation suppliers) enter the market with little or no compliance requirements or associated costs. The commercial accommodation sector in the Christchurch TLA contributes \$162 million to national GDP²² and the quality of our tourism offering will decline if the commercial accommodation sector is damaged or potentially collapses through a fully unregulated model. The monetary value of combined commercial rates* paid by the commercial accommodation sector in the Christchurch TLA offsets service provision costs for the Council, without which, the rating disbursement principle would weigh more heavily on residential ratepayers. *Awaiting total value of commercial rates from the commercial accommodation sector for the 2018/2019 financial year from Team Leader of Rates, CCC.

The Local Government Funding and Financing Report published by the Productivity Commission on 12 December 2019 states:

*"Bookabach, a major platform for short-term rental accommodation, noted in their submission that (short term rental accommodation – STRA) is a commercial activity – distinct from providing permanent rental housing. We are committed to proper and appropriate regulation of the STRA industry and we are in favour of the STRA paying its fair share. (sub. 99, p. 5)."*Pg 273²³

F10.5 Standalone homes rented out through peer-to-peer platforms for a significant proportion of the time are acting as accommodation businesses. It is therefore appropriate that they pay business rates, or a proportion thereof.^{*24} Pg 274

²² <u>http://webrear.mbie.govt.nz/theme/gdp-by-</u>

industry/map/barchart/2017/christchurch/accommodation?accessedvia=canterbury&bailiwick= WyJxdWVlbnN0b3duLWxha2VzIix0cnVlLHRydWUsdHJ1ZV0%3D&right-transform=absolute

²³ <u>https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing/</u>

²⁴ <u>https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing/</u>

Section 5. Health and Safety of Guests

Commercial Accommodation providers have a duty of care and comply with the Health and Safety at Work Act 2015 to ensure their visitors have a hygienic, safe and enjoyable stay. Shared accommodation operators are neither regulated or policed on guest safety in spite of earning relatively more than just a modest income, with some earning significant amounts.

The ChristchurchNZ and UoC report supports the concerning level of liability that many home share providers are bearing (usually but not always unknown) while undertaking illegal activities, typically in residential zones.

"Beyond regulations specific to Christchurch, there are also several legislative acts at the national level (particularly with respect to health and safety) which applies to home sharing accommodation. For example, the Building Act 2004 may apply for Airbnb accommodation providers depending on the scale of their activities and can include requirements for smoke alarms, sprinkler systems and disabled access. The Fire Safety and Evacuation of Buildings Regulations 2006 include requirements to provide a means of escape and an evacuation plan for any "premises providing accommodation for the public". Likewise, the Fire Service Act 1975 requires an evacuation scheme approved by the Fire Commissioner if accommodation is offered for more than five persons. The Health and Safety at Work Act 2015 likely also applies in terms of imposing a duty of care to eliminate health and safety risks so far as is reasonably practicable when conducting a business."Pg 6²⁵

The general public now look at the home share accommodation product alongside commercial accommodation when considering holiday options. Very few differentiate between commercial and non-commercial operators and arguably, they assume the same level of safety and compliance as provided by a hotel, motel, backpackers.

"The legislation around fire safety in the built environment includes requirements that relate to the design of the building itself as well as some that relate to the operation, maintenance and general use. Fire and Emergency New Zealand is a key stakeholder in respect to many of these requirements.

Design requirements are covered in the <u>Building Code</u>, <u>Clauses C1 to C6</u>. They relate to measures intended to prevent fires, ensuring adequate warning and egress provisions for occupants, providing safe access to firefighters and preventing fire spread both within and outside of the building.²⁶

Appropriate safety regulations must be set for home share accommodation providers in line with safety requirements for commercial accommodation providers, including requirements around evacuation procedures as prescribed by section 75 of the Fire and Emergency Act 2017.²⁷

²⁵ <u>https://www.christchurchnz.com/media/iw4frhyu/airbnb_final_report_2019.pdf</u>

²⁶ <u>https://fireandemergency.nz/business-and-landlords/fire-safety-regulatory-framework/</u>

²⁷ http://legislation.govt.nz/act/public/2017/0017/latest/DLM6678641.html#DLM6678641

Do I need an approved evacuation scheme?

A building owner must ensure their building complies with the Fire and Emergency New Zealand Act 2017 (the Act) and the Fire and Emergency New Zealand (Fire Safety, Evacuation Procedures, and Evacuation Schemes) Regulations 2018 (the Regulations). A building that requires an evacuation scheme is called a 'relevant building'. These include the following:

- 1. Buildings where 100 or more people can gather together.
- 2. Buildings where 10 or more people work.
- 3. Buildings where 6 or more people sleep, unless there are 3 or fewer households.
- 4. Buildings storing certain levels of hazardous substances.
- 5. Buildings used for early childhood, medical, and disabled care services, unless the building is a normal home.
- 6. Prisons and holding cells.²⁸

Failure to do so will sadly, but inevitably, result in death or serious injury. Already, Christchurch has seen two such near misses; in 2017 an AirBnB house fire in Sumner came perilously close to fatalities with six Malaysians hospitalised from smoke inhalation.²⁹ Headlines stated:

"Boy Leads Family to Safety as Flames Gut AirBnB House."30

A further fire On Memorial Ave in October 2019 also gutted the building:

*"Tourists are believed to have been staying in a Christchurch house rented out on Airbnb when a fire broke out on Sunday evening.*³¹

These ongoing levels of non-compliance not only put Christchurch visitors at risk but also the reputation of New Zealand as a destination of choice. The commercial accommodation sector currently provides a trusted 'product' complete with supervisor, enforcer of site rules and a caring host. In contrast, whole home, non-hosted accommodation allows for excessive behaviour, out of control parties, temporary meth labs, brothels and other unsavoury or criminal activity.

Our members have a genuine care for the safety of their guests as well as their employees. Home share accommodation lacks standardised organisation and hygiene processes when dealing with complex health and safety issues. The recent outbreak of the Coronavirus (COVID-19) is a good example of the measures our members take to put the welfare of their guests and employees first. Some examples include following the processes below:

²⁸ <u>https://onlineservices.fire.org.nz/Home/EvacuationSchemes</u>

²⁹ <u>https://www.stuff.co.nz/business/96709482/christchurch-airbnb-fire-a-wakeup-call-for-the-accommodation-industry</u>

³⁰ <u>https://www.stuff.co.nz/national/96699723/fire-crews-battle-christchurch-house-fire?rm=m</u>

³¹ <u>https://www.stuff.co.nz/national/116964126/house-fire-in-christchurch</u>

- With an unwell guest, members ask them to isolate themselves in their room until they can see a doctor.
- If suspicion is high that a guest is seriously unwell members call 111 and explain the situation. Where St Johns may not dispatch an ambulance depending on the severity, they will be able to give advice to the member as to how to proceed.
- Members refer to the Ministry of Health website and print off the Coronavirus health cards and leave them in every room the cards are translated into multiple languages including Mandarin, so quite helpful if non-English speakers are staying.
- Members print off a local Christchurch map with the location and phone number of the 24-Hour surgery and place these in all rooms.
- Members protect cleaning staff by reiterating their Health & Safety Policies and procedures while enforcing the need to wear gloves and face masks to minimise the risk of inhaling disease laden air particles.
- Members distribute hand sanitiser in all rooms.

Frequent and comprehensive communications are disseminated to members to ensure they have latest 'beat practice' Ministry of Health advice at their fingertips. This advice is crafted by experts and undertaken with national oversight.

Section 7. Impact on Availability of Long-term Rental Properties

Difficulties facing potential and current employees with regard to finding suitable, affordable accommodation is growing. This is particularly prevalent for workers who are pushed out of the long- term rental market by the increasing number of properties being converted to short term home share (non-hosted, whole home) accommodation.

Weighty compliance requirements under the Residential Tenancies Act 1986; The Building Act 2004; Health and Safety at Work Act 2015; IRD Regulations; Healthy Homes Standards³² (insulation and smoke alarm requirements) all contribute to reluctance on behalf of landlords to commit to the long-term rental market for less financial return.

At the opposite end of the spectrum, converting a rental property to home share accommodation for a fraction of the compliance cost and effort, AND for better financial gain is a simple and more financially rewarding decision. Worksafe NZ specifically address this issue on their Property Management FAQs webpage.³³

"Q: I'm temporarily renting out my family home (or part of my home) what are my duties under the new law?

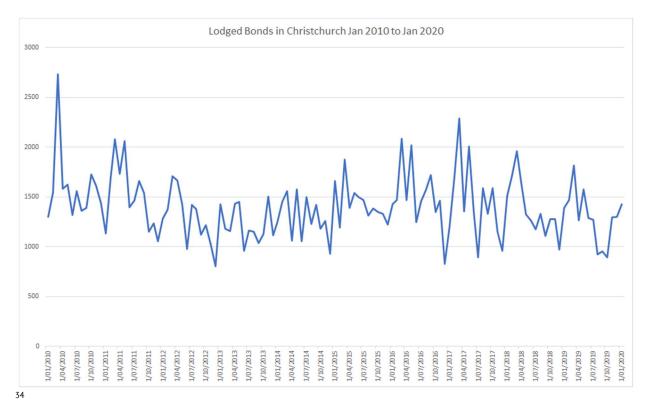
A: Where someone is temporarily renting out a family home or a part of a home (eg AirBnB), we have no particular interest in such premises. As a matter of common sense and in the interests of ensuring safety however, it is

³² <u>https://www.tenancy.govt.nz/starting-a-tenancy/new-to-tenancy/information-for-new-landlords/</u>

³³<u>https://worksafe.govt.nz/managing-health-and-safety/getting-started/mythbusting-and-fags/property-management-fags/</u>

sensible for AirBnB operators (or others) to avoid having any significant work carried out on/in the home while it is fully or partially rented out."

With the financial onus of weighty compliance measures, residential landlords have been transferring to home share accommodation platforms. The graph below demonstrates the reduction of bonds lodged in the Christchurch TLA over the past ten years, in contrast to the general uptick in housing stock over the same period. The lack of any growth in bond lodgements indicates that the long-term rental market has reduced in capacity and it appears this has occurred at the same time short term accommodation properties have increased significantly.



The displacement of employees and their families is at a critical point in specific regions that are characterised by short-term rentals available in the market. In some locations, a daily rate for home share accommodation can be higher than a weekly rent in the same area.

"Airbnb's impact is most keenly felt in these regions [South Island Tourism hotspots] because not only do they now have a high density of short-term rentals, but the lack of long-term rental housing has forced those who were once committed residents to shift from the region and has discouraged workers from moving to some areas.

The evidence supports the view that in these regions especially, Airbnb has led to a shortage of long-term rental housing, both for long-time residents and seasonal workers....

³⁴ <u>https://www.mbie.govt.nz/building-and-energy/tenancy-and-housing/rental-bond-data/</u>

The data also supports the perception that in areas that once housed long-term residents, there is now a disproportionate number of tourists. Globally, it has been argued that Airbnb has created a new category of rental housing – short-term rentals. These are categorised as disruptive to housing markets because the only change needed is to displace a long-term rental tenant to enable this transition.⁷⁵⁵

As Ruth Berry states above in her recent article published in the November edition of the Local Government magazine, the highly regulated long-term rental market is being undermined by the fluidity, convenience and increased financial gains of the short-term rental market. Because this impacts the people who can least afford it, the Ministry for Social Development (MSD) has been under pressure to place homeless people into motels under the Emergency Housing Special Needs Grant. Regional data available on the MSD website explains these effects in Christchurch:

"The purpose of the Emergency Housing Special Needs Grant (EH SNG) is to help individuals and families with the cost of staying in short-term accommodation if they are unable to access one of the Ministry's contracted transitional housing places. The EH SNG pays for short-term accommodation for up to seven days at a time, and is provided by commercial and community providers who are not contracted by MSD to deliver accommodation services. In the quarter ending 30 June 2018, there have been 659 grants made supporting 275 households compared with 326 grants supporting 179 households in the quarter ending 31 March 2018 [102% increase over a 12 week period!]. \$333,167 Total amount granted in the quarter ending 30 June 2018 (\$177,897 as at 31 March 2018) [46% increase over a 12 week period].³⁶ Pg 3

Christchurch City

Number of EH SNG approved 574 (Mar 2018 quarter 271) Amount of EH SNG approved \$288,462 (Mar 2018 quarter \$149,600)

Number of applicants on the Social Housing Register 751 (Mar 2018 quarter 721) Transitional Housing places 259 Target; 267 Actual

Public Housing tenancies 6,458 (6,371 Mar 2018 quarter)⁵⁷ Pg 4

³⁵ <u>https://localgovernmentmag.co.nz/airbnb-impact/</u>

³⁶ <u>https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-</u> resources/statistics/housing/quarterly-factsheets/2018/msd-public-housing-factsheet-june-quarter-updatecanterbury.pdf

³⁷ <u>https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-</u> resources/statistics/housing/quarterly-factsheets/2018/msd-public-housing-factsheet-june-quarter-updatecanterbury.pdf

Section 8. Solutions - The Share Economy Is Here To Stay

Because of the inherent complexities in trying to regulate and mitigate the environmental effects of home share accommodation, we believe short-term, medium-term and long-term solutions are required.

Short-term solutions are imperative because the Christchurch commercial accommodation sector is in crisis and the Coronavirus impact will compound the already severe effects of competing with unregulated home share providers - potentially spelling the end for smaller scale, family owned and operated commercial accommodation providers.

As noted at the start of the document, Council compliance and enforcement teams have a number of tools at their fingertips. Combined with geospatial technology, the issue of property identification becomes a moot argument. Once identified, property owners can be targeted by compliance officers as would any other non-consented commercial activity operating in a residential zone. These statutory obligations imposed under the RMA should not be taken lightly and as such, the Council has a legal duty to provide adequate resources in this area.

If a not-for-profit organisation like Hospitality NZ can afford to purchase verified geospatial data, in a very short period of time, arguments as to the 'cost' or 'accuracy' of available information are shown to be mis-leading or designed to deflect from mandated responsibility.

Hospitality New Zealand is happy to meet with the Compliance and Enforcement Teams to share the available data and help generate an efficient strategy to assist in enforcing the current District Plan Rules.

Simultaneously, we ask that a letter is sent to all ratepayers as part of the quarterly rates mailout, detailing their legal obligations under the current District Plan Rules. Many people simply do not realise their liability. This was a clear recommendation in the 'AirBnB' and the Perceptions of Stakeholders' study but has yet to be actioned by Council.

"Ongoing information and messaging campaigns from local government to both the formal accommodation sector and Airbnb hosts/potential hosts may help to promote knowledge of the existing regulatory environment, the need for compliance by many Airbnb hosts, and regulation changes local government is considering." Pg 26³⁸

Medium Term solutions are critical to limiting further unintended environmental consequences and cumulative impacts. Constantly poor traffic dispersal, overcrowded car parking, refuse and noise issues all contribute to undermining neighbourhood satisfaction and community.

By understanding the motivations of home share accommodation providers, as defined below, we suggest Council adopt some regulatory refinements to help limit further impacts.

"We identified three Airbnb hosts types: professional hosts (who overlap in character and interest with formal accommodation providers), semi-professional hosts (mainly

³⁸ <u>https://www.christchurchnz.com/media/iw4frhyu/airbnb_final_report_2019.pdf</u>

owners of investment properties), and casual hosts (who offer rooms in their home)."³⁹ P3

To allow for the genuine home-share operator, who does not host guests but has traditionally rented out their home while away on holiday, we suggest the council could allow a permitted activity status **but only for a maximum of 28 days.**

This allows four weeks per year where a family can rent their whole home, comply with the short-term accommodation hosting requirements under IRD and offset travel costs. On the 29th day, this becomes a prohibited activity, and compliance officers are directed to enforce restrictions.

To protect certain areas from further environmental effects, we suggest non-permitted activity zones for greater acknowledgment of location specific requirements. For example, the congestion of traffic along Riccarton Road, Blenheim Road, Papanui Road and other key routes.

Nevertheless, we do not advocate for this option to be adopted before enforcing the existing District Plan Rules. Additionally, before acting on these suggestions we ask that the Council undertake both a CEA and SIA to inform fact-based decision making.

Long-term solutions are essential to future proofing the accommodation sector in an efficient, measured and comprehensive way. A national register for all accommodation providers would provide transparency, certainty and a host of other benefits. Where regional issues spill over into nationally significant trends, Council must act on behalf of its constituents, and weigh into political waters in the interests of the greater good.

As Ruth Berry notes:

"...it is also clear that local councils need more policy options and resources to create reasonable and balanced approaches to addressing the impacts of accommodation sharing platforms.

A key missing resource is efficient and effective ways of identifying properties or rating units that are engaging in accommodation sharing and the nature of accommodation sharing stock.^{#0}

Even the behemoth of the home share accommodation industry, AirBnB, has recently stated its preference for a national regulatory framework citing:

"We acknowledge however, the challenges regulators and policy makers face in responding to this new economic activity. It is clear from discussions Airbnb has had with Councils across the country that applying old 20th century rules to regulate this 21st century phenomenon is impractical."

³⁹ <u>https://www.christchurchnz.com/media/iw4frhyu/airbnb_final_report_2019.pdf</u>

⁴⁰ <u>https://localgovernmentmag.co.nz/airbnb-impact/</u>

"To help policy makers make the best decisions about home sharing and to help with enforcing new fit-for-purpose 21st century rules, Airbnb supports the creation of a national data sharing framework.

It's envisioned that this framework will:

- Integrate with a national STRA planning framework and provide policy makers with the best possible information to increase understanding of home sharing and measure the success of policies implemented;
- Drive compliance with new STRA rules; and
- Apply across the whole STRA industry with adequate safeguards to protect privacy.^{*41}

Although we do not agree 100% with AirBnB's position (particularly the Bed Tax proposal), we do support a practical approach to the issue of legitimate and sustainable offerings in the tourism market.

Recommendations from the ChristchurchNZ and University of Canterbury study entitled 'AirBnB and the Perceptions of Stakeholders' state:

"Local and national government as well as the wider tourism and hospitality sector should look at models that have been successfully applied in other countries (e.g., in Barcelona) to regulate Airbnb and collect local taxes and rates (see Airbnb: The global picture, p. 4). One possible solution might be, for example, electronic registration of P2P accommodation operators, though this would require the government to pass enabling legislation^{*42}.

Additionally, the Productivity Commission recommends:

"R10.2 Central government should explore ways to assist councils to identify properties operating as short-term rental accommodation businesses within their districts. Options to explore include requiring booking platforms to provide information to a national register of short-term rental accommodation providers.^{*13} Pg 274

A national framework would:

i) Require short term visitor accommodation businesses to declare their explicit purpose such as requiring a NZ Business Number and identifying their location. This would then enable site specific monitoring and enforcement as well as enabling a wider appreciation of the effects of these businesses. With the augur of Coronavirus hanging over New Zealand, this would be an excellent delivery tool to disseminate any critical

⁴¹ <u>https://news.airbnb.com/en-au/nzregulatoryprinciples/</u>

⁴² <u>https://www.christchurchnz.com/media/iw4frhyu/airbnb_final_report_2019.pdf</u>

⁴³ <u>https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing/</u>

health information, including but not limited to, the tracking of visitors from specific flights.

ii) Setting of clear definitions as to business specifics e.g. replace the term 'home-share' accommodation with 'short term visitor accommodation' (STVA) and provide 'best practice' guidelines for each level of accommodation.

iii) Set clear standards for these businesses e.g. Fire evacuation, smoke alarms, insurance, car parking, maximum occupancy and on-site supervision etc. This process allows transparency and certainty for operators, investors and guests.

"We have no issue with the odd family renting out a room, as that is part of kiwi hospitality, we do however have an issue with fulltime Airbnb operators engaging in professional accommodation provision... "If you're going to act like a business then you must be treated like one."⁴⁴

Peter Morrison, ONZSM Canterbury Branch President Hospitality New Zealand

iv) Provide coherency and uniformity for regulators including local authorities and key stakeholders ensuring that rules are consistent across the country and removing the need for duplicative local debates especially in the context of District Plan reviews.

Similar to other overseas jurisdictions, the framework at minimum must specify

i) any accommodation provider is identifiable (trackable, traceable and accountable).

ii) any home sharing digital platform shares data with the specified New Zealand regulator.

"...Central government can direct how resource management decisions should be made through national policy statements, national environmental standards and national planning standards. Central government may also directly intervene in local decision making where consent is sought for a proposal of national significance or through the development of regulations.^{*15}

Section 9. Conclusion

Historically, Hospitality NZ has presented these same home share accommodation arguments to the Council on several previous occasions over the past four years and the response has been absolutely underwhelming in relation to the lack of engagement and action taken.

We were previously advised that the biggest roadblock the Council faces in the home share accommodation space is not having the tools to identify the offending properties, which in turn negates any regulatory instruments at hand.

⁴⁴ <u>https://www.stuff.co.nz/the-press/news/118122679/christchurch-moteliers-call-for-urgent-regulation-of-airbnbstyle-accommodation</u>

⁴⁵ <u>http://www.environmentguide.org.nz/rma/</u>

We have demonstrated that access to geospatial data analysis of AirBnB listings in the Christchurch and Banks Peninsula area is a) possible and b) reliable. We therefore highly recommend Council considers **immediately** undertaking the same analysis in the interests of fulfilling its statutory duty under the RMA.

In the interests of preventing local commercial accommodation sector damage or potential collapse, we suggest Council actions our short-term proposals with expediency.

In the interests of fulfilling the Council's own vision to see 40,000 people living in the central city by 2028, we suggest Council consider actioning our fair and reasonable proposals to regulate home share accommodation. If Council wishes to proceed with a more liberal approach to short term accommodation, we suggest that might be up to a maximum 28 days per year as appropriate based on zoning, but only after completing thorough assessment of the effects of that proposal, including both CEA and SIA.

In the interests of future proofing the Christchurch accommodation industry and fulfilling the potential of both Te Pae and the Metro Sports Centre, we suggest Council leverages relationships at the national level and promote a national register. Hospitality NZ will collaborate with Council at a national level to achieve this outcome.

<u>The Council has a statutory obligation under the Resource Management Act to ensure the rules</u> <u>under the District Plan are adhered to.</u>

Annexure [C] Building Act Definitions

Single Household (SH)

Most domestic dwellings are designed to be used by a single household or family and are usually separated from each other by distance. The official definition is: *detached dwellings where people live as a single household or family, including attached self-contained spaces such as granny flats when occupied by a member of the same family, and garages (whether detached or part of the same building) if primarily for storage of the occupants' vehicles, tools, and garden implements.*

Sleeping Residential (SR)

Others that may have more than one purpose are classified as Sleeping Residential. These buildings may be multi-unit dwellings, flats or apartments. The definition for these is: **attached and multi-unit residential dwellings, including household units attached to spaces or dwellings with the same or other uses, such as caretakers' flats, and residential accommodation above a shop**.

Sleeping Accommodation (SA)

The last category of STVA buildings are defined as Sleeping Accommodation. These are motels, hotels, hostels, boarding houses, clubs (residential), boarding schools, dormitories, halls or wharenui. The definition for these buildings is: *spaces providing transient accommodation, or where limited assistance or care is provided for people*.

Detached Dwelling

Applies to a building or use where a group of people live as a single household or family. Examples: a holiday cottage, boarding house accommodating fewer than 6 people, dwelling or hut.

Annexure D Relevant Objectives and Policies

[Note: emphasis added - to be read alongside Council's section 32 report]

NATIONAL POLICY STATEMENT OF URBAN DEVELOPMENT 2020

Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.

Policy 11: In relation to car parking:

(a) The district plans of tier 1, 2, and 3 territorial authorities do not set minimum car parking

rate requirements, other than for accessible car parks; and ...

OPERATIVE CANTERBURY REGIONAL POLICY STATEMENT

Definition of "business" or "business activities"

means land or activities that include commercial and industrial and any ancillary activity.

Definition of "commercial activities"

means retail, office and other commercial service activities but does not include industrial activities.

Objective 6.2.5 Key activity and other centres

Support and maintain the existing network of centres below as the focal points for commercial, community and service activities during the recovery period:

- 1. The Central City
- 2. Key Activity Centres
- 3. Neighbourhood centres.

These centres will be high quality, support a diversity of business opportunities including appropriate mixed-use development, and incorporate good urban design principles.

The development and distribution of commercial activity will avoid significant adverse effects on the function and viability of these centres.

6.2.6 Business land development

Identify and provide for Greater Christchurch's land requirements for the recovery and growth of business activities in a manner that supports the settlement pattern brought about by Objective 6.2.2, recognising that:

1. [...]

2. <u>New commercial activities are primarily directed to the Central City, Key Activity</u> <u>Centres, and neighbourhood centres;</u>

3. A range of other business activities are provided for in appropriate locations; and 4. [...]

6.3.1 Development within the Greater Christchurch area

In relation to recovery and rebuilding for Greater Christchurch:

1. give effect to the urban form identified in Map A, which identifies the location and extent of urban development that will support recovery, rebuilding and planning for future growth and infrastructure delivery;

2. [...]

3. enable development of existing urban areas and greenfield priority areas, including intensification in appropriate locations, where it supports the recovery of Greater Christchurch;

4. ensure new urban activities only occur within existing urban areas or identified greenfield priority areas as shown on Map A, unless they are otherwise expressly provided for in the CRPS;

5. [...]

6. [...]

7. avoid development that adversely affects the function and viability of, or public investment in, the Central City and Key Activity Centres.

CHRISTCHURCH DISTRICT PLAN

Objective 11.12 - Role of the Central City Residential Zone

A predominantly residential environment offering a range of residential opportunities, including medium to high density living, within the Central City to support the restoration and enhancement of a vibrant city centre.

Policy 11.12.2 – To ensure non-residential activities in the Central City Residential Zone:

(a) are of a small scale;

(b) are compatible with residential activities;

(c) do not compromise the role of the Central City Residential Zone or Central City Business Zone, or the aim of consolidating that area of the Central City or the Central City Mixed Use Zone;

(d) meet the needs of the local residential community or would benefit from the high level of amenity inherent in the Central City Residential Zone

Policy 11.13.3 – Protect residential amenity by controlling the character, scale, and intensity of non residential activities.

Objective 14.2.4 - High quality residential environments

a. High quality, sustainable, residential neighbourhoods which are well designed, have a high level of amenity, enhance local character and reflect the Ngāi Tahu heritage of Ōtautahi.

Objective 14.2.6 - Non-residential activities

a. Residential activities remain the dominant activity in residential zones, whilst also recognising

the need to:

i. provide for community facilities and home occupations which by their nature and character

typically need to be located in residential zones; and

ii. restrict other non-residential activities, unless the activity has a strategic or operational

need to locate within a residential zone or is existing guest accommodation on defined sites.

Policy 14.2.6.1 - Residential coherence character and amenity

a. Ensure that non-residential activities do not have significant adverse effects on residential coherence, character, and amenity.

Policy 14.2.6.8 - Non-residential activities in Central City residential areas

a. Within Central City residential areas:

i. <u>ensure non-residential activities are of a small scale and compatible with</u> <u>residential activities;</u>

ii. <u>ensure non-residential activities are focussed on meeting the needs of the local</u> <u>residential community or depend upon the high level of amenity inherent in the</u> <u>Residential Central City Zone;</u>

iii. ensure new non-residential activities do not compromise the role of the Residential Central City Zone, the Central City Business Zone, or the aim of consolidating that area of the Central City or the Central City Mixed Use Zones;

[...]

v. protect residential amenity by controlling the character, scale and intensity of non-residential activities.

Objective 15.2.2 - Centres-based framework for commercial activities

a. Commercial activity is focussed within a network of centres (comprising the Central City, District Centres, Neighbourhood Centres, Local Centres and Large Format centres) to meet the wider community's and businesses' needs in a way and at a rate that:

i. supports intensification within centres;

ii. 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;

iii. supports the function of District Centres as major focal points for commercial activities, employment, transport and community activities, and Neighbourhood Centres as a focal point for convenience shopping and community activities; iv. gives primacy to the Central City, followed by District Centres and Neighbourhood Centres identified as Key Activity Centres;

v. is consistent with the role of each centre as defined in 15.2.2.1 Policy – Role of centres Table 15.1;

vi supports a compact and sustainable urban form that provides for the integration of commercial activity with community activity, residential activity and recreation activity in locations accessible by a range of modes of transport; [...]

viii. <u>enhances their vitality and amenity</u> and provides for a range of activities and community facilities.