

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER OF the Stage 2 Variation to the Queenstown Lakes District Plan - Visitor Accommodation, under clauses 6 and 8 of the First Schedule to the Resource Management Act 1991

AND

IN THE MATTER OF submissions and further submissions by Bookabach (Submission 2302) and Bachcare (Submission 2620)

**STATEMENT OF EVIDENCE BY MARK CHRISP ON BEHALF OF BOOKABACH
AND BACHCARE**

STREAM 15

6 AUGUST 2018

1. INTRODUCTION

- 1.1 My full name is Mark Bulpitt Chrisp.
- 1.2 I am a Director and a Principal Environmental Planner in the Hamilton Office of Mitchell Daysh Ltd, a company which commenced operations on 1 October 2016 following a merger of Mitchell Partnerships Ltd and Environmental Management Services Ltd (of which I was a founding Director when the company was established in 1994 and remained so until the merger in 2016).
- 1.3 In addition to my professional practice, I am an Honorary Lecturer in the Department of Geography, Tourism and Environmental Planning at the University of Waikato. I am also the Chairman of the Planning Advisory Board at the University of Waikato, which assists the Environmental Planning Programme in the Faculty of Arts and Social Sciences in understanding the educational, professional, and research needs of planners.
- 1.4 I have a Master of Social Sciences degree in Resources and Environmental Planning from the University of Waikato (conferred in 1990) and have more than 27 years' experience as a Resource Management Planning Consultant.
- 1.5 I am a member of the New Zealand Planning Institute, the New Zealand Geothermal Association, and the Resource Management Law Association.
- 1.6 I am a Certified Commissioner under the Ministry for the Environment's 'Making Good Decisions' course.
- 1.7 I have a wide range of experience in resource management planning relating to managing the use, development and protection of natural and physical resources, including undertaking work within the Otago Region. This has included:

- Assisting Contact Energy Ltd in relation to securing a resource consent to increase the operating level of Lake Roxburgh;
- Involvement in the Water Conservation Order relating to the Nevis River; and
- Assisting Queenstown District Lakes Council ("QLDC") in relation to the proposed upgrade of the Glenorchy Sewage Scheme.

1.8 I have extensive experience with planning and consenting processes associated with greenfield residential developments. By way of example, I was the planner responsible for the rezoning of land that enabled the development of the St Kilda Residential Development in Cambridge. I am currently assisting the same developer in relation to the rezoning of land on the western edge of Cambridge for the development of residential activities.

1.9 I have been involved in the preparation of numerous policy and planning documents, including as an author of such documents, assisting submitters with the preparation of submissions and expert planning evidence.

1.10 I have appeared as an Expert Planning Witness in numerous Council and Environment Court hearings, as well as several Boards of Inquiry (most recently as the Expert Planning Witness in relation to the Hawke's Bay Regional Investment Company Ltd's proposed Ruataniwha Water Storage Scheme).

2. CODE OF CONDUCT

2.1 While this hearing is not bound by the "Code of Conduct for Expert Witnesses" contained in the Environment Court Practice Note 2014, I have nevertheless prepared my evidence in compliance with that Code and I agree to comply with it throughout the hearing process. Unless I state otherwise, my evidence is within my sphere of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

3. EXECUTIVE SUMMARY

3.1 The key conclusions of my evidence are:

- Increased flexibility for Residential Visitor Accommodation is required beyond that proposed through the notified variation or recommended in the Section 42A Report;
- Amendments to the District Plan definitions, objectives and policies, rules and assessment criteria will appropriately address all matters related to the amenity effects of Residential Visitor Accommodation;
- Residential sub-zones will provide increased clarity and certainty to QLDC and the community which will assist decisions regarding future investment and community infrastructure to be provided in future growth areas;
- In the absence of any clear evidence, it is inappropriate for Residential Visitor Accommodation to be restricted for the purposes of increasing the supply of long term rental accommodation.

3.2 The changes proposed through the Bookabach and Bachcare ("BB") submissions will better achieve the purpose of the Resource Management Act 1991 ("Act") than those of the notified Variation or recommendations made through the S42A Report.

4. SCOPE OF EVIDENCE

4.1 I have been engaged by BB to present expert planning evidence in relation to their submissions and further submissions on the Stage 2 Variation to the Queenstown Lakes District Plan - Visitor Accommodation.

4.2 I have reviewed the Section 42A report about visitor accommodation prepared by Ms Bowbyes ("S42A Report"). I agree that she has appropriately identified the higher order policy framework of relevance

to visitor accommodation and I will comment further on that framework in my evidence.

- 4.3 I have read the statement of evidence of Mr Heyes addressing economic matters and the report prepared by Ms Devlin about visitor accommodation sub zones - mapping. I note that the recommendations made in the S42A Report are, for the most part, to decline the proposed amendments sought by BB.
- 4.4 As described in Section 8 of the S42A Report, BB jointly proposed an alternative approach to that set out in the notified Variation. The submissions stated concerns that, in terms of the strategic Objectives of the District Plan, the notified provisions:
- Drew an artificial distinction between Homestay accommodation and Residential Based Visitor Accommodation (whole home rental for short term stay);
 - Assumed without an evidential basis that restrictions on short term rental would facilitate a switch to long term rental (for residential occupancy); and
 - Did not effectively address amenity issues arising from multi-party occupancy.
- 4.5 The alternative approach described through the submissions includes the identification of Residential sub-zones as an overlay, wherein the Plan provisions enable some level of short term rental accommodation, but limit this to ensuring that increased priority is afforded to residential development for permanent occupancy. As the majority of the sub-zones relate to land that is yet to be developed, it sends a clear signal to the market which, I consider, will influence future decisions regarding the type and size of dwellings that will be constructed.
- 4.6 Complementing the sub-zones, the submissions propose a more enabling suite of provisions to allow use of Residential Visitor Accommodation for up to 90 nights per year outside of these sub-zones

as a Permitted Activity. Where this standard, or any other, is breached, the submissions propose that proposals should be considered on a Restricted Discretionary basis. The submissions are based on proposed amendments to the District Plan definitions which will provide a clearer distinction between low intensity accommodation and activities that are more commercial in character. The approach will ensure that Residential Visitor Accommodation can be provided to meet demand and will be managed to ensure that it protects residential character and amenity values.

4.7 The BB submissions acknowledge the significance of housing affordability issues facing the district but also note that, for the most part, these are focused on the availability of housing within Queenstown and Wanaka. The BB submissions, and my evidence, contend that these issues will not be addressed by a district wide restriction on the short term rental market in the manner proposed through the notified provisions, or the amendments recommended in the S42A Report.

4.8 While I support the increased flexibility reflected in the S42A recommendations regarding the permitted length of stay in Residential Visitor Accommodation being extended to 42 days across all zones, my evidence explains why further amendments are required to achieve the sustainable management of resources. I will explain the changes that are in my opinion needed and I have undertaken a further evaluation of these proposed amendments under Section 32AA of the Act which I summarise in my evidence.

5. CONTEXT

5.1 Section 3 of the District Plan sets out the Strategic Direction for the District Plan. Objective 3.2.1 of developing '*a prosperous, resilient and equitable economy*' is supported by Objectives 3.2.1.6 and 3.2.1.8 which aim to enable innovation, enterprise and the diversification of the district's economic base and rural areas.

- 5.2 Objective 3.2.2 identifies a range of key development principles that are to be followed to ensure that *'urban growth is managed in a strategic and integrated manner'*. Principally, this is to be achieved through the establishment of urban growth boundaries.
- 5.3 Objective 3.2.6 aims to ensure that *'The District's residents and communities are able to provide for their social, cultural and economic wellbeing and their health and safety'*. Strategic policy 3.3.1 gives effect to this in terms of the visitor industry, stating the intention to *'Make provision for the visitor industry to maintain and enhance attractions, facilities and services within the Queenstown and Wanaka town centre areas and elsewhere within the District's urban areas and settlements at locations where this is consistent with objectives and policies for the relevant zone.'*
- 5.4 The emphasis of this Strategic Direction is on enabling activities to occur within the district. I note that this direction does not signal any intention or requirement to restrict the provision of short term rental accommodation for visitors except insofar as it would be inconsistent with the objectives and policies of the underlying zone. This is not surprising as it is clear from the background papers accompanying the Variation (Rationale – QLDC Growth Projections to 2058) that anticipated visitor growth is a significant component of the district's growth projections.
- 5.5 Accommodation for short term rental is clearly an essential resource that needs to be available in order to sustain the operation and growth of the tourism economy.

6. THE SECTION 42A REPORT

- 6.1 I note from review of Section 8 of the s42A Report that the recommendation to decline the BB submissions rests on two key planks: that it would adversely affect residential amenity, and would adversely

affect the availability of housing for long term occupation. I will address both of these matters in turn.

RESIDENTIAL AMENITY

- 6.2 I agree that visitor accommodation has the potential to adversely affect the environment, for example where it results in a pattern or intensity of effects which are not anticipated within a locality. However, in my view, this is readily addressed through appropriate definitions and performance standards relating to the range of visitor accommodation that is expected to be provided. Where performance standards are not able to be achieved, assessment criteria should clearly establish the matters that are to be addressed. I will explain this further.
- 6.3 The BB submissions seek amendment to the definitions of both Residential Visitor Accommodation and Homestays. Based on the premise that a key element of any District Plan is to establish a level of activity that can be permitted without requiring resource consent, clarity in the definition of the activity is critical. Moreover, getting the definitions right will also address concerns regarding residential amenity.
- 6.4 Accommodation for short term visitors can take a variety of forms and can result in a character and intensity of effects that are difficult to distinguish from commercial visitor accommodation such as motels, lodges and hostels which are defined in the Plan as '*Visitor Accommodation*'. In addition to size, the intensity of the activity and its associated effects increases where it involves multiple parties staying in the same accommodation. It increases where such accommodation attracts passing trade through on-site advertising. It increases where facilities offer additional services such as catering and laundry. In my view such activities are operating at a level where the residential component, if it exists at all, is ancillary to the visitor accommodation element. Moreover, the effects associated with the visitor component

are little different to those of other commercial accommodation providers such as motels, lodges and hostels.

- 6.5 I note that each of the respective District Plan Residential Zones aims to ensure that provision is made for '*low intensity*' residential visitor accommodation. So, the key to ensuring that such activities remain '*low intensity*' is to manage occupancy and the range of services provided. In my view, that is most appropriately achieved through a requirement that they are occupied by a single household rather than multiple parties. This would then remove anomalies that might otherwise arise as a result of large dwellings with multiple bedrooms. I disagree with the view expressed in the S42A Report (paragraph 8.7) that the concept of a single household is vague; the term is specifically defined in the District Plan and is used as a basis for managing other activities.
- 6.6 Additional management of the effects of occupancy would also be achieved through a specific restriction based on the size of the property. The BB submissions propose that this is most appropriately achieved through a performance standard of 2 persons per bedroom plus two additional guests. This would ensure that properties were occupied at the same level of intensity as if they were used for permanent dwellings. It is an established method for managing the effects of visitor occupancy within established residential areas and, in my view, it will provide an effective means for ensuring that Residential Based Visitor Accommodation will remain '*low intensity*'.
- 6.7 In my view, the definition could be reinforced to clarify that '*residential visitor accommodation*' and '*homestays*' exclude the provision of catering or laundry services. As this will ensure that occupants are self-sufficient, it will result in a pattern of occupancy and associated effects that are indistinguishable from those of permanent occupancy.
- 6.8 Activities that do not meet the definition would be defined as '*visitor accommodation*' and would be subject to plan provisions accordingly.

- 6.9 I disagree with the view expressed in paragraph 8.9 of the S42A Report that it is appropriate for bed and breakfast style operations to form part of the definition of Homestay. The definition has a particular focus on the occupancy of a property by paying guests alongside residents. The definition is used to establish a baseline of effects that will be little different to those of permanent residential accommodation. In my view the provision of additional services to visitors introduces a commercial aspect that is markedly different from residential accommodation. As I will describe in my evidence, these effects would be inconsistent with the intention that accommodation is restricted to low intensity. Accordingly, bed and breakfast accommodation should be more appropriately defined as 'visitor accommodation'.
- 6.10 With a clearer definition there is increased confidence that the pattern and intensity of occupancy would result in a level of effects that would be indiscernible from those associated with permanent residents. I have noted reference within the s32 evaluation that Residential Visitor Accommodation results in additional effects on residential amenity that can arise in relation to noise, traffic generation and the management of rubbish. In my experience, such effects are not restricted to visitors. Similar issues were raised in the context of appeals against restrictive provisions in the Thames Coromandel District Plan. Closer examination of those matters revealed that while a number of noise complaints had been investigated by Council staff, few were substantiated and of those, it was impossible to determine whether they were related to paying guests or residents. I note that, in respect of the Queenstown Lakes District, the reporting planner has not provided any evidence to substantiate concerns regarding adverse amenity effects being attributable to visitors. I suspect that, as with Thames Coromandel District Council, the evidence is purely anecdotal and incapable of enquiry.
- 6.11 I recognise that the use of properties by visitors that are unfamiliar with local waste collection and recycling services can result in the potential

for rubbish to accumulate, or be left in inappropriate locations on a site. In my view this is easily addressed through ensuring compliance with existing performance standards relating to '*waste and recycling storage space*'. These provisions already form part of the provisions applying within the Low Density Residential Zone (Rule 7.5.12), Medium Density Residential Zone (Rule 8.5.10) and High Density Residential Zone (Rule 9.5.9). If additional measures are needed within these zones, it could be achieved through an additional requirement that such storage areas are to include signage providing details of waste collection arrangements, including collection days and alternative arrangements for collection/disposal outside of those days.

6.12 In respect of traffic generation and associated disturbance I note that Appendix 1 of the S42A Report proposes an amendment to delete reference to any limits on traffic movements except for heavy vehicles, coaches or buses. I agree with this amendment but also recognise that traffic movements create disturbance that can adversely affect neighbourhoods. Parking requirements can also spill over onto the street, potentially affecting access arrangements for existing neighbours. To address these concerns I consider that the requirement that occupancy is based on a single household and at a level that is appropriate for the size of the dwelling will ensure that travel demand will be no different to that expected of residential occupancy. I note that the Plan has variable parking standards depending on the underlying zone. Providing these are achieved I do not consider that the effects of visitor occupancy will be any different to those permitted by the Plan.

6.13 Where performance standards are unable to be complied with, the issues that QLDC has identified through the notified Plan and through the s42A Report are readily expressed as matters of discretion and assessment criteria. They each relate to aspects of amenity that are well understood and are described through the objectives and policies. In my view, this indicates that the effects of activities which do not

achieve the required performance standards can be assessed on a restricted discretionary basis. Appropriate assessment criteria for each of the respective zones are set out within the BB submission. These have been prepared to respond directly to the District Plan material describing the zones, for example, the criteria proposed within the Medium Density Residential zone have a focus on location, siting and building design, with a focus on streetscape and neighbourhood amenity. Equivalent criteria within the Rural Zone relate to the location, scale and intensity of the activity with a focus on landscape and building design matters.

- 6.14 Each set of criteria provide a clear framework of matters that will enable an overall judgement to be made. In my view, they are sufficiently defined to support a restricted discretionary activity status and, given their emphasis on context, they will enable a determination to be made without the need for public or limited notification unless exceptional circumstances exist. The exception to this approach, as described in the BB submission, relates to the proposed Residential sub-zones where the emphasis in these areas is on the provision of accommodation for permanent occupancy. In these areas, I consider that it is appropriate to signal that proposals which cannot achieve the required standards are not anticipated or provided for, hence they are identified as non-complying.
- 6.15 In summary, the amendment of the definitions, rules and assessment criteria that I have outlined would ensure that the effects associated with Residential Visitor Accommodation and Homestays, whether they are a permitted activity or specifically consented, would be indiscernible from that of a typical residential dwelling. As such, they will be consistent with the objectives for the respective residential zones which seek to ensure that residential character is maintained.

AVAILABILITY OF HOUSING FOR PERMANENT OCCUPANCY

- 6.16 I note that the policy frameworks for the Low Density and Medium Density Residential Zones specifically seek to ensure that Residential Visitor Accommodation and Homestays are managed to ensure that dwellings are used predominantly for *'residential activities'*.
- 6.17 The BB submission seeks that this reference is deleted, the effect of which will be to focus on ensuring that the residential character of localities is maintained. In my view the reference to residential activities being the predominant activity in a dwelling is confusing and unhelpful. The District Plan definition of *'residential activity'* does not provide for permanent residential accommodation in combination with other activities. Residential Visitor Accommodation and Homestays have their own definitions and there is no explanation within the definition of Homestays to indicate what proportion of a dwelling should be retained for exclusive use by a host.
- 6.18 The current reference to dwellings being used predominantly for residential activities therefore fails to determine an appropriate baseline for Permitted Activities and lacks clarity in terms of the assessment of proposals requiring resource consent. I consider that this element of the respective objectives and policies (Objectives 7.2.9, 8.2.15, 10.2.8, 10.2.8.2 and Policies 7.2.9.1, 7.2.9.2, 10.8.1, 11.2.4.1 and 11.2.4.2) therefore requires deletion.
- 6.19 I note that a number of policies (7.2.9.3, 8.2.15.3) also seek to restrict Residential Visitor Accommodation and Homestays where they would result in loss of the housing supply and loss of the residential character of the zone. I have already addressed the character issues and demonstrated that, if properly defined and subject to more focussed performance standards, such activity will have no discernible effect on residential character. I will now address the issues relating to the *'loss of housing supply'*.

- 6.20 I have reviewed background material to the District Plan and noted that, in terms of housing supply, the aim is to ensure the availability of housing to meet anticipated growth. The growth projections are those set out in the May 2017 Report prepared by Rationale. These projections consider the anticipated change of the residential population and visitors. In respect of the anticipated visitors in 2028 (Page 15 of the Report), approximately 32% are expected to be staying in private accommodation outside of the peak season, with an increase to 57% during the peak season. Longer term, the contribution of private accommodation is expected to increase to 43% outside of the peak season.
- 6.21 During this same period, the Report (Page 16) expects that the proportion of occupied dwellings will increase from 76% to 79% by 2028 and to 87% by 2058. While the number of unoccupied dwellings (holiday homes) is expected to increase by approximately 538 by 2028, longer term the number is expected to fall to 186, fewer than exist today.
- 6.22 These projections are based on modelling of historical data and published statistics. They inform the Plan rather than being a product of it. The role of the Plan is determine how best to provide for the anticipated level of demand.
- 6.23 In my view, by focussing solely on the supply of dwellings for permanent rental, the S42A Report has adopted a narrow view in considering whether the amendments proposed through the submissions will more appropriately provide for growth. I recognise the appropriateness of provisions that will improve the supply of dwellings to meet local needs but do not consider that it is appropriate for this to be achieved through a restriction on other forms of occupancy which clearly form part of the projected requirements.

- 6.24 I have already identified that the Strategic Direction set out within Section 3 of the Plan promotes an enabling approach to development. I have identified specific policy direction that only seeks to manage visitor accommodation where it would be inconsistent with the underlying zone. I have identified amendments to the Definitions and to District Plan standards that would ensure that the effects of Residential Visitor Accommodation will be indistinguishable from permanent residential occupancy. As such, they will be consistent with each of the underlying zones.
- 6.25 I have noted that it is the zone provisions (for the Low Density and Medium Density Zones) that refer to restrictions based on the loss of the housing supply, notwithstanding that the proposed restrictions in the notified plan and in the S42A Report are intended to apply district wide. Even within these two specific zones I am not aware of any detailed assessment of the housing supply having been undertaken within these areas to demonstrate that the limited availability of properties for long term rental has been caused by the operation of Residential Visitor Accommodation.
- 6.26 I note that Mr Heyes seems to share this view. His evidence is based on analysis of the district wide supply and he comments (at paragraphs 10.6 and 10.7) that the growth of listings for Residential Visitor Accommodation might never have formed part of the long term rental stock and would therefore had no effect on the supply of rental properties. He goes on to say that *'There is insufficient information to determine how many RVA listed properties have been taken out of the long-term rental stock because the personal circumstances and desires of the owners are unknown.'*
- 6.27 He estimates that approximately 8% of the district wide housing stock is listed for year-round rental for holiday purposes and on that basis he posits the view that they would be *'genuine candidates for long term rental'*. Far from identifying Residential Visitor Accommodation as the

cause of a reduced supply of long term rental accommodation, it simply identifies an opportunity that might be exploited to increase the supply. However, as Mr Heyes points out, the personal circumstances of owners are unknown and therefore there can be no certainty that they would make them available for long term rental. All that might happen is that Residential Visitor Accommodation stays empty for longer.

- 6.28 I am not aware of any further analysis having been undertaken to examine whether the location, design and costs of such property would meet the needs of the long term rental sector, or of the effects of a reduction in the availability of Residential Visitor Accommodation on the viability of the tourism sector. What Mr Heyes has demonstrated is that a significant body of work remains to be done to understand how the current housing and visitor accommodation sectors are operating and what the effects would be of any intervention in their operation.
- 6.29 My expectation is that such work is already underway as I note that the QLDC has stated its intention that Stage 3 of the District Plan Review will include specific amendments to address the provision of affordable housing and to introduce design guidance for residential development. This stage of the Review is intended for notification in the first quarter of 2019. In my view, until clear evidence is available that restrictive measures are justified and will have a predictable and desired outcome, it is appropriate to adopt a less restrictive approach.
- 6.30 Pending the introduction of new measures new the Stage 3 Review I note that the district is still making substantial progress in matching the housing supply to the needs of the community. The Queenstown Community Housing Trust is actively engaged in the housing market to ensure that development is procured specifically under terms that will ensure affordability for rent or purchase in perpetuity.
- 6.31 I also note that a number of Special Housing Areas have been confirmed within the district and that others are in the pipeline. My understanding

is that these initiatives (which preclude dwellings being made available as Residential Visitor Accommodation) have resulted in 1,030 residential sections/units being consented to date across seven locations. Such initiatives demonstrate that opportunities are available to address affordable housing issues without resorting to the imposition of restrictions on other land use imperatives through the District Plan.

- 6.32 In my view, the purpose of the Plan is to enable resources to be used subject to management of their adverse effects. I note that this is generally reflected in the Strategic Direction in Chapter 3. While the sustainable management purpose of the Act provides a basis for control of activities that would give rise to adverse effects, it seems to me that the notified provisions relating to visitor accommodation are based on a view that the activity itself, rather than its effects, warrants control to incentivise a change in the nature of occupancy to long term rental rather than short term.
- 6.33 I do not agree with this, partly because it reflects an anti-competitive approach which is at odds with the Act, but also because there is no evidence that the market would respond in that manner. In fact, the issue is traversed in Section 10 of the Economics evidence of Mr Heyes. As previously discussed, he explains that there is insufficient data to be able to determine that a switch from long term rental to short term rental has actually occurred, or that it is the cause of increased unaffordability. He identifies that approximately 8% of the dwelling stock is available for short term rental across the district but he also comments that it is not possible to know what proportion of this has ever formed part of the long term rental supply.
- 6.34 I note that Mr Heyes provides comment (at Paragraph 10.8) on the 42 night threshold proposed in the S42A Report. He explains that this would provide an earnings equivalent to the median income for an Airbnb host within the district. I think what he is suggesting is that a 42 night limit would still make it financially worthwhile.

- 6.35 I have no reason to doubt that but cannot agree that it provides a sound rationale for restricting an activity to its minimum financial viability. All that will result from that approach is that a property will lay vacant for much of the year. As I have explained earlier in my evidence, Residential Visitor Accommodation undertaken according to the definition and performance standards I have discussed would have no adverse effects that would be discernible from those of permanent residential occupancy, whether they are rented or owned. It is no more appropriate to impose a restriction based on financial viability than it would be to say that new dwellings could only be rented rather than owner occupied. The Act is not designed or intended to facilitate such market intervention; it has a clear focus on the management of the effects of activities.
- 6.36 I am not aware of any further assessment having been undertaken to determine whether any of this stock is suitably designed and located to have met the needs of the long term rental market.
- 6.37 Mr Heyes provides some commentary on the potential effects of variable restrictions on the number of letting nights per year (Paragraph 10.8). He estimates that a letting period of up to 90 days would still make long term rental a more attractive option from a financial perspective although I also note that he recognises that many properties would still not be made available due to owner preferences to retain the ability to use it themselves.
- 6.38 Interestingly, I note that the current District Plan already sets a limit of 90 nights as a permitted activity and the reference to 90 nights is also proposed to be retained within the Definition of Residential Visitor Accommodation recommended through the S42A Report.

7. RESIDENTIAL SUB-ZONES

- 7.1 The BB submissions include the identification of Residential sub-zones as an overlay, wherein the Plan provisions enable some level of short term

rental accommodation, but limit this to ensuring that increased priority is afforded to residential development for permanent occupancy.

7.2 I note that paragraph 8.18 of the S42A Report describes the approach as skewed towards providing for the preferences of travellers and owners wishing to let their properties. With respect, I think the approach has been misunderstood. While it has been informed by analysis of traveller preferences, this has been used to identify where current traveller demand is low, perhaps because of locational factors or because of the current limited supply.

7.3 As the majority of the sub-zones relate to land that is yet to be fully developed, the intention is to identify them as being areas where future development will have a higher proportion of permanent accommodation than visitor accommodation. By doing so it sends a clear signal to the market which, I consider, will influence future decisions regarding the type and size of dwellings that will be constructed. It also provides increased certainty to QLDC and other agencies that the long term structure of the population will be primarily permanent residents. I expect that this would be immensely helpful to agencies involved in decisions regarding community and social infrastructure.

8. SECTION 32AA

8.1 Section 32AA of the Act requires that prior to determining any changes to a District Plan, an evaluation must be made to examine whether a proposed objective is the most appropriate for achieving the purpose of the Act, and whether any specific provision is the most effective for achieving the objective. In undertaking such an evaluation it is necessary to consider the benefits and costs of the effects that are anticipated to arise, including effects on economic growth. It is also necessary to consider the risks of acting or not acting where information is uncertain.

- 8.2 I will explain why the amendments sought are to be preferred in the context of Section 32AA.
- 8.3 I note that the notified version of the Variation recognises the appropriateness of Residential Visitor Accommodation and provides for it through objectives and policies and through a permitted activity status. The S42A Report does not recommend any substantive change to the objectives and policies but does recommend that the performance standards related to the activity are amended to allow more flexibility.
- 8.4 I have explained why I consider that the objectives and policies require amendment to focus on residential character and amenity rather than on the availability of accommodation for long term rental. It is clear that there is no evidentiary basis on which to restrict activities for the purposes of providing long term rental accommodation. Similarly, no assessment has been undertaken to assess the effects of increased restriction on Residential Visitor Accommodation. The likely outcome is that property will simply stay empty for longer.
- 8.5 I support the intention of the S42A recommendations to increase flexibility but do not consider that it goes far enough. The proposed amendments adopt a district wide approach when the issues that it purports to address (residential amenity and housing loss) relate to the principal residential zones rather than district wide.
- 8.6 My evidence has discussed the amendments to the definitions and to the performance standards sought in the submissions by BB. These will ensure that there is improved clarity that such activity would be genuinely low intensity and, as a result, provide the basis for amending the performance standards to allow short term rental to occur for up to 90 nights per year outside of the Residential sub-zones identified through the BB submission. I consider that these amendments would more effectively achieve the objectives and policies of the Plan and

would be more efficient in terms of consenting requirements and associated costs to the applicant and wider community.

- 8.7 The effect of the amendments will be that, for much of the district, they will restore rather than extend the current level of provision made through the Operative Plan in terms of the number of nights that a property may be let for Residential Visitor Accommodation. As such, the amendments provide improved clarity and will provide for economic growth. The benefits of such growth are recognised as being of district wide significance.
- 8.8 I have explained the reasons why the introduction of Residential subzones will assist QLDC in its planning for the development of identified growth areas. These areas will have more restrictive provisions in respect of Residential Visitor Accommodation as a result of the BB submissions. I can only see this tool to be of benefit in achieving Objective 3.2.2 regarding strategic and integrated management of urban growth.
- 8.9 I have explained why, for the majority of zones, a restricted discretionary activity status would be appropriate as a basis for assessing proposals that do not meet the performance standards. The issues to be addressed are known and are well understood. They can be clearly articulated as assessment criteria and would still be applied in the context of the objectives and policies.
- 8.10 There is no evidence that the amendments sought through the BB submissions will impact adversely on the availability or affordability of housing for permanent rental. The evidence of Mr Heyes indicates that a 90 night limit would still favour long term rental from a financial perspective and he acknowledges that there is insufficient information to determine what the effects of any greater level of restriction would be.

8.11 Accordingly, I consider that the amended provisions are more effective and efficient in achieving the Plan objectives and therefore more appropriate for achieving the purpose of the Act.

9. SUMMARY AND CONCLUSIONS

9.1 I have explained the reasons why the Variation requires amendment to properly provide for Residential Visitor Accommodation. The amendments set out in the BB submissions will give effect to the Strategic Direction of the Plan without adversely affecting amenity values in established residential areas.

9.2 The identification of Residential sub-zones identifies areas where there is likely to be lower demand for residential visitor accommodation and where it is preferable to signal that they are to be developed primarily for permanent residential occupancy. This will assist decision makers in determining appropriate levels of investment in community infrastructure.

9.3 Regardless of the identification of Residential sub-zones, I consider that the amendments sought by BB in respect of the definitions, objectives, policies and rules (activity status and performance standards) relating to Residential Visitor accommodation provide an appropriate, effective and efficient framework for achieving the purpose of the Act.

9.4 Accordingly, I respectfully request that these amendments are made to the District Plan.

Mark Chrisp

6 August 2018

