Item 2: Short-Term Letting Update

SESSION TYPE: Workshop

PURPOSE/DESIRED OUTCOME:

To update councillors on Short-Term Letting work, reporting back on the findings of an independent study finalised in September 2026 and an update on a case study project in Fernhill.

DATE/START TIME:

Tuesday, 10 November 2026 at 10.30am

TIME BREAKDOWN:

Presentation: 15 minutes
Questions *or* Debate/Discussion: 15 minutes

PRESENTERS:

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Prepared by:



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28 October 2026

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30 October 2026

ATTACHMENTS:

A	Slides: Short-Term Letting update
B	Report: Short Term Renting in Queenstown Lakes

Attachment A: Slides: Short-Term Letting update

Short-Term Letting (STL) work programme update

10 November 2026

QUEENSTOWN LAKES DISTRICT COUNCIL

Today’s discussion

QUEENSTOWN LAKES DISTRICT COUNCIL

01	Context	History, policy settings and the evidence base to date
02	2026 study	New insights into the scale of STL in the district, the impact on the housing market, and compliance
03	Compliance Case Study	Scope, method, progress, and cross-council delivery
04	Next steps	Opportunities and policy direction

Short-term letting and housing in Queenstown Lakes

QUEENSTOWN LAKES DISTRICT COUNCIL

We have new evidence to inform a longstanding debate about STL.

Queenstown Lakes has a longstanding history of tourism and holiday home ownership, alongside persistent challenges with housing affordability.

These factors have prompted debate about the impact of holiday homes and STL on the local housing market, and prompted calls for greater regulation.

The following slides cover the national context, local plan changes, and existing evidence from an Airbnb commissioned report.

We then introduce the results of the recent STL study, and a compliance case study.

The results of the study and the compliance project are timely in that they help focus policy priorities and interventions, inform conversations about ratings models, build community knowledge, and inform the review of the destination management plan.

QLDC District Plan policy

QUEENSTOWN LAKES DISTRICT COUNCIL

2023

Visitor Accommodation Plan Change

This defined Residential Visitor Accommodation (guests using the whole unit), clarified the definition of Homestays (sharing a property with hosts), and established permitted day limits (usually of 90 days). The mediated outcome between QLDC and Airbnb reflected insufficient evidence to link housing pressures to STL supply.

2024

Inclusionary Housing Variation

The Inclusionary Housing Variation hearing panel identified STL as a primary driver of the district's affordable housing challenge and recommended further research.

OPEN QUESTIONS

What is the impact of STL on the local housing market?

How much STL stock could realistically move into long-term rental?

National Policy Context

While this issue is particularly relevant to Queenstown Lakes, there are also national conversations about regulation.

Call for National Register

Tourism groups and local/regional leaders, including QLDC, are calling for a national STL register alongside a nationwide accommodation levy. This would enable more accurate monitoring of activity and efficient levy collection.

MBIE mentioned a potential register in their June 2026 Tourism Policy Statement, but no commitments have yet been made.

MBIE Determination and Appeal (Chch)

In Aug 2026 MBIE issued Determination 2026/026, ruling that using a standard residential apartment or townhouse for STL constitutes a material change of use under the Building Act.

This is now under appeal. Once the appeal has been resolved, officers will assess any potential implications for QLDC.

Current STL regulations are fragmented across local planning and rating rules, the Building Act, specific GST requirements, etc.

Further evidence: 2024 Infometrics Report

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- In 2024, Airbnb commissioned a report from Infometrics which showed the impact of Airbnb on rents in Queenstown Lakes was minimal.
- The report noted a possible explanation is the prevalence of second homes in the district, suggesting low substitutability of dwellings between long term rentals, owner occupier, and STL.
- We commissioned a peer review from Market Economics, which found the Infometrics analysis generally robust and the findings held.

ESTIMATED AVERAGE RENT EFFECT, 2018–23

$11
attributed to STL

vs

$101
attributed to population growth

SECOND-HOME CONTEXT

28%
of homes unoccupied on census night in 2018

30%
in 2006—before Airbnb existed

2026 STL Study

- In response to Inclusionary Housing hearing panel report, and to address the remaining evidence gaps, we commissioned a study to understand what determines whether a property is used for STL or a long term tenancy.
- The study used data from AirDNA, QLDC (resource consents and registrations), a survey, and focused interviews. Key findings include:
  - STL is a major component of the visitor accommodation sector, supporting tourism and supplementing incomes.
  - 34% of STL listings are used for up to 90 days a year, suggesting some may be holiday or second homes used flexibly.
  - Nearly 20% of all dwellings are estimated to be neither permanently occupied nor used for STL or long-term tenancies, i.e. they are effectively empty. This is higher than the 14% recorded as unoccupied on census night.

40%
of short-term visitor accommodation is STL

7490
Active STL listings in Dec 2024

≈$418m
annual STR revenue in 2024

34%
of listings used for up to 90 days a year

≈20%
of dwellings neither permanently occupied nor let out

2026 STL Study

Key insights from the study to inform future QLDC policy:

CONVERSION

≈1,870

properties shifted temporarily to long-term rental during COVID-19, however...

NON-FINANCIAL BARRIERS

Flexibility, personal use (e.g. holiday homes) and tenant-risk concerns limit permanent conversion.

The report finds limited potential for permanent switching.

COMPLIANCE

4791 (66%)

listings exceeding the 90-night permitted activity threshold, however only…

1,042

resource consents approved from 2018 to 2024

This indicates a potential registration and consenting gap.

The study highlights that conversion is not the priority

Compliance Project: Fernhill Case Study

QUEENSTOWN LAKES DISTRICT COUNCIL

We were already aware of non-compliance hotspots. Fernhill was selected for a case study because we can see a large discrepancy between STL listings and registrations.

The goal: identify STL registration and consent non-compliance, measure the revenue impacts, educate, and enforce the rules.

COMPLETE

- Fernhill selected as case study area
- Data collected and cleaned
- AirDNA and QLDC data matched

INTERIM FINDINGS – NOT YET CONFIRMED

Properties with Registration or Resource Consent		
Not Registered (or Registered Correctly)	32	27%
No Resource Consent (subject to requirements)	87	73%
	119	
Airbnb Listings Fernhill		
Not registered or RC	73	30%
Not registered **with** RC	24	10%
Registered **without** RC	56	23%
Further investigation required (unable to distinguish location and/or owner)	91	37%
	244	

NEXT STEPS

- Calculating incorrect rates allocation due to missing/incorrect registration
- Education through 2027 rates notices
- Escalation of the case study non-compliant properties in accordance with QLDC Enforcement and Prosecution Strategy
- Evaluation

WORKING ACROSS **Planning Policy • Planning Support • Strategic Growth • GIS • Rates • Enforcement**

Recommendations and Next Steps

01 Complete Fernhill Case Study

Determine any appropriate next steps following evaluation.

Considerations include the trade-off between rating/enforcement resources required and the impact of the activity, and timeframes, in the context of the upcoming changes including the rating review work and RM reform. There is currently no additional revenue in the LTP to conduct further enforcement.

02 Focus on Inclusionary Housing

The evidence suggests that further regulating STL is unlikely to improve housing affordability. We recommend that strategic housing resources should instead be focused on mechanisms such as the Regional Deal Inclusionary Housing project that has a direct and measurable impact for our community. Next steps include working with our partners to determine the scope, timeframes and resourcing for this work. We will bring this back to council for further consideration.

Note that transitional consenting changes to the RMA recently introduced through the Planning Act do not affect how the current district plan rules apply. The district plan, including the rules regarding STL, will continue to be in force until late 2029.

Waipapa Taumata Rau
University of Auckland

Prepared for: Queenstown Lakes District Council
Prepared by: University of Auckland
Report status: Final
Date: Sept 2026

Short-Term Rental (STR) in Queenstown



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Executive Summary

Introduction and Purpose

Queenstown Lakes District Council (Council) commissioned this study to support the development of evidence-based policy settings for short-term letting (STL) or short-term rentals (STR) in the Queenstown Lakes District (District). To avoid doubt we shall use the term short-term rentals (STR), acknowledging for the purpose of this report this term is interchangeable with the concept of short-term letting.

The assessment provides an independent view of scale, concentration, and potential housing impacts across Queenstown Lakes District (District) from STR, with the purpose of understanding the impacts STR is having on the rental and owner-occupier housing markets, and the potential impact of secondary/holiday homes in the District. In particular, it seeks to gain an understand the substitutability of properties used for STR (including holiday homes and investment properties) and owner-occupied homes and long-term rentals (LTR).

The study combines a District-wide, multi-criteria geospatial assessment with property-level and operator-level evidence. Data sources include STR platform activity records[2], housing and rental market datasets, and the Council's resource consenting information and change of use records. Methods comprise spatial mapping of STR exposure and the use of structured operator survey, and qualitative interviews with STR users and sector stakeholders. These strands help establish where STR is most concentrated, how it interacts with the long-term rental (LTR) market, and the practical conditions under which a share of properties could return to long-term rental use.

It also considers the impact secondary homes have on the overall housing stock within the District. The analysis was based on the data available, which, in parts, are potentially incomplete as the AirDNA data used as part of this study is limited to listings from AirBnB and Book a Bach and does not include other platforms.

The study focuses on three major areas:

1. *What is the extent and concentration of STR in the District, and what proportion of this is estimated to be holiday homes based on listing pattern assumptions?*
2. *What impact does STR have on long-term rental (LTR) markets?*
3. *What would it take for some STR properties to return to LTR?*

Through this process and support of this analysis, we sought to gain an understanding of:

[2] Based on Air DNA data sets from March 2025.

- Question One: The number and proportion of homes in the District that are used as holiday/second homes that the owners seek the flexible use of, and how many of these are used for STR;
- Question Two: The number and proportion of STR properties that are primarily used as investment properties, vs primarily used as holiday/second homes, vs primarily used as residential (owner-occupied and LTR);
- Question Three: An estimate of the number and proportion of homes in the study area that could be used for LTR but are primarily used for STR, and whether these were suitable for converting to LTR;
- Question Four: An understanding of the factors that would encourage property owners to rent out their properties to long-term tenants or sell their investment properties, including potential policy responses, and changes in government regulations.

Study's Key Insights and Findings

We have set out the key insights and findings below.

- By Dec 2024, District had 7,490 active STR listings, representing approximately 42.8% of the short-term accommodation offerings in the District, with the rest being offered within the Visitor Accommodation (Hotels etc) sector;
- STR has become an established and significant part of the visitor accommodation offering within the District;
- The Visitor Accommodation sector has slightly reduced in size since 2021, but it appears to be more efficient with higher visitor nights usage per visitor facility;
- The STR market has shifted from casual hosting to a more structured and professionally managed, year-round accommodation sector;
- By Dec 2024, the STR sector had rebounded back to its pre-pandemic peak and while listings have returned to pre-COVID-19 levels, the average daily revenue (ADR) has increased from $380 in 2019 to $482 in 2024;
- RVA: Entire Place listings structurally dominate the supply, accounting for nearly 90% of active listings by 2024;
- 34.4% of the active listings fall within the District Plan's 90 night permitted activity limit, with 16.5% of active listings in use for fewer than 30 nights;
- In the period between 1 Jan 2018 to 31 Dec 2024, there were 1,042 approved RVA (STR) Resource Consent applications approved, that is, for use over the District Plan's 90 nights permitted activity limit. Consequently, there appears to be a group of STRs operating beyond the District Plan's permitted activity limit and potentially without Resource Consent approval;
- We estimate that while the housing stock has increased in the District as a whole to 23,962 dwellings by Dec 2024, there appears to have been limited movement of this increased housing stock into the STR market as this has now returned to its pre-COVID-

19 levels. This suggests that parts of the increased housing stock are either used as secondary/holiday homes with no STR/LTR use or not permanently occupied, i.e. empty homes. This raises a significant policy issue, with potentially nearly 20% of the dwellings in the District not used for either STR/LTR or permanently occupied. This is higher than the 14% of dwellings classified as empty on census night 2023.

- STR-related housing impacts are geographically varied across the District. STR concentrations are highest in areas such as the Queenstown CBD, Queenstown Lakefront, and areas with a view of the lake, with over 60% of dwellings listed for short-term use in some of these parts of the District;
- Small to mid-sized dwellings (1–3 bedrooms) accounted for 5,563 listings, comprising nearly 3/4 of all active listings in 2024, creating direct competition with the dwellings that could be suitable as long-term rental stock, but this may not at level that could be considered affordable;
- Some owners may remain reluctant to switch from STR to LTR for reasons extending beyond profit margins, including economic, psychological, personal preferences, and lifestyle reasons; and a perception that STR returns are higher than the average LTR returns and the potential loss of autonomy and control of their property; and
- Most landlords acknowledged, as part of our preference surveys analysis, the shortage of LTR housing in Queenstown. However, they attributed this primarily to 'weak' enforcement of existing rules rather than their own STR participation. Many expressed frustrations about being unfairly treated, often contrasting themselves with unregistered or "*rogue*" hosts, creating a strong sense of unfairness.

Assessment Approach Used for this Study

The study draws on multiple quantitative and qualitative data sources, including platform records (Airbnb, Vrbo, via AirDNA), housing and rental market datasets, Land Information New Zealand and QLDC and resource consent records, an operator survey, and semi-structured interviews with key stakeholders. A mixed-methods design is used to interpret statistical analysis of market outcomes alongside behavioural and experiential evidence from hosts, property managers, and community representatives. All of these approaches have been used to inform the overall study.

The integrated design comprised three key analytical strands of work:

- **Analysis of AirDNA data,** with the existing Council data on STRs, Resource Consent approvals, and Land Information New Zealand data to gain an understanding of the STR market, and the implications for secondary/holiday homes within the District;
- **Structured Operator Survey:** A survey of 242 STR operators was undertaken to capture motivations, management style, revenue beliefs, regulatory awareness, and the specific frictions (barriers) preventing conversion to LTR;

- **Semi-structured interviews** were conducted with landlords, property managers, and community representatives (including the Queenstown Lakes Community Housing Trust) to assess policy feasibility, lender constraints, and provide a lived experience context on affordability and neighbourhood impacts.

Scale of STR in the District, Resource Consents, Holiday Homes & Vacant Properties

Number and Type of STR Listings

By Dec 2024, based on AirDNA data, the District had 7,490 active (in use as a STR) STR listings[3]. The Ministry of Business, Innovation & Employment (2025) estimated that approximately 10,000 commercial (District Plan's 'Visitor Accommodation or VA') units are available for use per night in the District, giving an approximate total of 17,500 units/listings available per night across the District. Consequently, STR represents approximately 42.8% of all accommodation offerings available in the District.

By 2024 the STR sector had rebounded back to its pre-pandemic peak of 7,507 listings in 2019 to 7,490 listings in Dec 2024. This is shown in Figure 1.1. While listing volumes may have returned to pre-COVID-19 levels in 2024, the average daily rate (ADR) has increased from $380 in 2019 to $482 by Dec 2024. This represents a record high, likely higher than returns achievable in the LTR market, especially at the more affordable end of the market. The average weekly rent within the District was $707 per week in 2025, as opposed to the New Zealand average of $573.

It is also relevant to note that the nature of the STR section has changed over time, with RVA: Entire Place listings now structurally dominating the STR supply, accounting for nearly 90% of active listings by Dec 2024. RVA: homestays listings have significantly reduced from 2018 when it accounted for approximately 30% of all listings to just 10% by Dec 2024. It is suggested this could be a reflection of the changing nature of STR provision in the tourist market, as have we considered below, to favour larger/family grouping, opposed to individuals which may be better accommodated by the VA sector.

[3] This study only considers active listing during the study period. There are 12,007 non-active listings which have not been considered, acknowledging these could return to the STR sector.

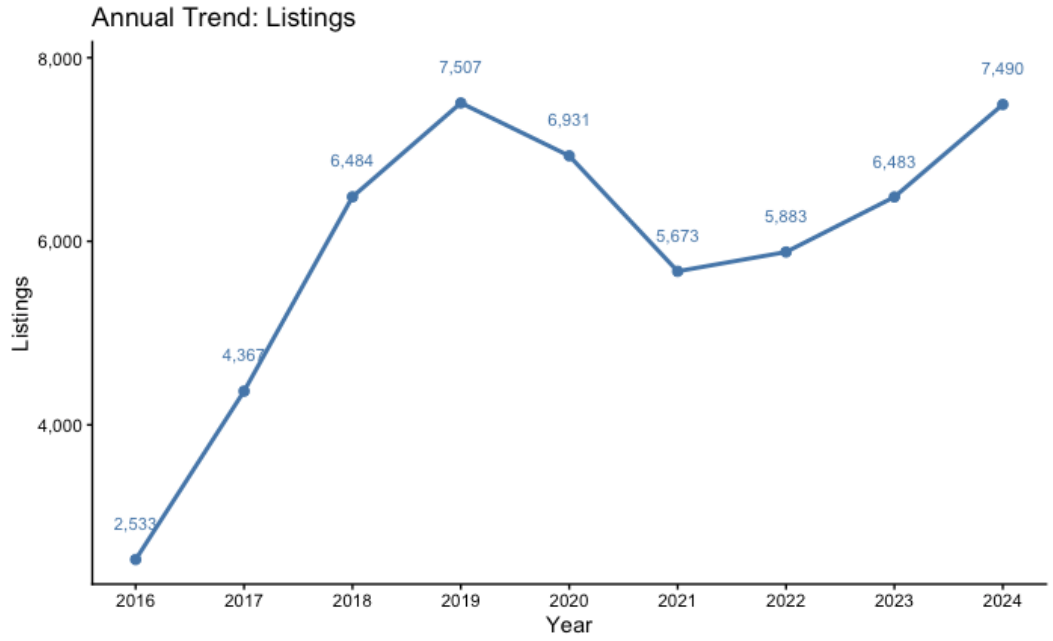


Figure 1.1: Annual Active Listings

Permitted RVA and Consent approvals (2018 to 2024)

Of the STR active listings, 34.4% would fall within District Plan's 90 night permitted activity limit for active nights used per listing, with 16.5% of active listings in use for fewer than 30 active nights. This is shown in Figure 1.2.

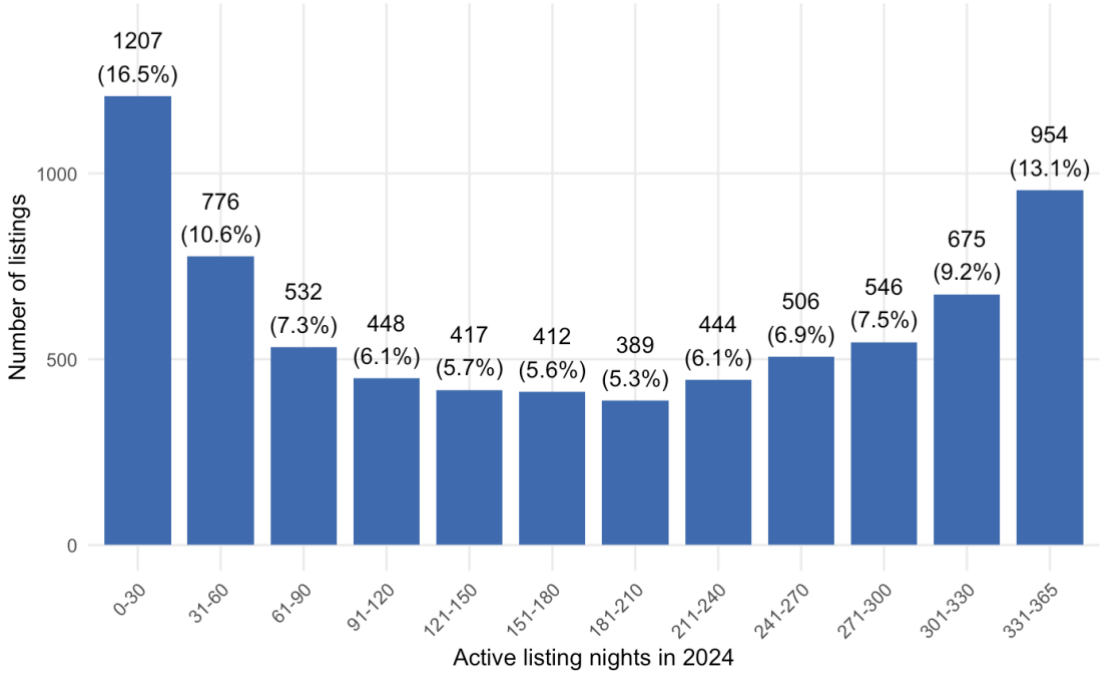


Figure 1.2: Annual STL Reservation Days

In the period between 1 Jan 2018 and 31 Dec 2024, the Council approved 1042 RVA Resource Consent applications, that is, for use of residential properties over the 90-night[4]. This is shown in Figure 1.3.

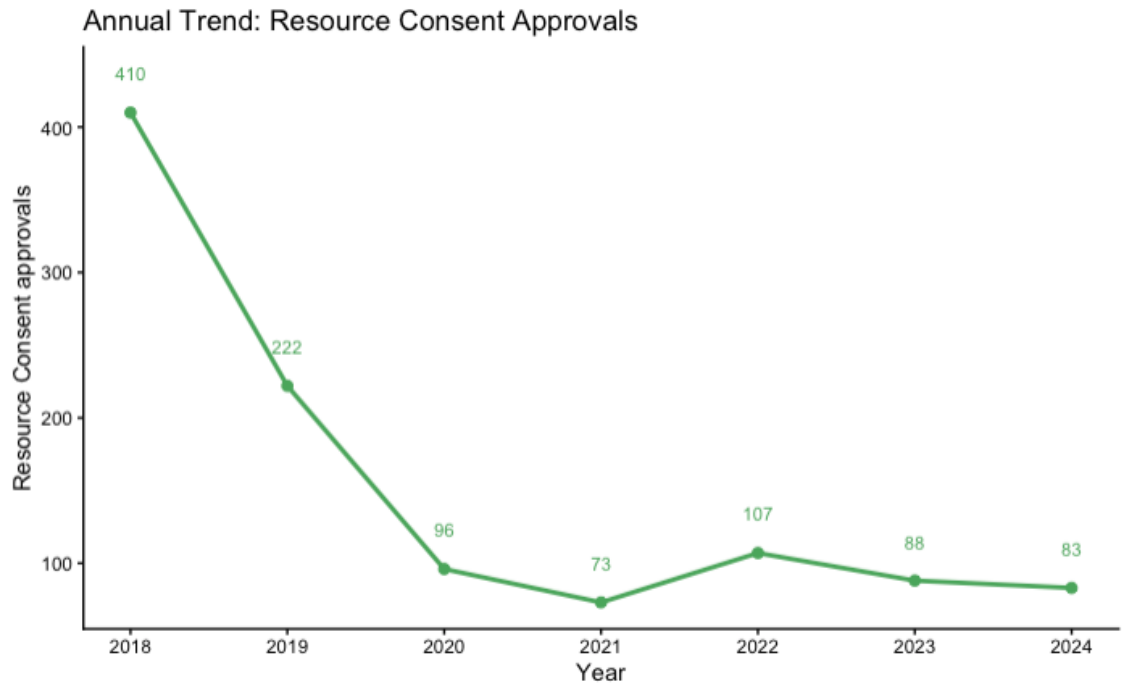


Figure 1.3: Resource Consent approvals (2018 to 2024)

By Dec 2024 approximately 65.6% or 4,992 of all STR listings found in this study exceeded the District Plan's 90-day limit. If the Resource Consent approvals were accounted for, there is a significant number of listings (approximately 3,950) that would appear to be operating beyond the 90-night limit or potentially without Resource Consent approval. This may suggest that a large number of RVA activities were either approved before this time period[5] or there is potentially a compliance issue with a number of listings operating without the appropriate resource consent approvals.

Use of dwellings for secondary homes in the District

In the absence of a direct 'holiday home' register or data, we use multi-property ownership to estimate the number of holiday/second homes in the district. Of the 23,962 residential properties in the District owned by private individuals as of 2025 (LINZ, 2025), 7,645 (31.9%) were owned by individuals with only one dwelling, suggesting they are local owner-occupiers. 16,317 (68.1%) residential properties are held by multi-property owners, suggesting they may be used as rentals, holiday homes or as investments.

[4] Based on Council's Resource consent data from 22 March 2017 to 6 March 2025

[5] Acknowledging the District's long history of having holiday/secondary homes with the raise of STR in mid 2010's and beyond the data used in this study.

In saying this, one of these dwellings (for secondary/multi property owners) may also be the primary dwelling for people living within the District. To account for this issue, we have made the following assumption - that if the dwelling is used within the STR market for 30 days or less it is more likely to be an owner living within the District using their residential dwelling for STR as an ancillary use. The 30-day period was chosen as it relates to a monthly period and aligns four weeks annual leave where the occupier may choose to place their dwelling in the STR market while on leave. This would account for 16.5% of all actual listings or 1,207 dwellings. If the STR is used between 30 to 180 days, it is more likely to be holiday home with complementary STR use - representing 41.5% of STL listings or 3,108 dwellings. Use greater than 180 days is assumed to most likely be an investment property used solely for STR. This would represent 42% of the STR listings, or 3,146 dwellings.

However, these figures do not correlate with the increased housing stock consented throughout the District over the same period of time. As considered above, the District has a total of 23,962 dwellings (as of Dec 2025). If we assume that 7,645 of these are used by owner occupiers living predominantly in the District, (as they only own one dwelling), then add active STR listings and active bond levels (4,278 in Dec 2025 as a measure of active LTR) this leaves approximately 4,532 dwellings unaccounted for with no STR/LTR use or not used at all. While we accept this analysis is based on a number of assumptions, it does suggest these are empty homes. This raises a significant policy issue, with potentially nearly 20% of the dwellings in the District not used for either STR/LTR or permanently occupied. This is slightly higher than the 14% of dwellings classified as empty on census night 2023 and supports the results gained from Infometrics study from 2024.

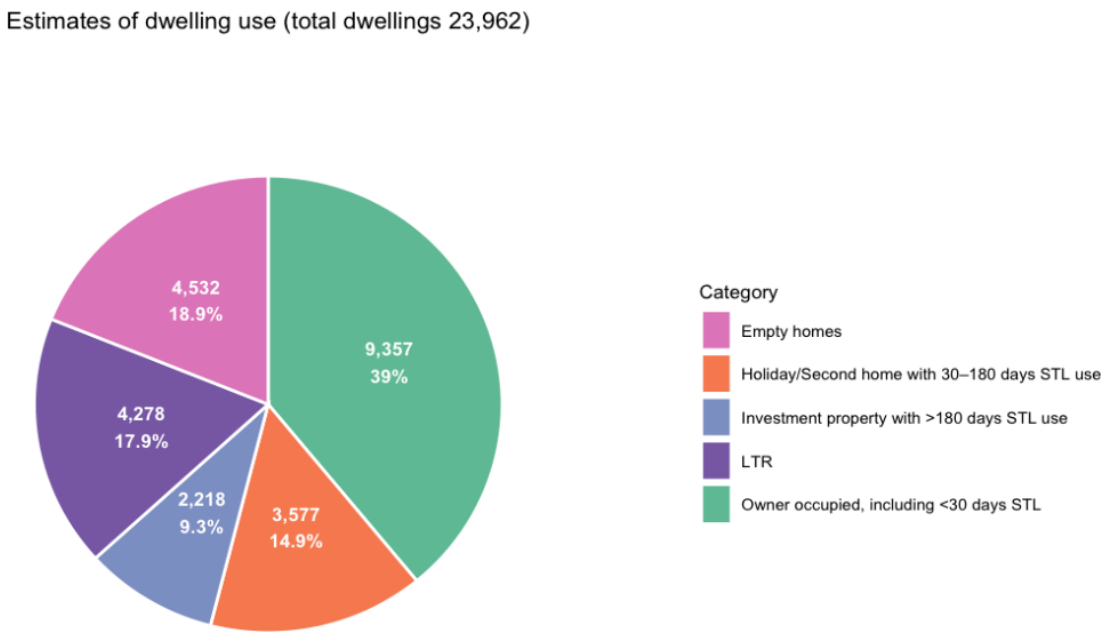


Figure 1.4: Use of Housing Stock within the District

Market Performance and Housing Impacts

STR Performance and Market Shift toward Professional Operators

The STR market has shifted from casual hosting to a more structured and professionally managed, year-round accommodation sector, which we speculate occurred predominantly in the Upscale and Luxury sector[6] of the STR market (which are more likely to be investors and/or secondary homes owners).

- **Revenue**: Total annual revenue generated by all active STR listings reached an estimated $418 million in 2024, surpassing pre-COVID peak levels, per day increase. Monthly revenue increased from below $10 million in 2016 to $30–40 million in 2023–2024.
- **Pricing:** Average Daily Rates (ADR) rose steadily, reaching approximately $480 (2024). This is reflected in the growing share of larger, whole-home listings and more active yield management by professional operators, rather than a uniform price rise across all property types. We also speculate, as while the listings have returned to their pre-covid levels, the higher visitor numbers per night in the District could partly be a function of the movement from RVA: Homestay to RVA: Entire place, and the increased size of the STR offering to reflect the changing market to large accommodation. That is, larger STR options (generally by bedroom size) have the greater opportunity to accommodate more people per night than RVA: Homestay.
- **Composition**: *RVA: Entire Place* listings dominate over homestay, representing 90% to 92% of active listings from 2022 onwards. Small to mid-sized dwellings (1–3 bedrooms) comprise nearly 3/4 of all active listings in 2024, creating direct competition with dwellings that are more likely to be used as long-term rental stock.
- **Housing Stock:** The District's housing stock has increased from 20,850 dwellings in 2019 to 23,962 dwellings in 2025. Despite this growth, the number of active STR listings has remained relatively stagnant (stabilising around 7,500), even after accounting for the temporary reduction during the COVID-19 period. This stability in STR numbers despite a growing housing supply suggests (as considered above) that a large number of the new dwellings are being used as secondary holiday homes without either STR or LTR. For context, the LTR market consisted of 4,278 active bonds as of December 2025.

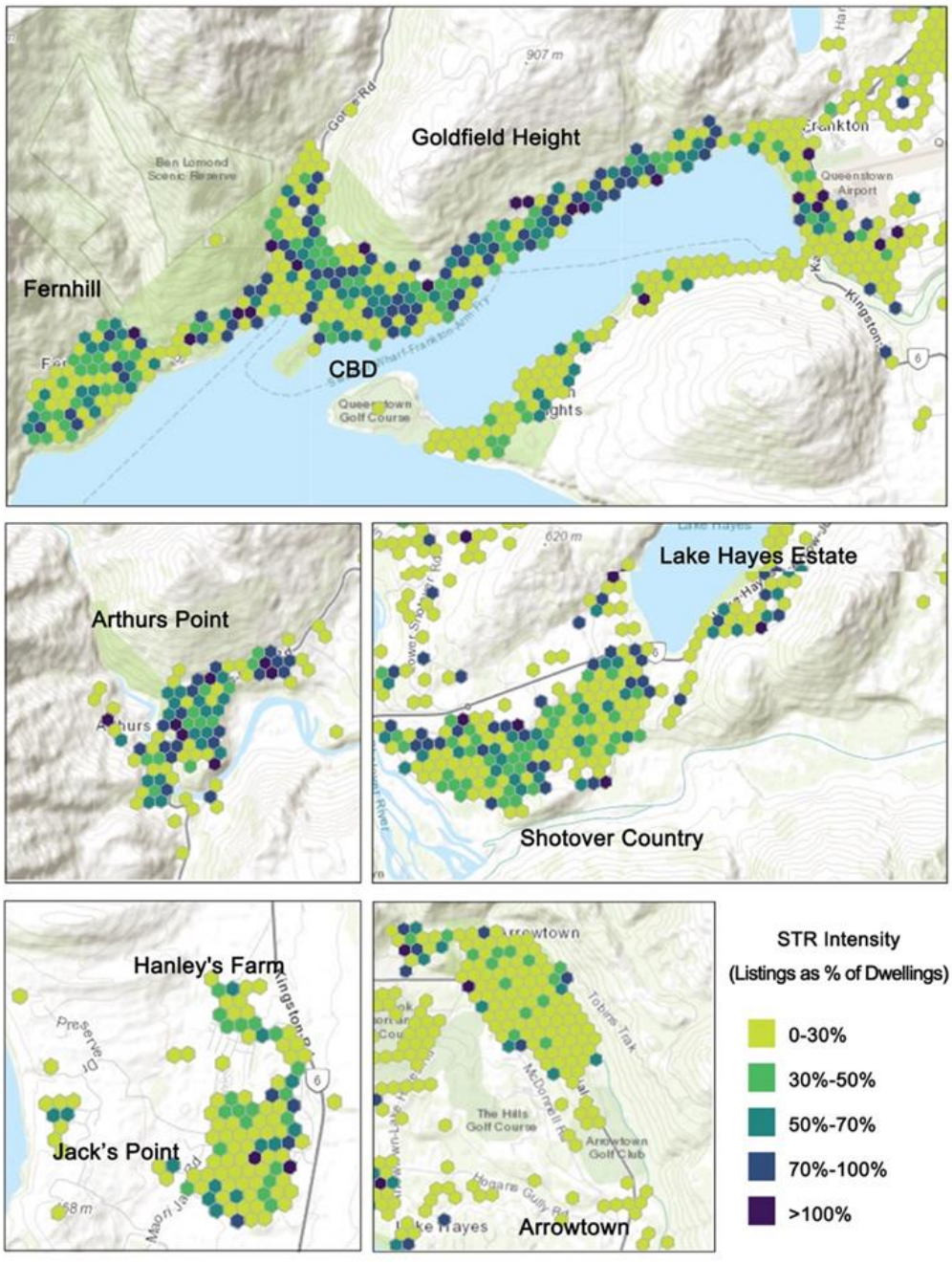
Housing Pressure and Local Differences

Spatial Concentration of STR

STR concentration is highest in areas such as the Queenstown CBD, Queenstown Lakefront, Goldfield Heights and other areas with lake views, with over 60% of dwellings listed for short-

[6] Based on AirDNA categories

term use in these parts of the District. This is not surprising given the levels of both physical (food/retail/civic) and natural amenities present in these locations. However, there has also been a rise in STR growth into newer residential growth areas, such as Hanley's Farm, Shotover Country, Lake Hayes Estate, Arrowtown, and Arthurs Point (Figures 1.5).



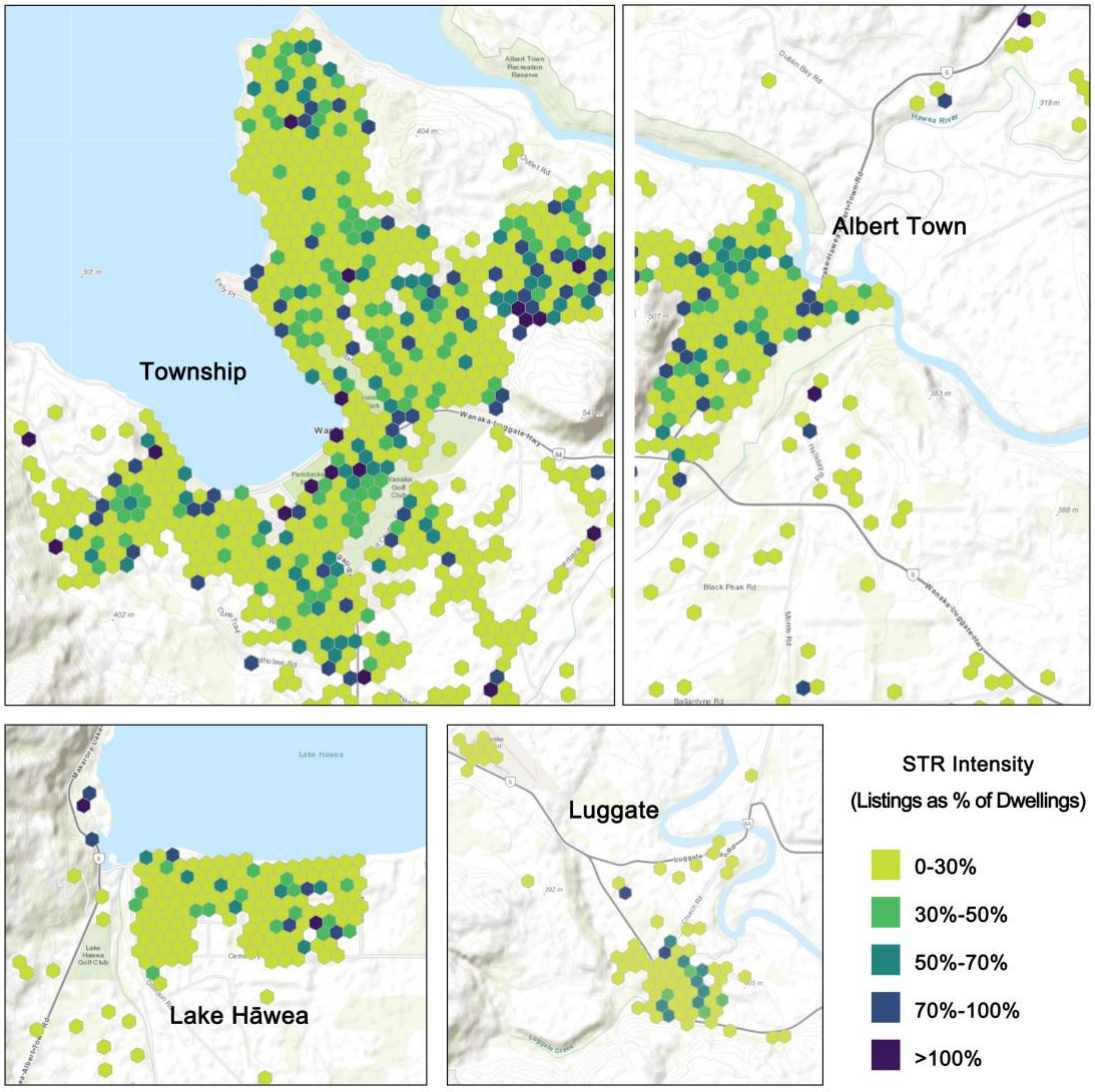


Figure 1.5: Spatial Distribution of STR Intensity (Listings as % of Dwellings)

Note: The report utilises a grid of 150m hexagonal spatial units to aggregate and anonymise the data. Density values exceeding 100% occur in areas where multiple RVA: homestay listings were identified within a single property unit; therefore, a single physical land parcel may host multiple distinct listings, resulting in a calculated density greater than 100%.

Substitutability: The Switch-Ready Pool and Barriers

Switch-Ready Capacity

We speculate, in part from the results gained from the operating user surveys, that 1,870 active STR listings may have converted to long-term rentals, especially larger, family-sized homes, over the COVID-19 (2020-2021) period. However, there are two points we believe are relevant to this part of the study. Firstly, the survey and interviews show there are other incentives for STR as discussed below, and the COVID period may not be indicative of willingness to switch to LTR more generally. If STR costs increased, some of these dwellings may continue to be used for STR with the increased costs 'passed on' to the customers, or

they may remain empty or as holiday homes with no STR/LTR use at all as the owner may choose not to enter the LTR market. Secondly, we speculate that a number of these switch-ready listings would not be affordable LTR homes and would be used for LTR at higher price points.

Major Barriers to Conversion to LTR (interview results)

Our analysis of the interview results suggested that some owners may remain reluctant to switch for reasons extending beyond profit margins. Three primary gaps were identified - economic, psychological, and lifestyle, limiting conversion:

- **Economic Gap:** STR is perceived to outperform LTR in net returns, particularly by self-managed operators who believe they can make more returns in the STR market, as opposed to the LTR market.
- **Psychological Gap:** Self-managers value autonomy and control and believe their personal effort enables them to outperform market averages. This group included some respondents who suggested that self-management reduces the costs that would otherwise be charged by the platforms (cleaning, etc.), enabling their STRs to remain profitable and retain complete flexibility over the use of their properties.
- **Lifestyle Gap:** Owner-occupiers prioritise periodic access for personal use, making full-year tenancies unattractive without have any restrictions on the timing of their use of the property. That is, they want to retain the complete flexibility and use of their properties. 44.2% (107 properties) are self-managed based on our survey.

Zoning and Enforcement Issues

We suggest that the Council consider approaches to achieve higher degrees of compliance with the existing policy settings, including enforcement action to ensure that all STRs are registered and paying the appropriate level of rates.

Conclusions and Discussion

Our findings suggest that STR is not the sole cause of housing stress, nor affordability issues within the District. Our analysis confirms that STR has become a structural component of the Districts' housing market, reflecting an adaptive response to their tourism-driven economies. While STR provides economic benefits, there is tension between the flexibility it offers individual property owners and the systemic loss of affordable rentals at the District level, which may require a strategic response to address. With this, given that STR is now embedded in the visitor accommodation offering within the District, any significant reduction in STR offering could impact the tourism sector as the VA element of the market may not be able to compensate for the potential loss of STR, especially in the short term. STR also provides an importance source of income for many in the district.

However, while policy responses may seek to increase LTR levels within the District, it must be acknowledged that there is a group of property owners who have no desire to either enter the STR market or convert their STR to LTR for a range of reasons, including economic, psychological, and lifestyle.

Finally, we suggest that the Council explores establishing a role to monitor and ensure compliance for STR activities within the District as there appear to be a high number of STR which are not part of the Council's register. Not only would this ensure compliance with the relevant District Plan/rating standards, it would also provide the Council a more accurate source of data to track the level of STR and also the impact of holiday homes within the District and ensuring that the Council policy approach is fairly and evenly applied across the District.

Limitations

The findings of this study should be interpreted in light of several constraints inherent in the available evidence base and the scope of work. While the analysis draws on multiple reputable data sources and empirical observations, certain aspects of the short-term rental market and its broader social effects remain beyond the current dataset and were therefore not assessed in depth.

- The study is limited to an analysis of the datasets available, including AirDNA data, Airbnb, CoreLogic, Council records, and site observations and does not include other platforms.
- The study did not consider/explore the implications of STR on social/ community/ wellbeing cohesion within the District. This remains an important avenue for future research.
- This research considers the impacts of STR in the period between 2018 and 2024 and there may be changes between Dec 2024 to June 2026 that have not been accounted for.
- The research was undertaken before the release of the Council's Decision on the Urban Intensification Variation to the Proposed District Plan, dated 5 Feb 2026.

1. Introduction

1.1 Study Overview

Queenstown Lakes District Council (Council) commissioned this study to establish an independent evidence base on the prevalence and impacts of short-term renting/letting (STR) in the District to gain an understanding of the impact STR is having on the rental and owner-occupier housing markets in the District, and its impact on housing affordability. In particular, it seeks to understand the substitutability of properties used for STR (including holiday homes and investment properties) and owner-occupied homes and long-term rentals (LTR).

The report addresses four core objectives:

- An estimate of the number and proportion of homes in the District that are used as holiday/second homes that the owners could seek the flexible use of, and how many of these are used for STR;
- An estimate of the number and proportion of STR properties that are primarily used as investment properties, vs primarily used as holiday/second homes, vs primarily used as residential (owner-occupied and LTR);
- An estimate of the number and proportion of homes in the study area that could be used for long-term residents but are primarily used for STR, and whether these were suitable for converting to LTR;
- An understanding of the factors that would encourage property owners to rent out their properties to long-term tenants or sell their investment properties, including potential policy responses.

Finally, we sought to provide a range of key findings from the study to assist in policy development for the District.

1.2 Scope and Definitions

The study employs definitions consistent with those outlined in the District Plan and AirDNA[7], which categorise STR into a broad range of accommodation types from full dwellings (houses, units, cottages, and villas) to private-room homestays. These listings were aligned as best as possible with the District Plan's definitions of Residential Visitor Accommodation (RVA) and Homestay. This approach is set out in Table 1.1 below.

[7] AirDNA is a data analytics platform for STR market analysis and used throughout this study.

Table 1.1 STR Definitions

Dwelling type	Residential unit (i.e. dwelling)		Residential unit (i.e. dwelling) with residential flat also on the site	
Type of RVA	**RVA** - If a whole dwelling is rented out to STR guests without a permanent resident also being present.	**Homestay** – If permanent resident is also present at the same time as a STR guest.	**RVA** - If the unit and/or the flat is rented out to STR guests without a permanent resident also being present in either of the unit of the flat.	**Homestay** – If a permanent resident is also present within either the of the unit or the flat at the same time as a STR guest.
Terminology used in AirDNA	**RVA: Entire place**	**RVA: Homestay**	**RVA: Entire place**	**RVA: Homestay**
Typical permitted activity standards in Proposed District Plan[8]				
RVA	• Total of 90 nights per annum • One group of guests at any one time • Two adults per bedroom (and total guest limits) • Controls on vehicle movements and hours for use of outdoor space • Registration with QLDC and keeping of records			
Homestay	• Five guests per night • Controls on vehicle movements • QLDC notified of commencement and keeping of records • The owner of the property will be present at property			

1.3 Methods

The study draws on multiple quantitative and qualitative data sources, including platform records (Airbnb, Vrbo, via AirDNA), housing and rental market datasets, Land Information New Zealand and QLDC and resource consent records, an operator survey, and semi-structured interviews with key stakeholders. These sources are integrated to:

- Map STR activity in the neighbourhood and locations throughout the District;
- Compare STR stock with the underlying dwelling stock and rental market;

[8] Note that some variation exists between zones – refer to the PDP zone standards for specificity, e.g. The Jacks Point Zone limits RVA to 42 nights.

- Analyse seasonal patterns and longer-term trends in STR activity and visitor demand;
- Make estimates on use of the dwelling based off data – i.e. holiday homes, investment property used for STR.

A mixed-methods design is used to interpret statistical analysis of market outcomes alongside behavioural and experiential evidence from hosts, property managers, and community representatives. All of these approaches have been used to inform the overall study.

1.4 Structure of this report

The remainder of the report is structured as follows.

- **Section 2:** Short review of the international and New Zealand literature on short-term rentals, housing markets, and community impacts, and identifying the key evidence gaps to assist with the outcomes for this study.
- **Section 3:** Describes the short-term letting (STR) market in Queenstown-Lakes, including sector size, composition, performance indicators, and spatial patterns of housing pressure, with a short analysis of the VA sector.
- **Section 4:** Reports qualitative insights from the Airbnb operators survey, including purpose, method, respondent profile, and key findings.

- **Appendix A and B**
    - **Appendix A: Survey Design**
    - **Appendix B: Questions and and scenarios for focus groups**

1.5 Interpretation, Scope, and limitations

This report is intended to provide an independent, District-level evidence base rather than property-specific advice or a compliance assessment. The analysis focuses on patterns and relationships observed across groups of dwellings, neighbourhoods, and time, and results should be interpreted at those aggregate scales for STR. Subsequent sections develop this evidence in more detail, but the findings need to be read alongside the stated scope, definitions, and methods in this introduction, as well as the limitations set out in the report.

In particular, the analysis is constrained by the quality and coverage of the available datasets and does not examine in depth the social and community cohesion impacts of STR or the detailed relationship between second (holiday home) ownership and STR use. These constraints do not undermine the value of the findings for policy, but they do define the questions the study can answer and highlight important areas for future research and monitoring by QLDC. In particular:

- The study is limited to an analysis of the datasets available, including AirDNA data, Airbnb, CoreLogic, Council records, and site observations and does not include other platforms;
- The study did not consider/explore the implications of STR on social/community/ wellbeing cohesion within the District. This remains an important avenue for future research;
- This research considers the impacts of STR in the period between 2018 and 2024 and there may be changes between Dec 2024 to June 2026 that have not been accounted for; and
- The research was undertaken before the release of the Council's Decision on the Urban Intensification Variation to the Proposed District Plan, dated 5 Feb 2026.

2. Literature Review

2.1 Scope of Review

A growing body of international and New Zealand research has examined the relationship between STR platforms, such as Airbnb, and housing markets. The evidence covers impacts on rental supply, rents and prices, neighbourhood character, and broader community wellbeing. This review synthesises key findings from both international and domestic studies, distilling the most relevant lessons for the District. It highlights where consensus exists, where debates persist, and where critical knowledge gaps remain, particularly concerning localised housing pressures in high-amenity resort economies such as Queenstown and Wānaka.

2.2 International Evidence

2.2.1 Effects on Rental Supply and Rents

Early empirical studies demonstrate that STR reduces long-term rental supply and exerts upward pressure on rents. For example, Horn and Merante (2017) found that a one-standard-deviation increase in Airbnb listings in Boston was associated with a 0.4% rise in asking rents and a 5.9% reduction in units available for long-term rental. Similarly, Barron, Kung, and Proserpio (2021) demonstrated that a 1% increase in Airbnb listings was associated with a 0.018% rise in rents and a 0.026% increase in house prices across the U.S. Although these elasticities appear small in isolation, they compound over time and are most pronounced in cities with tight housing markets and high proportions of absentee ownership. These findings suggest that landlords are increasingly reallocating dwellings from the long-term market to STRs when potential short-term yields exceed traditional rents.

2.2.2 Impacts on Housing Prices

By increasing property income potential, STR can capitalise on rising housing values. Studies in the U.S. and Europe indicate positive, though modest, effects. Barron et al. (2021) reported a 0.026% rise in house prices per 1% increase in listings, while Franco and Santos (2021) found that Portuguese municipalities with higher Airbnb density experienced 3–4% faster property value appreciation. In New Zealand, Ryan and Ma (2021) noted that community perceptions of STR fuelled housing demand, although price effects proved harder to isolate than rent impacts.

2.2.3 Neighbourhood and Community Effects

Beyond economic metrics, STR alters the social fabric of neighbourhoods. Gurran and Phibbs (2017) documented complaints of noise, parking congestion, and loss of residential character in Sydney, arguing that unchecked STR activity can undermine community stability. Canadian studies (Wachsmuth et al., 2017) showed concentrated STR conversions in tourist neighbourhoods, sometimes exceeding local vacancy rates, effectively turning homes into “de facto hotels.” Collectively, these studies reveal a common trajectory: as STR intensifies,

neighbourhood cohesion weakens, and the boundary between tourism and everyday life becomes increasingly blurred.

It's interesting to note that most of the international literature (studies) consider the impacts of STR on larger established cities such as London, New York, and Barcelona. There is little research on the impacts of the rapid rise of STRs in smaller, bespoke tourist towns such as Queenstown. In these larger cities STR only represents around 2 to 3% of the housing stock, as opposed to the District, where STR represents approximately 27% to 30% of the housing stock. This is an area of further research that should be explored to examine the impacts that STRs are having on tourist towns at these smaller spatial scales.

2.3 New Zealand Evidence

2.3.1 Rental Market Impacts

Studies from Aotearoa New Zealand broadly align with international findings. Fyfe et al. (2023) reported that between 2016 and 2020, STR activity expanded in tourist centres despite declining short-term rent returns in some regions, suggesting landlords prioritised short-term lets over long-term leasing. McGough (2020) found that by 2017, entire-home Airbnbs in Queenstown represented 14% of the total housing stock, the highest in New Zealand, with properties available ~70% of the year. An Infometrics (2017) Council-commissioned study concluded that such high availability likely diverted homes from the rental pool.

2.3.2 Conflicting Evidence on National Effects

However, some more recent research finds only minor national-level impacts. An Infometrics (2024) econometric study commissioned by Airbnb, Inc. reported "little to no effect" of STR on rents or house prices after accounting for population growth, interest rates, and construction. In Queenstown, they suggested that STR was estimated to add only ~NZ$11 to weekly rents between 2018 and 2023, considerably less than NZ$101 attributed to population growth. The report therefore positioned that STR is one of many factors, with demographic and macroeconomic drivers remaining the primary determinants of the housing outcomes, not Airbnb or STR.

2.3.3 Contextual Factors

Three reasons have been proposed by Infometrics (2024) for STR's limited aggregate effect in New Zealand:

1. Many listings involve dwellings (such as holiday homes, granny flats, or spare rooms) that are never intended for long-term rent.
2. High proportions of vacant holiday homes already existed (28% of QLDC homes were unoccupied on census night 2018), meaning STR largely monetised second homes.
3. Broader structural shortages (migration growth outpacing supply) dwarf the marginal effects of STR.

These contextual features caution against generalising aggregate findings to localised markets like Queenstown, where STR concentration and tourism dependency are exceptionally high.

2.3.4 Community and Labour Market Impacts

Facing high demand from both overseas visitors and domestic New Zealand tourists, the Queenstown experience exemplifies how STR pressures and related tensions manifest both internationally and locally at the community level. McGough (2020) linked the rapid expansion of entire-home listings (RVA: Entire Place) to severe staff-housing shortages, forcing hospitality and service workers to relocate to peripheral towns and endure long commutes. Surveys cited by Ryan and Ma (2019) found that ~17% of households experienced housing stress, with STRs among the contributing factors. Bahmanteymouri (2025) argued that Airbnb amplified, but did not originate, neighbourhood pressures that predate STR (e.g., transient student populations in Auckland). These findings suggest STR adverse effects are most acute in small resort economies/tourist-led towns where housing supply is inelastic and seasonal labour demand is high.

2.4 Economic and Tourism Benefits

Despite concerns, STR also yields significant economic benefits to the region. Hosts in the Queenstown-Lakes District earn an average annual revenue of approximately $64,000 per property (AirDNA, 2025), considerably higher than the average of approximately $41,000–$46,000 in other major New Zealand markets such as Auckland and Christchurch (Airbtics, 2025), which could improve affordability for some owner-occupiers. STR expands tourism capacity and diversifies accommodation, thereby increasing visitor spending. STR supplied approximately 60% of the District's combined accommodation capacity by 2025 (AirDNA, 2025; CAM, 2025), up from approximately 41% in 2017 (Deloitte, 2018), and generated approximately 16% of total guest nights (AirDNA, 2025; CAM, 2025). Industry studies (Deloitte, 2018; TIA, 2025) also highlight broader contributions, including over NZ$200 million to Auckland's economy in one year, $38 million to Wellington's economy, and job creation in the property management and cleaning sectors.

2.5 Gaps and Research Needs

While STR's correlations with housing outcomes are well-documented, little is known about host decision-making at the margin, specifically how and under what conditions owners switch between long- and short-term letting. Existing research has predominantly focused on correlations between STR activity, rents, and prices, but much less is known about why property owners choose one rental pathway over another and how these decisions evolve under changing market or policy conditions.

Three key areas of uncertainty persist:

1. Host decision-making and switching dynamics: Most quantitative studies treat hosts as homogeneous, yet motivations and constraints differ widely. Some owners are casual hosts who let out spare rooms, while others operate multiple properties as professional businesses. Understanding the profitability thresholds, regulatory sensitivities, and personal factors that trigger movement between short- and long-term renting/letting is crucial for designing effective policy interventions.
2. Exploring and gaining an understanding of the use of secondary/ holiday homes and there used in the STR market.
3. Spatial heterogeneity and community impact. The distribution and intensity of STR activity vary sharply between neighbourhoods. High-tourism areas, such as central Queenstown and Wānaka, exhibit saturation levels that may distort local rental markets and alter community composition. However, there is a lack of granular evidence on how STR interacts with local amenities, workforce housing, and social cohesion, especially in smaller tourist towns.
4. Integrated economic, social, and environmental assessment. Few studies evaluate STR within a holistic framework that considers both the economic benefits (visitor spending, host income, job creation) and the social costs (reduced affordability, community displacement, infrastructure strain and social cohesion). Future research should integrate all of these dimensions to guide balanced, evidence-based policymaking.

The present study contributes to closing these gaps to enable a richer understanding of STR's role within Queenstown housing system - capturing not only how much STR matters, but why and where its effects are most pronounced.

3. Short-Term Letting (STR) Market in Queenstown Lakes

This section provides a descriptive overview of STR activity within the Queenstown-Lakes District. Establishing a detailed understanding of the STR market, its scale, spatial distribution, and temporal dynamics, is a necessary foundation for subsequent analysis of its potential effects on the housing supply. Before presenting the explanatory modelling, this section summarises how STR activity has evolved over time, the forms it takes, and the areas where associated housing pressures are most apparent, explores the impact of secondary/holiday homes and the effects of resource consents approves for STR.

The overview traces the development of platform-based accommodation in the District from 2016 to Dec 2024. It examines changes in the number of active listings, the sector's response external impacts such as COVID, and the subsequent stabilisation of activity within the District's overall accommodation offering. Spatial mapping is used to identify the areas where STR is most concentrated, including along lakefront areas, within Queenstown town centre (CBD), and across expanding residential areas, and lifestyle zones, seeking to illustrate how these patterns overlap with existing housing demand.

In addition to mapping distribution, the section examines operational characteristics, including seasonality in STR bookings, occupancy rates, and average daily rate (ADR), to show how STR activity aligns with the District's tourism cycles and varies across peak and off-peak seasons. The market composition is also described, focusing on the share of entire-home listings, dwelling size, and year-round availability. These indicators provide insight into the extent to which STR operates as a *casual* or *business* activity and the degree of overlap with the LTR market.

Together, these descriptive analyses establish a baseline understanding of STR as a significant and consistently active component of the District's visitor accommodation offering. This data then can align with the responses gained from the interview survey results.

3.1 Commercial Accommodation Context

To contextualise the scale of STR activity in Queenstown Lakes, it is useful to compare it with the District's commercial accommodation sector (VA) and overall housing stock. This comparison establishes a baseline for understanding the relative magnitude of STRs within the local accommodation system.

Data from the Ministry of Business, Innovation and Employment Accommodation Data Programme for the 12-month periods ending August 2021 through August 2025 reveal both

the scale and recovery trajectory of Queenstown's Lakes commercial accommodation sector through and following the COVID-19 pandemic (MBIE).[9]

The commercial accommodation supply, comprising hotels, motels, apartments, backpackers, holiday parks, and boutique lodges, remained relatively stable across this period (Table 3.1).

Table 3.1 Commercial Accommodation Summary Statistics

Year Ending	Establishments	Stay Units	Guest Arrivals	Guest Nights	Occupancy
Aug-2021	176	10.7K	957.4K	2.57M	38.5%
Aug-2022	173	10.0K	801.6K	2.36M	35.5%
Aug-2023	168	10.3K	1.57M	4.20M	63.5%
Aug-2024	168	10.0K	1.75M	4.45M	65.8%
Aug-2025	161	10.0K	1.78M	4.55M	67.6%

The number of establishments declined from 177 in the year ending August 2021 to 162 by the year ending August 2025, while the total number of stay units held steady at approximately 10,000 to 10,700 units across all years; the guest nights doubled. This suggests a higher nighttime occupancy rate (more nights per year) for each of the individual accommodation activities.

Guest arrivals and occupancy patterns exhibited a pronounced recovery following the reopening of borders and the resumption of international travel. In the 12 months ending August 2021, during the height of pandemic restrictions, the Queenstown-Lakes District recorded 957,400 guest arrivals and an occupancy rate of 38.5%. The following year, arrivals declined to 801,600, and occupancy dropped further to 35.5%, marking the sector's weakest performance as international borders remained largely closed. Recovery began sharply in the year ending August 2023, when arrivals climbed to 1.57 million, and occupancy improved to 63.5%. This upward trajectory continued through the years ending August 2024 and August 2025, with arrivals reaching 1.75 million and 1.78 million, respectively, and occupancy stabilising at 65.8% and 67.6%, respectively (Figure 3.1).

[9] https://www.mbie.govt.nz/immigration-and-tourism/tourism-research-and-data/tourism-data-releases/accommodation-data-programme

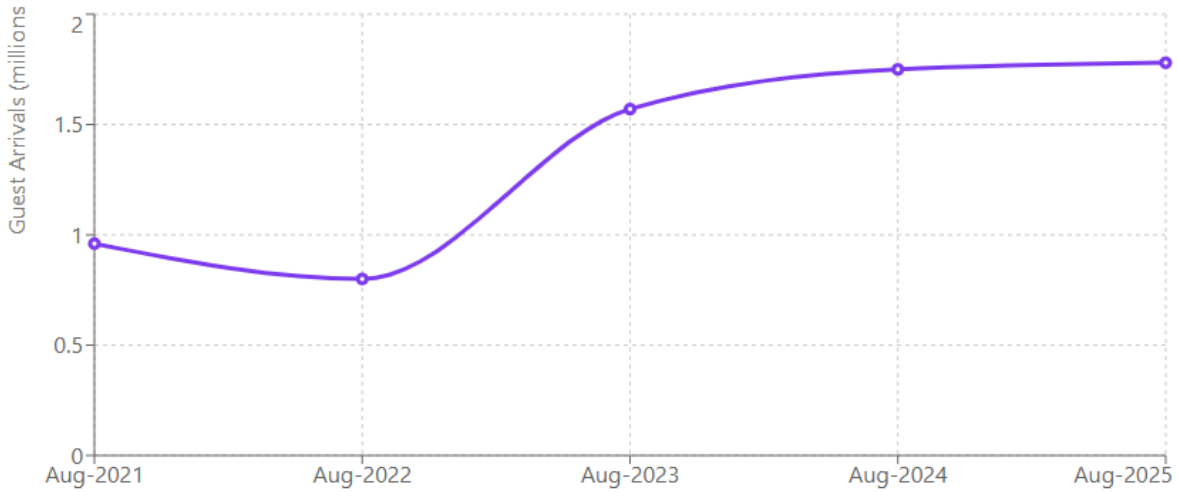


Figure 3.1 Guest Arrivals Trend (millions)

Note: Guest arrivals more than doubled from Aug 2022 (801,600) to Aug 2025 (1.78 million), reflecting the restoration of international tourism flows.

Guest nights followed a similar recovery pattern. Total guest nights fell from 2.57 million in the year ending August 2021 to 2.36 million in the year ending August 2022, then rebounded strongly to 4.20 million by August 2023, climbing further to 4.45 million and 4.55 million in the years ending August 2024 and August 2025 (Figure 3.2). This suggests that while there may be less VA sector offering (actual VA activities) by the end of 2024, these are being used more efficiently with higher night occupancy per visitor accommodation activity.

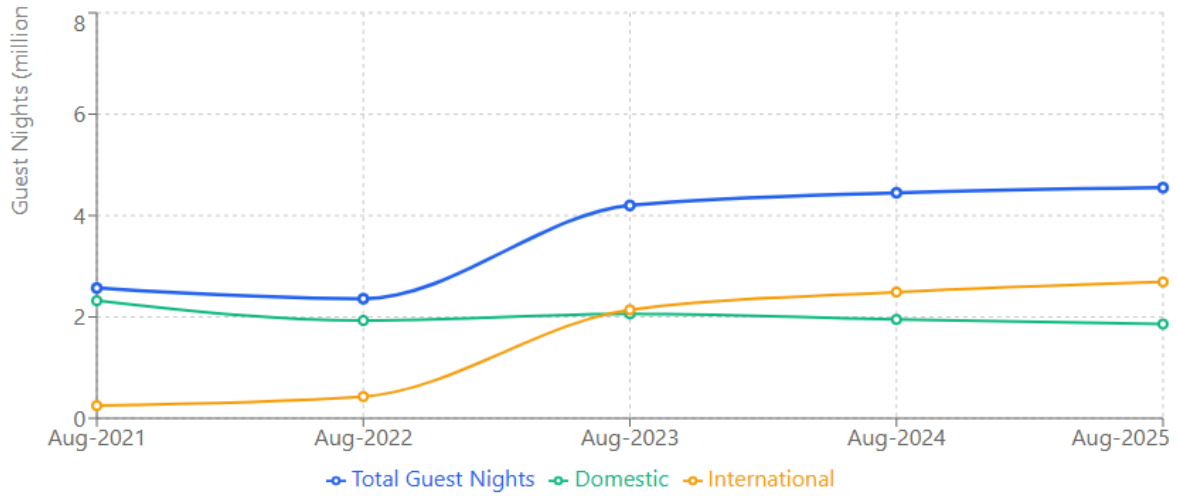


Figure 3.2 Guest Nights Recovery (millions)

Note: International guest nights increased nearly elevenfold from August 2021 to August 2025 as borders reopened. Domestic guest nights declined from pandemic-era peak as travel patterns normalised (MBIE: Accommodation Data Programme).

The composition of visitor demand shifted markedly over this period. International guest nights, which stood at just 250,800 in the year ending August 2021 and 434,800 in the year ending August 2022, when borders were closed or restricted, surged to 2.14 million by August

2023. They then continued rising to 2.49 million and 2.69 million in subsequent years. Domestic guest nights, by contrast, peaked at 2.32 million in the year ending August 2021, then declined progressively to 1.93 million, 2.06 million, 1.95 million, and 1.86 million through the years ending August 2022 to August 2025. This reversal reflects the normalisation of domestic travel patterns following the pandemic-era surge when international travel was restricted, and New Zealanders substituted domestic destinations for overseas trips.

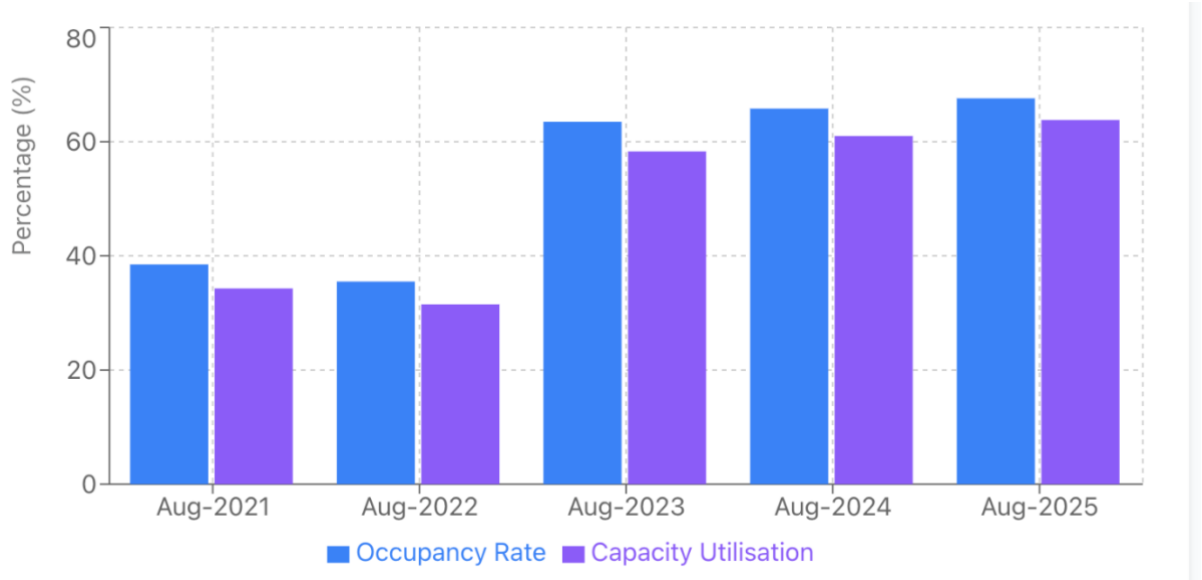


Figure 3.3 Occupancy and Capacity Utilisation Recovery (%)

Note: Occupancy rates recovered from pandemic lows (35.5% in Aug-2022) to near-normal levels (67.6% in Aug-2025), indicating sector resilience and sustained visitor demand.

By 2024, the district contained approximately 10,000 commercial accommodations (VA) and 7,705 active STR listings, resulting in STR representing a guest capacity equivalent to nearly 75% of the traditional commercial sector. However, the way these units are used differs in 2024; commercial accommodation generated an estimated 4.45 million guest nights, while STR collectively generated about 1.33 million booked nights. This shows that, on average, each STR property is booked far less often than a hotel or motel room. However, this difference may be less a reflection of low demand and more a result of availability constraints and the type STR listing. Also, some STRs are only listed during peak seasonal windows or are subject to regulatory caps on the number of nights they can operate annually.

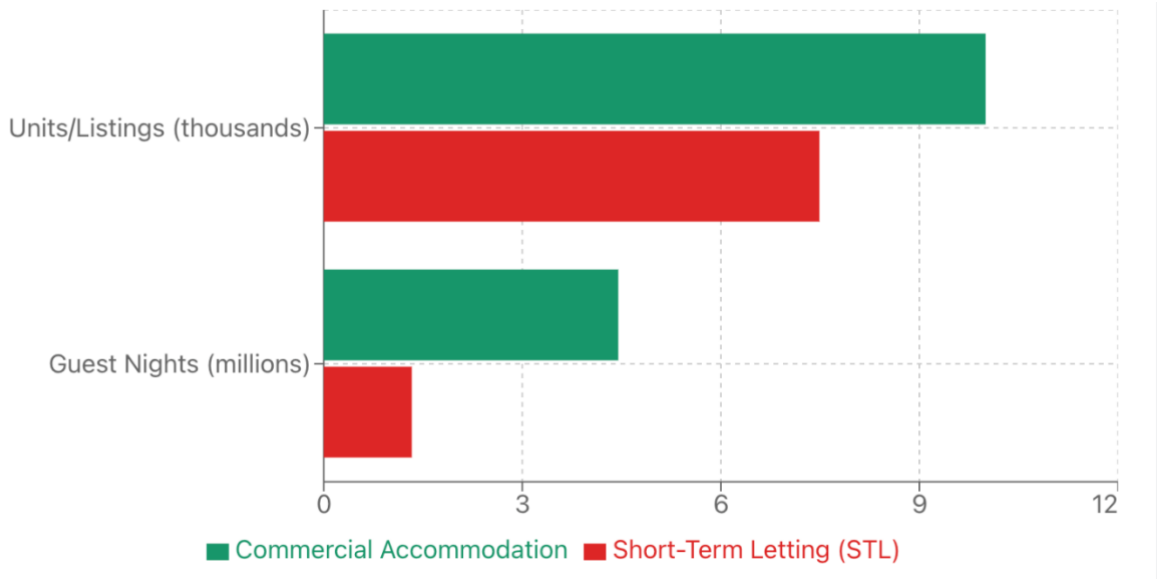


Figure 3.4 Commercial Accommodation (VA) vs STR Scale Comparison (2016-2024)

When placed alongside the District's total residential housing stock (approximately 24,000 at the end of 2025), STR listings constitute roughly 29% of total dwellings, though only a proportion of these are active at any given time. This provides a contextual scale: STR activity now represents a major parallel accommodation channel relative to the District's commercial VA supply, but accounts for about 29% of all residential dwellings in the District.

Commercial accommodation capacity in Queenstown Lakes has remained broadly constant from 2021 to 2025, with a slight reduction, while STR supply has returned to its pre-COVID-19 levels by 2024. Although similar in scale in terms of unit numbers, the two sectors differ in intensity of use, operational characteristics, integration with the housing stock, and location within the District. Understanding this relationship provides an empirical basis for interpreting STR's role within the wider tourism and housing systems.

3.2 Short-Term Letting Sector Size

The scale of STR activity in Queenstown Lakes has expanded dramatically over the past decade (2016 to 2024). In 2016, approximately 2,533 active listings were recorded across major platforms used in this study. Within three years, that number had almost tripled, peaking at 7,507 listings in 2019 (Figure 3.5). During the same period, the total number of private dwellings in the district increased from around 18,000 to 20,850, an increase of roughly 16%. In contrast, STR listings grew by almost 200% by 2019. This comparison shows that a much larger share of the new and existing housing stock could have diverted to STR use during this period, underscoring the rapid expansion of STR activity relative to overall housing growth during this period. However, as we have found throughout this study, this growth in STR use has since slowed, with a large part of the housing stock now represented in the secondary/holiday home sector.

Disaggregating the total by listing type reveals a structural dominance of visitor residential units and flats listings throughout the period (*RVA: Entire Place)*. They accounted for about 68% of all active listings in 2016, rising steadily to over 80% by 2019, and nearly 90% by 2023-2024. In contrast, homestays (private rooms/shared rooms) have seen a continuous decline in both numbers and relative share, from 777 listings (around 31%) in 2016 to roughly 780 (about 10%) in 2024. Hotel rooms remained few in number across the entire period, representing less than 2% of total listings since 2018.

This pattern reflects both structural and behavioural resilience within the STR market. Activity levels remained relatively stable through the downturn, suggesting that a portion of listings continued to operate, possibly driven by domestic demand. As international travel resumed, overall STR volumes quickly returned to pre-pandemic levels, indicating a market capable of rapid recovery. The trajectory underscores STR's involvement within District's accommodation offering, which is now established and forms a significant part of visitor accommodation options within the District.

However, interestingly, this appears unrelated to the increase in new housing stock over this period, especially following the return of visitors after COVID-19, as the District's housing stock has increased from 20,850 in 2019 to 23,962 dwellings in 2024. Despite this growth, the number of active STR listings has remained relatively stagnant (stabilising around 7,500), even after accounting for the temporary reduction during the COVID-19 period. This stability in STR numbers despite a growing housing supply raises questions regarding the allocation of new dwellings, specifically, whether they are being utilised for LTR, owner-occupation, or as secondary/holiday homes. For context, the LTR market consisted of 4,278 active bonds as of December 2025.

This suggests that some of the housing stock is either moving into secondary/holiday homes/investments or being left vacant. This could suggest that some owners do not wish to use their property for either short-term or long-term rentals. This outcome was supported in part from the results of our preference surveys as well. The literature also suggests that some property owners had no desire to rent out their property either in the short-term or long-term rental markets for personal reasons.

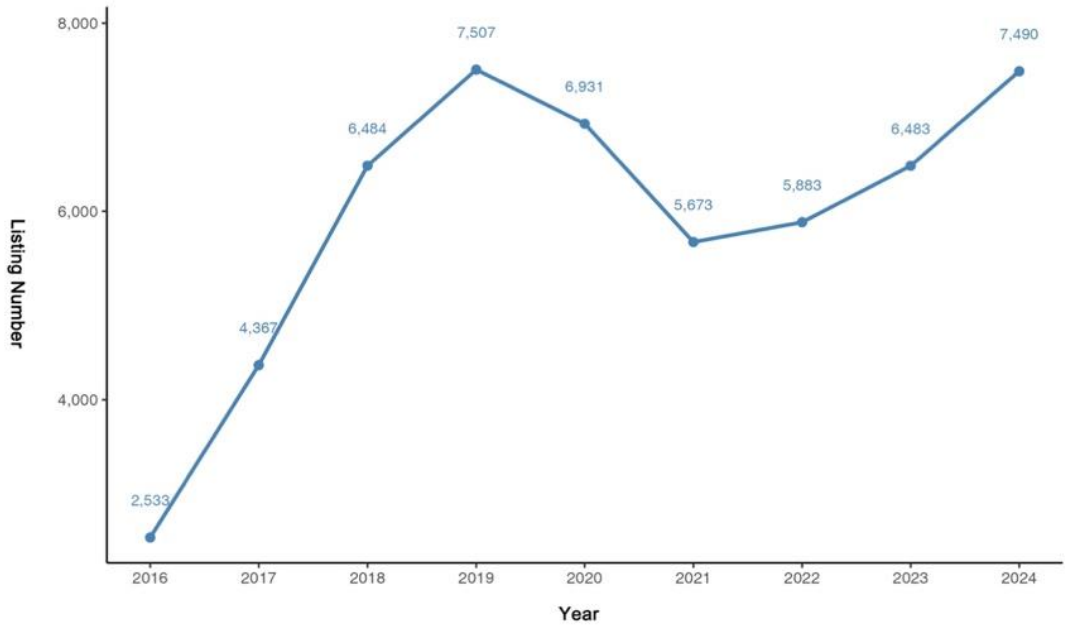


Figure 3.5 Annual Active Listings (2016-2024)

Of the Dec 2024 listings, 34.4% % would fall within the District Plan's 90-night permitted activity limit for active nights used per listing, with 16.5% of these falling under 30 active nights. In the period between 1 Jan 2018 and 31 Dec 2024, the Council approved 1,042 RVA Resource Consent applications, that is, for use of properties over the 90-night permitted activity limit.[10] By 2024, approximately 65.6% or 4,992 of all listings exceeded the 90-night District Plan limit.

If the Resource Consent approvals were accounted for, there is a significant number of listings (3,950) that would appear to be operating beyond the 90-night limit or without Resource consent approval. This may suggest that a number of RVA activities were approved before this time period[11] or there is potentially a compliance issue with a number of listings operating without the appropriate resource consent approvals. Listing percentages over the years is given in the Figure below. Noting that in 2016 there were 2,533 active listings were recorded across major platforms used in this study. Within three years, that number had almost tripled, peaking at 7,507 listings in 2019.

[10] Based on Council's Resource consent data
[11] Acknowledging the District's long history of holiday/secondary homes

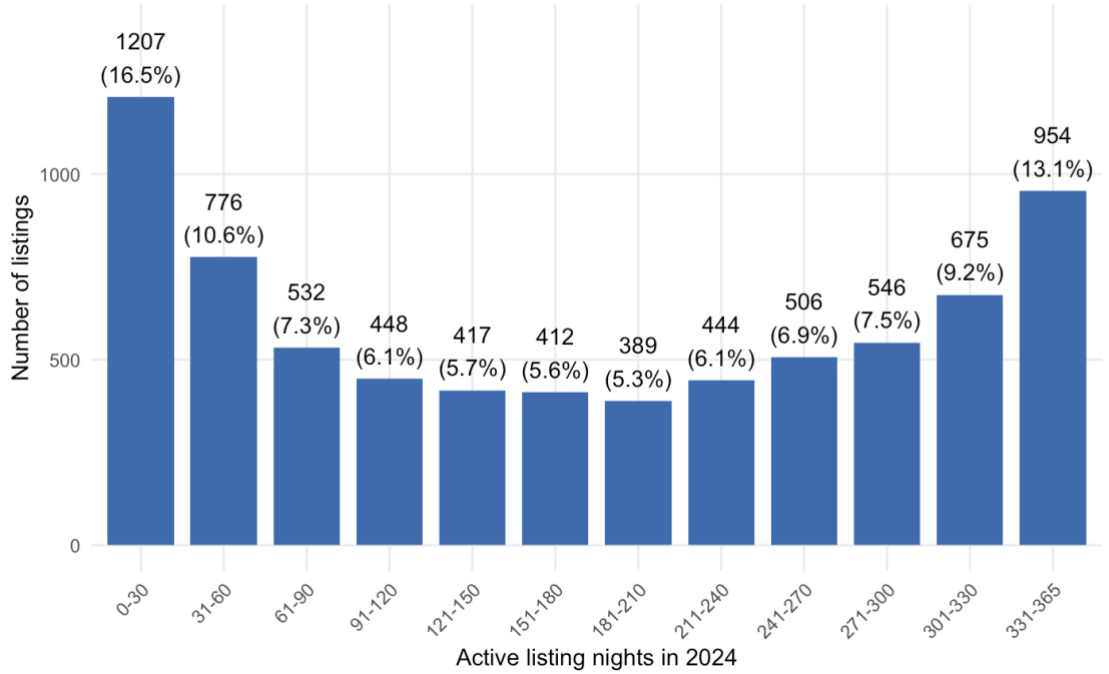


Figure 3.6 Active listings per nights available

3.2.1 Dwelling Use: Holiday / Second / Empty Homes

In the absence of a direct 'holiday home' register or data, we use multi-property ownership to estimate the number of holiday/second homes in the district. Based on ownership records from Land Information New Zealand (LINZ, 2025), a spatial matching and filtering process identified 23,962 properties in the Queenstown-Lakes District owned by private individuals rather than companies or trusts. Acknowledging that secondary homes could be owned as trusts and/or companies. Among them, 7,645 properties (31.9%) are owned by individuals who hold only one dwelling within the district and do not own any other properties elsewhere in New Zealand. These owners are therefore likely to be local residents occupying their own homes. 3,428 properties are held by owners who possess two or more dwellings within the District, indicating a subset of multi-property holders who may use additional dwellings for investment, holiday, or short-term rental purposes.

In contrast, the remaining 16,317 properties (68.1%) are owned by individuals who hold at least two dwellings nationwide[12], including at least one within the District. Ownership data allow us to identify the number of multi-property owners active in the district, but ownership alone does not confirm how each property is used. Based on the available data, we infer that a substantial portion of these dwellings may serve as second or holiday homes, although it remains unclear how many are also used for short-term rental purposes. Due to current data limitations, we are unable to reliably link individual property ownership to the specific use of each dwelling - whether as a primary residence, holiday home, or short-term rental.

[12] Given the nature of the data we did not explore the issue of international home ownership.

In saying this, one of these dwellings (for secondary/multi property owners) may also be the primary dwelling for people living within the District. To account for this issue, we have made the following assumption: if the dwelling is used within the STR market for 30 days or less it is more likely to be an owner living within the District using their residential dwelling for STR as an ancillary use. The 30-day period was chosen as it relates to a monthly period and aligns four weeks annual leave where the occupier may choose to place their dwelling in the STR market while on leave. This would account for 16.5% of all actual listings or 1,236 dwellings. If the STR is used between 30 to 180 days it is more likely to be holiday home with complementary STR use, greater than 180 days its most likely to be an investment property used for STR. This is shown in Figure 3.7 below.

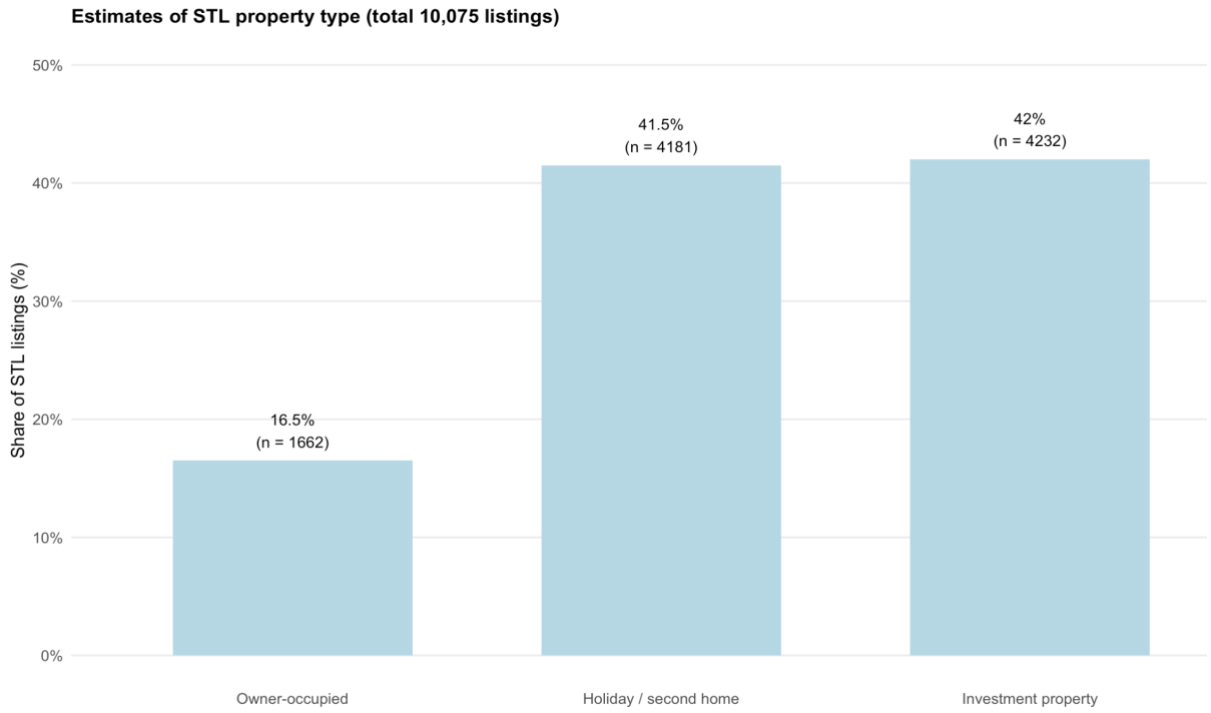


Figure 3.7: SLR by Property Type

These results were also supported through the operator survey, which suggested (based on a limited sample size) that the owners of the residential properties listed for more than 180 days were investors (66.9%), and 33.1% were owner-occupiers (Holiday/Second home use) of their STR listings.

This leaves a gap between the rise in housing stock over this period and the use of dwellings for primary residential living in the District, active STR listing or for LTR option. As considered above, the District has a total of 23,962 dwellings (as of Dec 2025). If it is assumed that 7,645 of these are used by owner occupiers living predominantly in the District, as they only own one dwelling. Then add in 1,712 dwelling for owner occupiers living in the District using their

dwelling as an active STR listing as an ancillary use (30-day or less period), this accounts for 9,357 dwellings.

Then if we take the remaining active STR listing (5,795) and add this with all the active bond levels (4,278 in Dec 2025 as a measure of active LTR) this leaves approximately 4,532 dwelling unaccounted for either been used as a secondary/investment home with no STR/LTR use or not used at all. While we accept this analysis is based on a number of assumptions, it does highlight the point that while the housing stock has increased the District as a whole this may not have moved into the STR market and suggest these are either secondary homes with no STR/LTR use or not used at all. This is expressed in Figure 3.8 below.

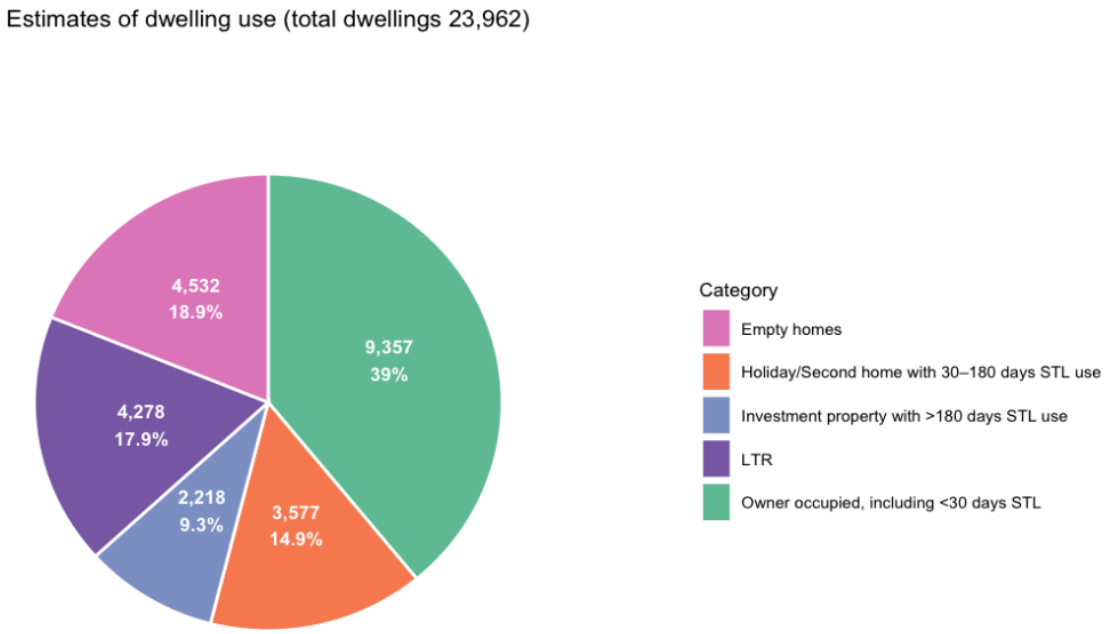


Figure 3.8 Use of Housing Stock within the District

3.2.2 Active Nights

Active nights, defined here as the total number of room-nights booked via STR platforms within the District, rose from under 200,000 in 2016 to over 1.338,741 million by Dec 2024 (Figure 3.6). As travel restrictions took hold in 2020 and 2021, activity fell to just under one million nights, but the downturn proved temporary. Domestic tourism and the flexibility of local hosts helped stabilise the market, and bookings began to climb again from 2022 onwards. By 2023, active nights had already surpassed 1.16 million, and by 2024, exceeded 1.338 million. This rebound suggests strong resilience within the STR sector.



Figure 3.9 Annual Active Nights and Listing Number Trend (2016-2024)

3.3 Performance Indicators

3.3.1 Average Daily Revenue (ADR)

ADR rose steadily from around $300 in 2016 to around $480 per night in 2023-2024 (Figure 3.7), reflecting stronger demand and a shift toward professionalised operations. At the monthly level, ADR values trended upward from NZD 210 to NZD 280 per night in 2016 to around $380 to $500 per night from 2023 to 2024 (Figure 3.10). This price trajectory is consistent with a maturing, more professionalised sector that actively manages yield through peak-season surcharges and tighter minimum-stay settings.

STR price categories in District are based on AirDNA's market-specific segmentation, which uses average daily rate (ADR) percentiles to classify listings into AirDNA categories: Budget, Economy, Midscale, Upscale, or Luxury. These quintile-based tiers are dynamically set each year according to market data, with Budget as the lowest-priced 20%, followed by Economy, Midscale, Upscale, and Luxury as the highest-priced 20%.

Across price segments, ADR rose consistently from 2016 to 2024, but at markedly different levels. Luxury listings maintained the highest rates throughout, increasing from around $720 per night in 2016 to nearly $800 in 2024. Upscale properties rose from roughly $450-500 in 2016 to about $650-700+ by 2024, while Midscale climbed from around $320-340 to roughly $500-560. Economy properties followed a steadier climb, from about $290 in 2016 to around $390 in 2024, while the budget segment rose more moderately, from $230 - 300 per night over the same period.

3.3.2 Occupancy Rate

Occupancy (Reservation Days/Active Listing Nights) averaged 41.7% in 2016 but declined to approximately 36% from 2018 to 2019 (Figure 3.10). The rate contracted sharply during COVID (approximately 21.2% in 2020 and 29.1% in 2021) before recovering to 35% in 2022, 41.7% in 2023, and 40.3% in 2024. At a monthly resolution, occupancy fluctuated between 33% and 83% (Figure 3.11). The post-2022 pattern indicates a sustained recovery and a higher utilisation regime compared to the late 2010s. Dec 2024 figures remain elevated, ranging between 68% to 76%.

Since 2022, both ADR and occupancy rates have risen, reflecting strong underlying demand rather than simple price inflation (see Fig. 3.10). Off-peak months exhibit greater volatility and dispersion in both series, aligning with more systematic yield management approaches, such as flexible calendar settings and targeted pricing by a growing number of professional operators. These patterns suggest the STR market is increasingly characterised by commercial and managed operations, although a segment of incidental or part-time home-sharing remains.

Higher ADRs and stable occupancy rates, as observed in recent periods, are associated with higher expected returns from STR than from LTR. This may incentivise some owners to allocate entire homes for STR use, particularly in locations and time periods characterised by high demand. These trends contribute to the development of exposure metrics focusing on (i) the intensity of entire-home use and (ii) the time-based availability of listings, which are used as indicators of potential pressure on the LTR market. Such metrics also provide information on the substitutability between STR and LTR within the local housing market.

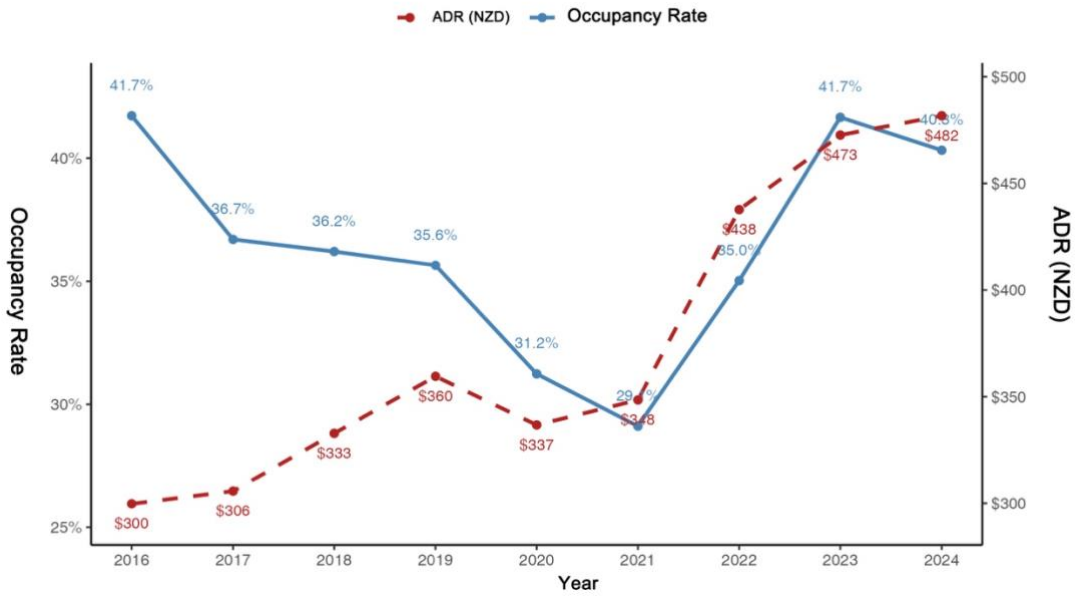


Figure 3.10 Annual ADR and Occupancy Rate Trend (2016-2024)

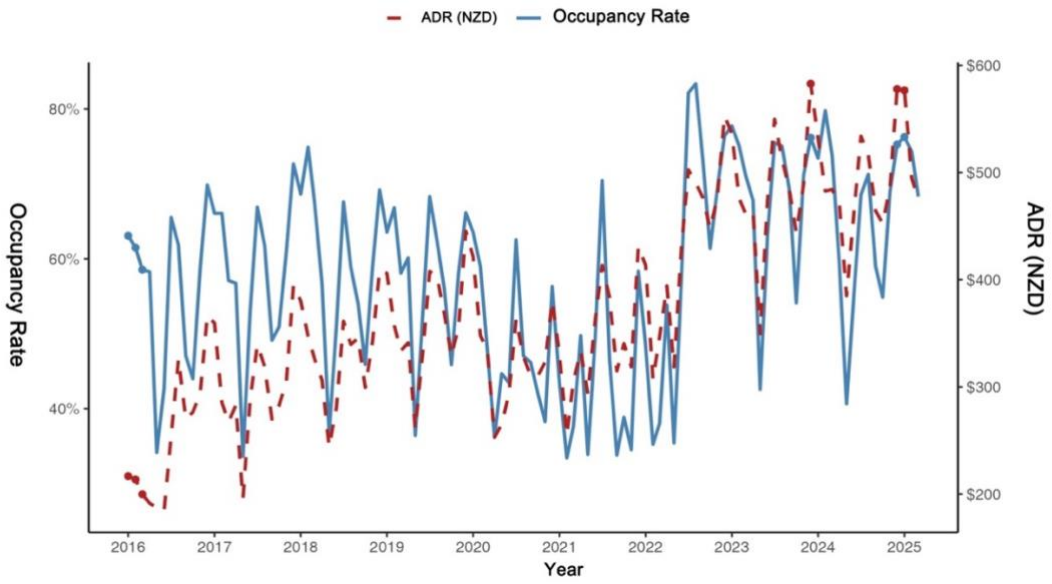


Figure 3.11 Monthly ADR and Occupancy Rate Trend (01.2016-04.2025)

3.3.3 Revenue

Revenue data provides a measure of the commercial scale of STR activity in Queenstown. Total host revenue increased from approximately $32 million in 2016 to $267 million in 2019. Earnings declined to around $137 million in 2021, coinciding with the COVID-19 pandemic. Subsequently, revenue rose to an estimated $375 million in 2023 and $418 million in 2024, exceeding previous peak levels (Figure 3.11). Monthly revenue figures reflect similar trends, increasing from below $10 million per month in 2016 to $30-40 million per month in 2023 and 2024 (Figure 3.12). Seasonal revenue fluctuations peak in January (summer) and July–August (ski season), with lower activity typically observed in May and October.

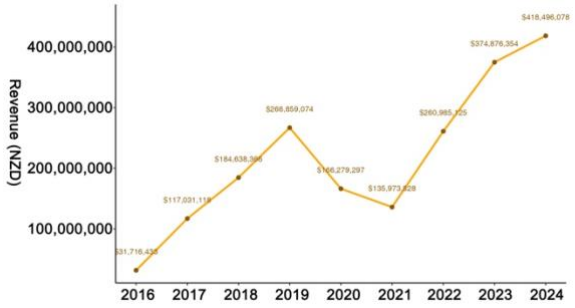


Figure 3.11 Annual Revenue Trend

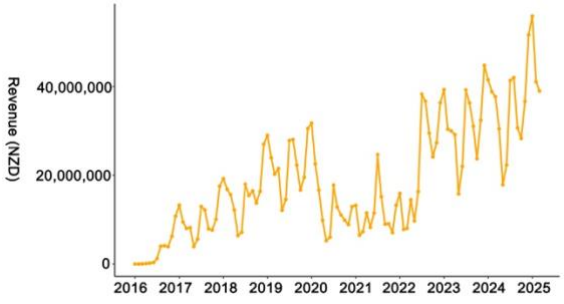


Figure 3.12 Monthly Revenue Trend

3.3.4 Key Insights

- STR in Queenstown Lakes has expanded in scale and is structurally integrated within the local accommodation sector. STR activity has returned to pre-COVID pandemic levels;
- STR has become an established and significant part of the visitor accommodation offering within the District;
- 65.6% or 4,992 of all listings in 2024 exceeded the 90-night District Plan limit. If the Resource Consent approvals were accounted for, there is a significant number of listings (3,950) that would appear to be operating beyond the 90-night limit or appear to be within without Resource consent approval; and
- Indicators such as average daily rate (ADR), occupancy, and revenue point to a trend of more STRs being operated by businesses or professional property managers rather than by individual private owners.

Interpretation

Recent increases in STR earnings can be linked to several concurrent trends evident in the data. First, revenue growth has outpaced listing growth. Average Daily Rates (ADR) rose to approximately $470-480 by 2023-2024, while average occupancy stabilised near 40%, indicating higher returns per available night compared with the late 2010s. Second, utilisation patterns have become more consistent across the year. Booking data since 2022 shows a reduction in pronounced off-peak troughs, reflecting a more even distribution of activity across seasons rather than concentration around holiday periods. Third, management structures appear to have shifted. The concentration of revenue among a smaller number of listings, alongside higher ADR and occupancy, points to an increasing role of commercialised or multi-property management within the STR market. Although detailed ownership information is not available in the booking dataset, broader property records indicate that many STR properties are held by individuals and entities that own multiple dwellings. However, without a direct linkage between ownership and booking data, it is not possible to precisely measure changes in ownership patterns over time. These developments nevertheless highlight a trend toward greater business-like operation and consolidation within the STR sector.

Sectoral Context

From a tourism perspective, STR continues to operate as a flexible accommodation segment, expanding and contracting in line with seasonal demand for visitors. The pattern of recurring peaks in January and July–August aligns closely with established tourism cycles.

From a housing perspective, the sustained elevation of average daily rate (ADR) and revenue since the pre-pandemic period indicates that STR use of dwellings has become markedly more

financially attractive than LTR residential leasing, particularly in high-amenity lakefront and central neighbourhoods. In the District's context, high amenity refers to areas offering the attributes visitors value most: proximity to exceptional natural scenery, access to food and wine experiences, walking and hiking opportunities, and immediate access to attractions such as the gondola and ski fields. These neighbourhoods cluster around the lake edge and the CBD, where panoramic views, vibrant hospitality offerings, and ease of access to iconic activities collectively command a premium in the short-term rental market (Angus & Associates, 2025).

Rather than merely remaining competitive, the data suggest that STR returns now exceed those from LTR, which may incentivise property owners to favour STR over renting to local residents. This trend is particularly evident in locations with high visitor demand and seasonal surges, which may contribute to pressure on local housing supply and rental affordability. Section 4 presents further modelling to assess how these financial patterns influence housing market outcomes in the district.

Summary

Overall, STR revenue has recovered from the pandemic downturn and increased over the 2016 to 2024 period. Monthly earnings increased from below $10 million in 2016 to around $30–40 million in 2023–2024. The combination of higher ADR, moderate occupancy, and greater trading consistency indicates a more established market structure.

3.4 Housing Pressure

3.4.1 Residential Visitor Accommodation (units/flats) Dominance

The STR market in the District is dominated by *RVA: Entire place*. As shown in Figure 3.11, RVA listings - comprising entire dwellings such as stand-alone houses, units, townhouses, and self-contained flats (e.g., cottages, cabins, granny flats, or tiny houses) have consistently represented the majority of active supply.

In 2016, *RVA: Entire Place* accounted for approximately 70% of all active supply, compared with 30 % *RVA: homestays*. By 2018-2019, the share of *RVA: Entire Place* surpassed 75%, and during the COVID-19 period, it further increased to nearly 80-82% despite a temporary contraction in total listing numbers. From 2022 onwards, *RVA: Entire Place* listings have stabilised at high levels of 85-87%, while *RVA: homestay* listings have continued to decline, representing only about 13% of the total by 2024.

RVA: Entire place will involve the use of full dwellings for visitor stays; it could pose greater implications for LTR supply and affordability. Self-contained accessory units, such as secondary flats located on the same property, contribute to this dynamic by enabling additional visitor capacity within otherwise residential sites.

3.4.2 Dwelling Size Composition

While AirDNA provides information on the number of bedrooms for each listing, this measure does not directly correspond to the Council's dwelling typologies (e.g., stand-alone house, terrace housing, or flat). A one-bedroom listing could represent a compact unit in the town centre, or a self-contained flat co-located with a larger dwelling (terraces/apartment building), while multi-bedroom properties may range from a stand-alone house to multi-unit visitor units. Despite these limitations, bedroom size remains a critical indicator for understanding both the scale of visitor accommodation capacity and its potential overlap with housing segments important to local residents.

- **Small to mid-sized dwellings** dominate STR supply: one-bedroom (29%), three-bedroom (26%), and two-bedroom (18%) properties together comprise nearly three-quarters of all active listings (Figure 3.12).
- **Larger dwellings** (substantial segment): four-bedroom homes account for 16%, while five-plus bedroom dwellings make up about 6%. These larger dwellings are likely to compete directly with family-sized homes in the LTR market.
- **Studios and zero-bedroom listings** remain marginal, accounting for 5-6% of the supply. (Zero-bedroom listings typically comprise compact open-plan flats, such as cottages or cabins, which would fall in the *RVA: Homestays*)

This composition directly mirrors the dwelling sizes most in demand by the local long-term rental (LTR) market. The dominance of one-to-three-bedroom units, typical of residential flats, terrace housing, and family homes, suggests that STR activity is not confined to a separate 'tourist zone'. Instead, it is deeply embedded within the housing types usually available for residents. This overlap is most acute in neighbourhoods with high visitor-specific amenities (such as the lakefront or town centre), where the competition between short-term visitors and long-term residents for the same physical housing stock is most intense.

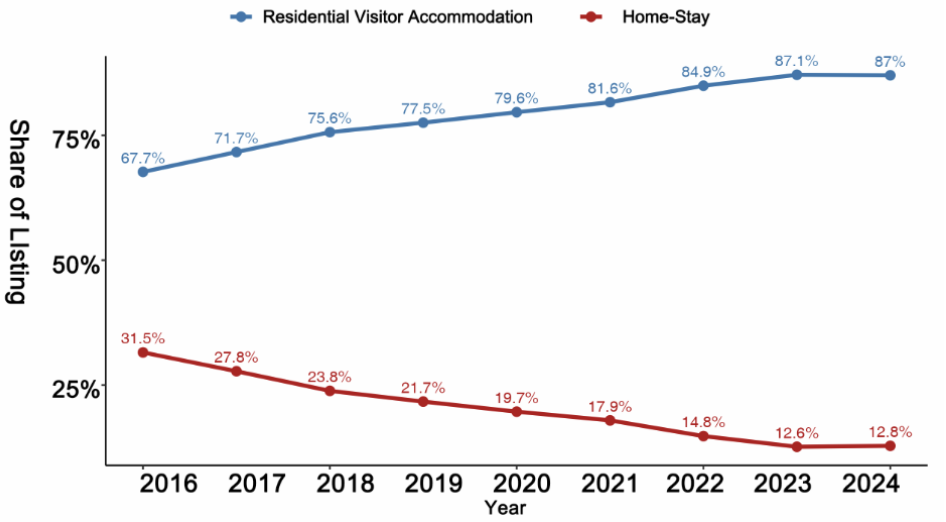


Figure 3.13 Share of Listing

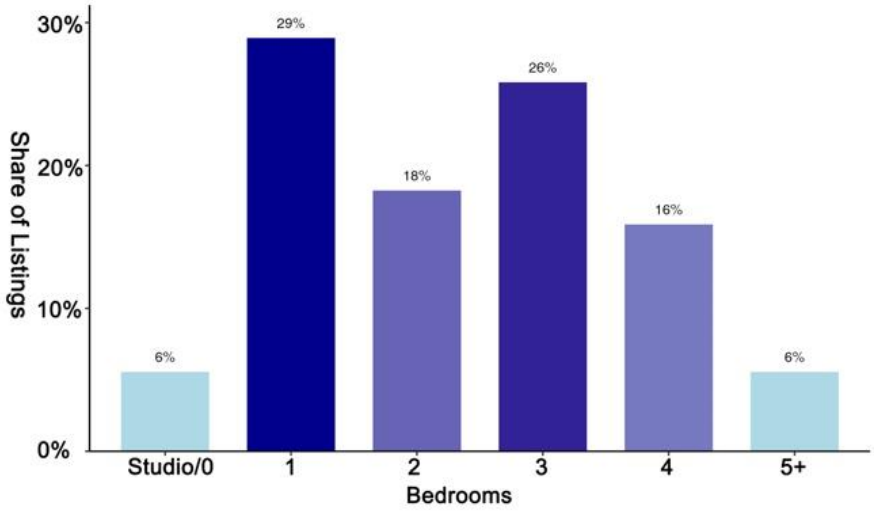


Figure 3.14 Dwelling Size Composition

3.4.3 Availability Ratios

Availability ratios measure the proportion of days that a listing is open for bookings, indicating how consistently properties are made available for STR. Higher availability generally suggests that a property is not owner-occupied year-round and may function as a holiday or investment dwelling, although availability alone does not confirm commercial management or occupancy levels, especially for use over 180 days. Shorter booking windows typically reflect more intermittent or seasonal use (between 30 to 180 days).

- **Annual trends** (Figure 3.13):
  - 2016: 23%: reflecting low levels of year-round availability during the early growth of STR activity.
  - 2017–2019: ~35%: showing increased consistency in listings being open for bookings.
  - 2020–2021: 41-44%: When active hosts maintained relatively high platform availability despite reduced visitor demand.
  - 2022–2024: 24-31%: as overall listing numbers increased, but the share of days open for booking declined.
  - Early 2025: 20-30%: indicating continued stabilisation following post-pandemic market adjustment

- **Monthly patterns** (Figure 3.14):
  From 2016 to 2022, availability ranged from 30% to 65%, with mid-year peaks coinciding with periods of higher visitor demand. However, from 2022 onward, monthly values frequently fell below 25%, indicating a lower proportion of listings that

remained open throughout the year. The divergence between increasing listing counts and declining availability suggests that while more properties are registered on STR platforms, fewer are active longer term listings.

Overall, the data indicate growing variation within the STR market. Some listings remain open year-round, while others are active only seasonally or intermittently, with 65.6% of listing over the 90 nights. Based on the assumption that a listing of more than 30 days could be a holiday home, 77.8% of the listings would fall within this category. Recognising this variation is crucial for understanding STR's relationship to the broader housing market and for designing policies that account for varying levels of participation.

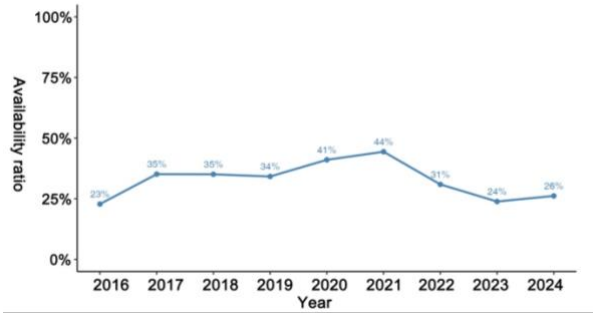


Figure 3.15 Annual Availability Trend

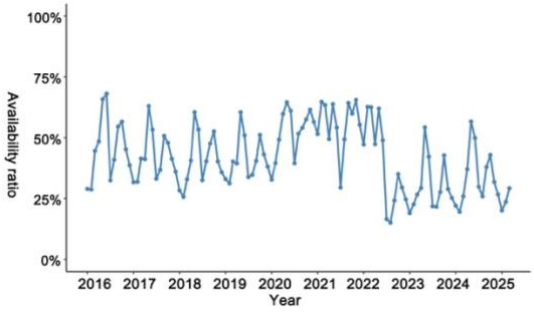


Figure 3.16 Monthly Availability Trend

Availability by property type and dwelling size

Availability patterns vary by property size and listing type, indicating different levels of utilisation within the STR market.

- **By property type and bedroom number** (Figure 3.15; Figure 3.16):
  - Two-bedroom and 5+ bedroom homes record the highest median availability (around 60 %), suggesting that these properties are available for bookings for longer portions of the year.
  - One- and three-bedroom dwellings fall within the mid-range.
  - Four-bedroom homes show slightly lower median values but a wider spread, indicating greater variation in use across this category.
  - Entire homes generally record higher and more variable availability ratios than hotel rooms, private rooms, or shared rooms.

When compared by listing type, residential units (non-stand-alone houses) and flats show a wider distribution and generally higher availability than standalone houses. *RVA: Homestays* are moderately available, while shared rooms cluster at lower levels. Hotel rooms, though few on platform datasets, consistently record high and stable availability, reflecting year-round professional management. VA room listings are derived from the AirDNA listing type classification. They account for only a small proportion of total listings but are included to acknowledge that some hotels also operate through the Airbnb platform. It should be noted,

however, that these datasets represent only a subset of the market, as the majority of VA providers do not list through short-term rental platforms.

Overall, these results indicate a diverse STR market, where some property types are available for booking throughout most of the year, while others are used intermittently. Higher availability may suggest reduced owner occupancy or greater flexibility for short-term use, but it does not necessarily imply commercial operation. Understanding this variation is crucial for assessing the relationship between different types of listings and both visitor accommodation and the housing system.

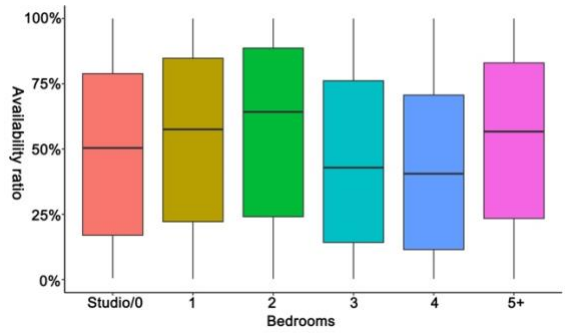


Figure 3.17 Availability by Bedroom

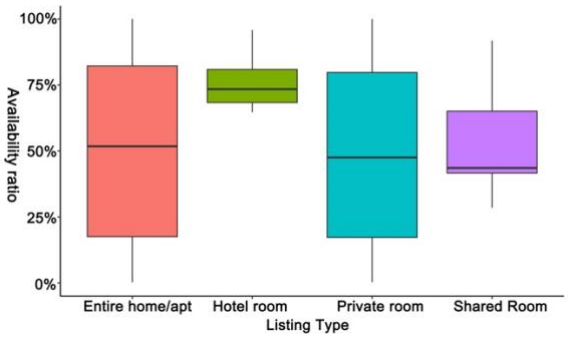


Figure 3.18 Availability by listing type

3.4.4 Spatial Distribution and Housing Pressure

The spatial distribution of STR across the Queenstown-Lakes District highlights areas where short-term accommodation represents a significant share of the housing stock.

Figures 3.19 and 3.20 show the spatial distribution of STR listings across Queenstown (Whakatipu Area) and Wānaka (Upper Clutha), within each hexagonal grid cell. Figures 3.18 and 3.20 illustrate the STR Intensity, calculated as the number of active STR listings divided by the total dwelling stock within each grid. This percentage indicates the extent to which local housing is utilised for residential visitor accommodation and homestays. In some cells, the calculated share exceeds 100%. This occurs when multiple STR listings are associated with a single dwelling, such as in a homestay, resulting in a listing count exceeding the total number of residential properties.

Queenstown (Whakatipu Area) STR listings are most numerous along the Lake Whakatipu waterfront, particularly in the CBD, Fernhill, and Goldfield Heights (Figure 3.17). These areas combine high visitor demand, lake views, and proximity to central amenities, resulting in the most listings district-wide. However, their proportional intensity, measured as a share of total dwellings, is moderated by the larger housing base.

Beyond the central corridor, distinct STR clusters appear in Arthurs Point, Shotover Country, Lake Hayes Estate, Hanley's Farm, and Arrowtown, which were initially developed as

residential expansion areas. These are newer suburban or lifestyle developments characterised by lower housing density and fewer overall dwellings. Consequently, even moderate STR activity results in higher proportional shares. Most of these neighbourhoods record STR levels of 50%-60% of dwellings, despite having fewer listings overall (Figure 3.18).

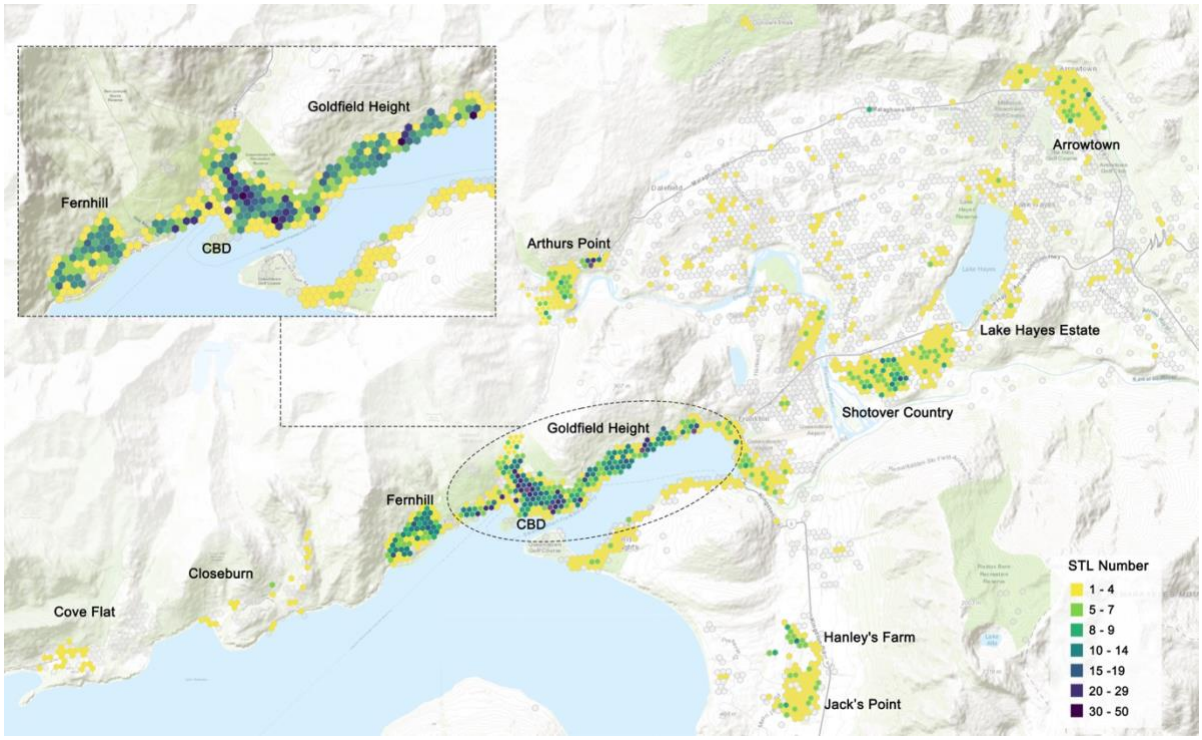


Figure 3.19 Spatial Distribution of STR listings in Queenstown

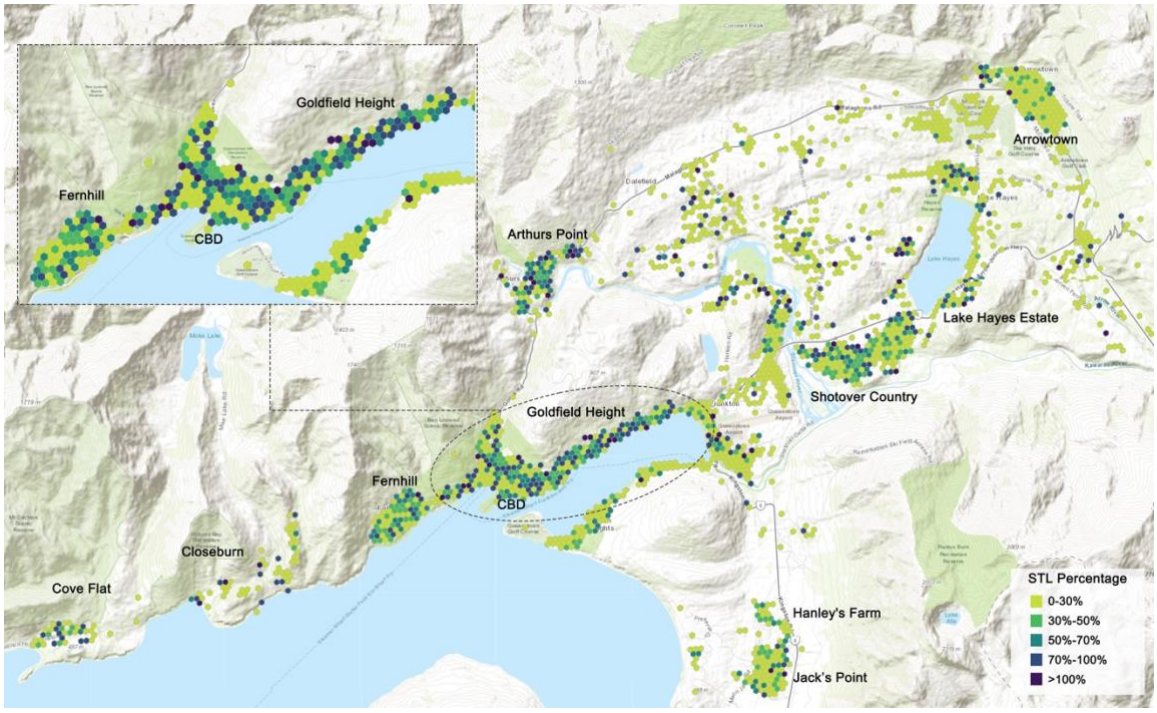


Figure 3.20 Spatial Distribution of STR Intensity (Listings as % of Dwellings) in Queenstown

Wānaka Area (Upper Clutha)

In Wānaka and the surrounding area (Upper Clutha), STR activity is more dispersed but still pronounced. The Wānaka lakefront and Albert Town display the highest intensities, while smaller clusters appear in Lake Hāwea and Luggate (Figure 3.19). Across most neighbourhoods, approximately 30% of dwellings are used for short-term accommodation, which is lower than in central Queenstown but still notable given the scale of the local rental market.

Outside the town centre, Albert Town and Lake Hāwea also exhibit high proportional shares of STR, some 30-40% of dwellings, despite their smaller listing counts. In these lower-density suburban and second-home areas, a relatively small number of active listings translates into a large share of the local housing stock. Luggate presents a similar but smaller-scale pattern (Figure 3.20).

Wānaka demonstrates a dual structure: the township contributes the bulk of STR listings, while smaller peripheral settlements exhibit high proportional intensity. This intensity is driven by limited housing supply and a high concentration of legacy holiday homes. The Upper Clutha has traditionally served as a premier holiday destination, particularly for the Southland region, meaning a significant portion of the STR stock consists of properties that have never been part of the long-term rental market.

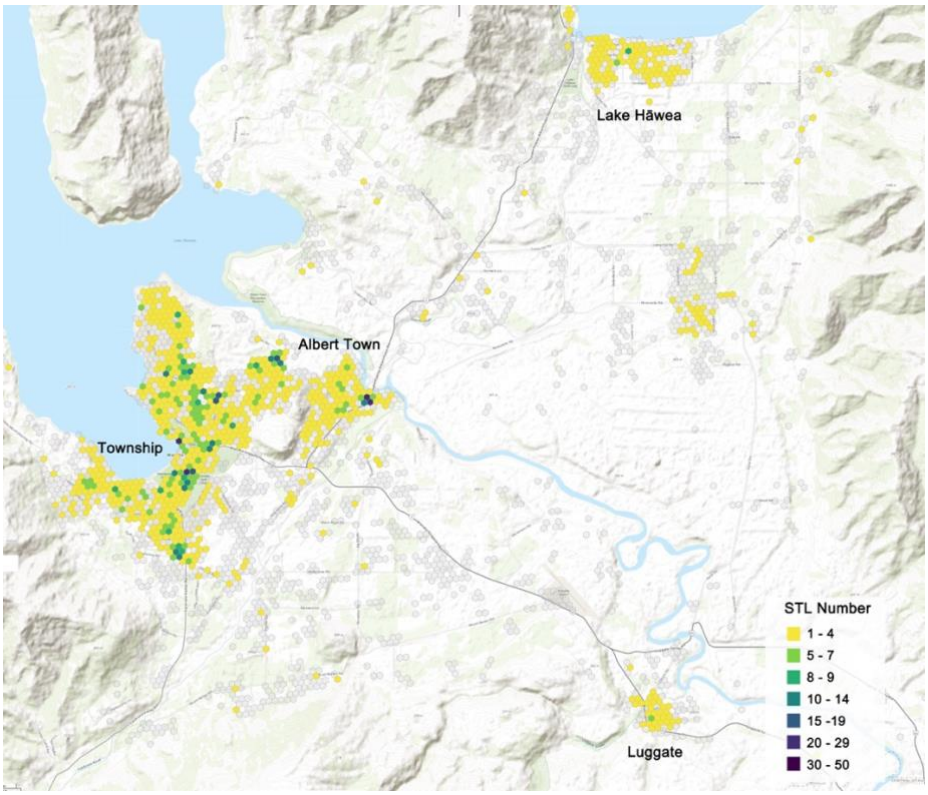


Figure 3.21 Spatial Distribution of STR listings in Wānaka

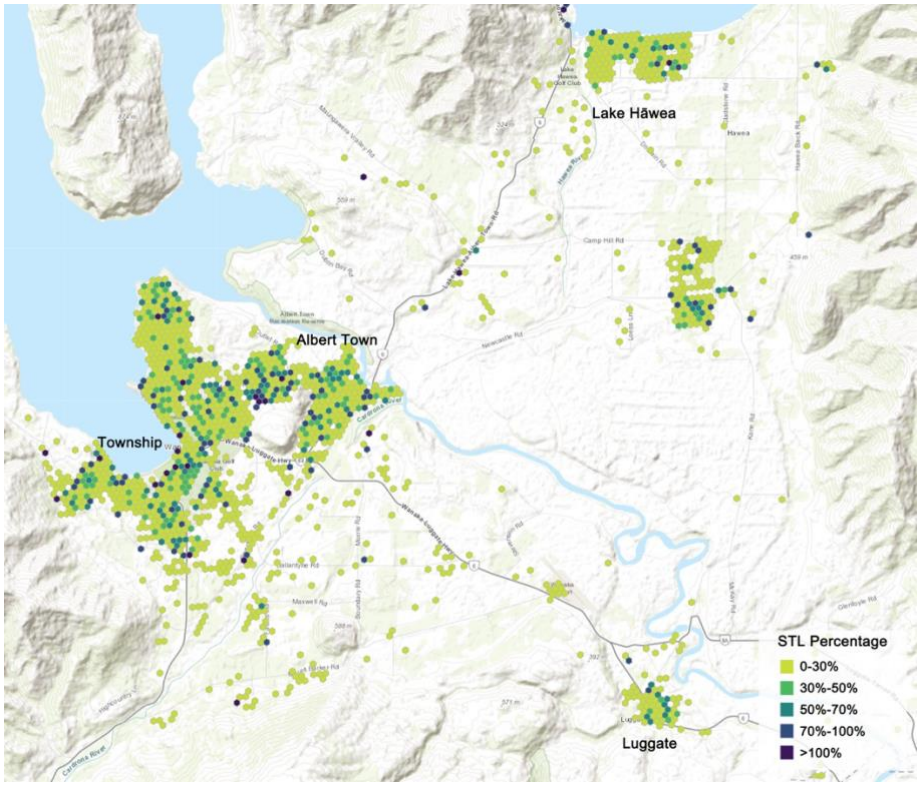


Figure 3.22 Spatial Distribution of STR Intensity (Listings as % of Dwellings) in Wānaka

Taken together, these spatial patterns indicate that STR activity is geographically varied across the district. Queenstown's CBD area exhibits the highest concentration of short-term activity, while surrounding residential areas show moderate but sustained levels. In Wānaka, STR is distributed more broadly across the township and adjacent settlements. Recognising this spatial differentiation is important for understanding where housing pressures may be most pronounced and for informing location-sensitive policy approaches.

- **Queenstown CBD:** Fernhill, and Goldfield Heights, STR penetration is approximately over 60% of the total listings (Figure 3.17, 3.18). In parts of the central core, this exceeds 70%, indicating that the majority of housing stock serves tourists rather than residents. Based on active listing pattern assumption, 87% of these STR listings are identified as second homes or investment properties.
- **Sub-urban Residential Neighbourhoods:** Arthurs Point, Shotover Country, and Jack's Point also show consistently elevated STR shares, spreading pressure beyond the CBD into residential growth zones.
- **Wānaka:** STR is widespread but less concentrated. Most neighbourhoods record ~30% of dwellings as STRs (Figure 3.19, 3.20), representing substantial pressure, though less acute than in Queenstown's core.

Key Insights

- The dominance of *RVA: Entire place* indicates a similarity between STR and housing types typically available for LTR.
- Dwelling-size patterns show alignment between STR supply and visitor demand for family and group accommodation, intersecting with segments of the LTR market.
- Housing pressure varies across locations, with the most pronounced concentrations in Queenstown CBD and more moderate but persistent activity in Wānaka and surrounding growth areas.

3.5 Seasonality and Quality Signal

3.5.1 Seasonal Dynamics

STR in Queenstown-Lakes follows a regular dual-peak annual cycle that mirrors the district's visitor economy. The summer high arrives in December–January, when occupancy typically sits around 64-69% and average monthly revenue reaches $5,900-6,000. A second, often stronger, winter high occurs in July and August, aligned with the ski season. Occupancy approaches 70% in July, and monthly revenue exceeds $6,900. Between these peaks, trading eases through the shoulder months. May is the weakest month of the year, with occupancy around 38% and revenue of $2,767, while October is also subdued, with roughly 49% occupancy and $4,262 in revenue. The transitional months of March, April, September, and November maintain moderate levels, typically 54–58 % occupancy and $4200-4950 revenue (Figure 3.23).

In summary,

- **Summer peak (December–January)**:
  - Occupancy averages 64 - 69%.
  - Monthly revenue per listing ranges from $5,916 to $6,085.

  Winter peak (July–August):
  - Occupancy rates reach ~70% in July.
  - Monthly revenues exceed $6284.
- **Shoulder months**:
  - May is the weakest month, with occupancy at ~38% and revenues of ~ $2767.
  - October is also low (occupancy ~49%; revenue ~ $4265).
  - Transitional months (March, April, September, November) sustain moderate levels, with occupancy between 54–58% and revenues of $3700-4900.

The consistency of this dual-peak pattern across multiple years indicates that STR activity closely tracks established tourism cycles rather than fluctuating unpredictably. Seasonal variation in occupancy and revenue reflects the district's visitor demand profile, with higher utilisation during peak travel months and reduced activity during off-peak periods. This pronounced seasonality has implications for local housing dynamics. While these fluctuations

do not necessarily mean that properties return to the LTR market during low seasons, they highlight the seasonality of housing use within the district. These cycles amplify existing pressures during peak tourism periods, when STR profitability is at its highest and housing availability for residents is most constrained. It is suggested that the changes in the Residential Tenancy Act 1986, enabling the return to 11-month tenancies, could assist here. However, this approach was not supported by the preference surveys of existing STR operators.

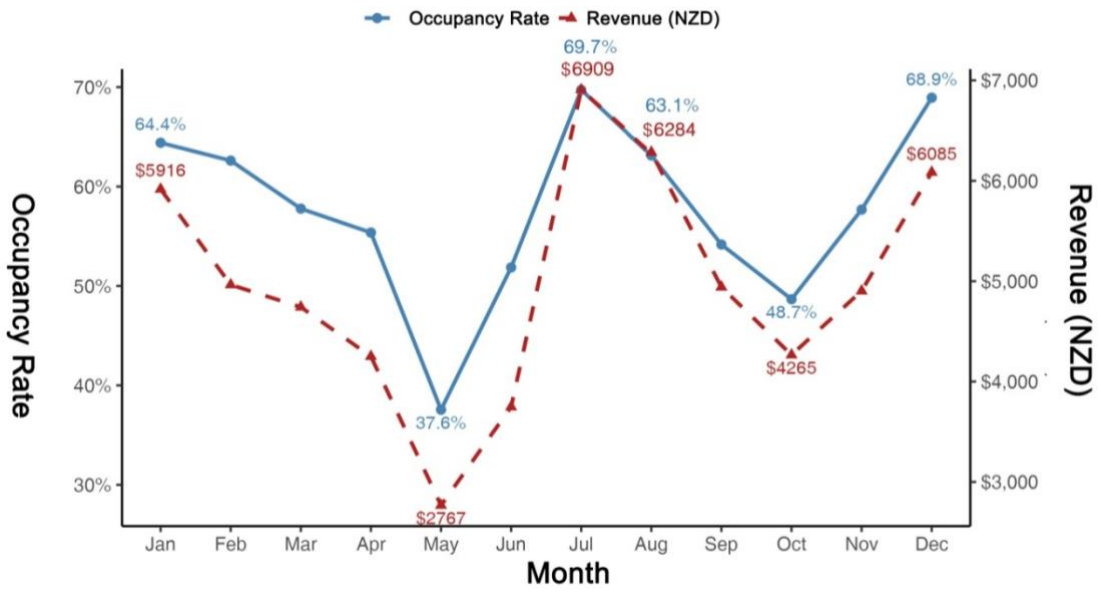


Figure 3.23 Seasonal Dynamics

3.5.2 Platform Quality Metrics

Platform-derived indicators provide additional perspective on the operation of the STR market, particularly in distinguishing between more active and less active participants.

- **Ratings**: Most active listings receive very high guest ratings, typically above 90 out of 100, with a dense cluster at the maximum of 100 (Figure 3.22). Only a small number fall below 80, and very few drop below 70. While this distribution appears to indicate uniformly high quality, it largely reflects characteristics of platform review systems rather than true variation in service standards. Negative experiences are less likely to result in published reviews, and underperforming listings can be withdrawn. Consequently, ratings data have limited value for differentiating operator performance or property quality.

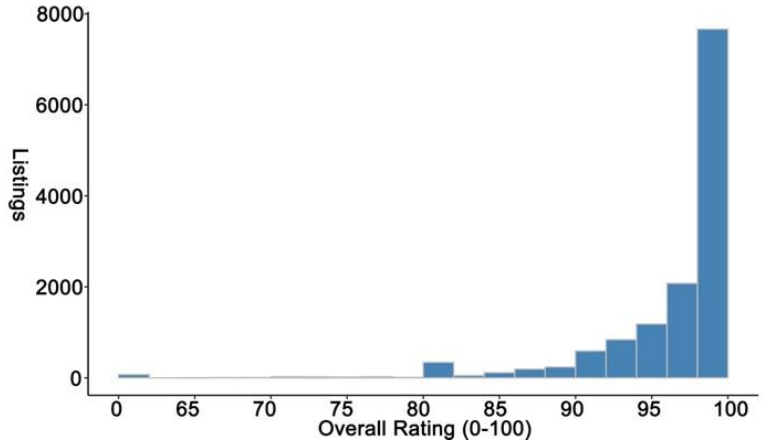


Figure 3.24 Overall Rating

Key Insights

- Seasonality follows a consistent dual-peak pattern (summer and winter), shaping occupancy and revenue outcomes.
- Shoulder-month fluctuations highlight the cyclical nature of STR activity and its uneven distribution across the year.
- Compared with other parts of New Zealand, the district remains exceptional: during shoulder seasons, occupancy and revenue levels stay relatively high, making STR activity continuously attractive to operators.
- Platform ratings are skewed toward high scores, limiting their usefulness for performance assessment.

Overall, these findings describe a market composed of both seasonally active hosts, who operate mainly during peak tourism months, and consistently active operators, who maintain listings year-round. The indicators summarised here provide a descriptive baseline for subsequent analysis of STR exposure, rental-market interactions, and host-level operating patterns, which are examined in the next section.

4. Survey and Interviews

4.1 Interview Approach and Analytical Framework

The interviews were designed to complement the survey evidence by probing deeper into motivations, perceptions, and barriers that quantitative methods cannot fully capture. Semi-structured discussions were held with three groups of stakeholders:

- **STR landlords/operators** (to understand decision logics and lived experiences);
- **Property managers** (to assess market dynamics and operational feasibility);
- **Community representatives** (to foreground affordability, cohesion, and systemic impacts).

A hybrid thematic approach was applied. Deductive coding followed the study's objectives (availability, affordability, regulation, community effects), while inductive coding captured emergent concerns (e.g., mortgage structuring, neighbourhood "motelisation"). This allowed us to map both convergent themes and divergent perspectives across stakeholder groups.

4.2 Survey Results

The survey reveals that Queenstown Lakes STR market is both professionalised and hands-on, with operators spanning a range of management styles, dwelling sizes, ownership models, and utilisation intensities. This mix underpins the later findings and has direct implications for policy design.

Management style

The dataset comprises 242 properties with a diverse range of sizes. Larger properties dominate the market, with units featuring 4 or more bedrooms accounting for the largest share at 33.9% (82 properties), followed by 3-bedroom properties at 29.8% (72 properties). Two-bedroom units represent 23.6% (57 properties), while smaller 1-bedroom properties constitute the smallest segment at 12.8% (31 properties). This distribution suggests a market orientation toward family-sized accommodations and larger rental properties.

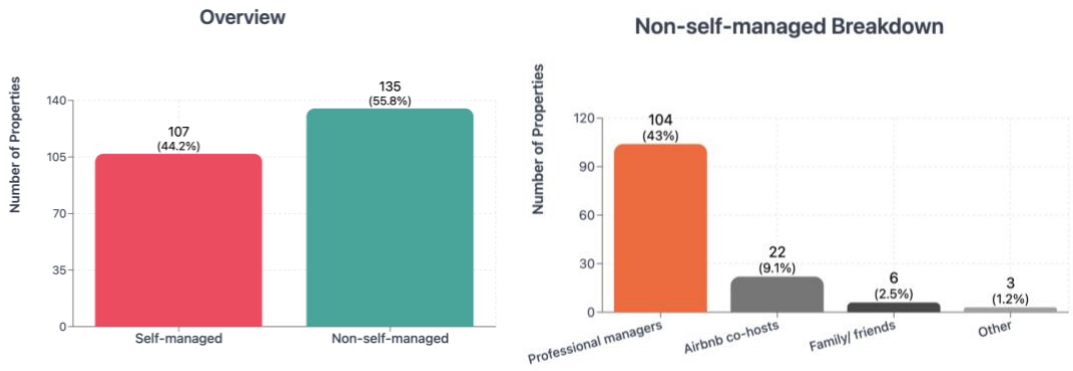


Figure B.3 Management Style Distribution

This split indicates that while management services are widely used, a substantial cohort of owners continues to run operations themselves, often because they value control, flexibility, or the ability to tailor guest experience. Some owners also noted that managing bookings personally helps them retain more earnings, as external services typically reduce net revenue.

Property size

Property management approaches are relatively balanced, with 55.8% (135 properties) being non-self-managed and 44.2% (107 properties) self-managed. Among non-self-managed properties, professional managers handle the vast majority at 43.0% (104 properties), while Airbnb manage 9.1% (22 properties). Family and friends account for a small portion at 2.5% (6 properties), with other arrangements representing just 1.2% (3 properties). This indicates a strong preference for professional management services in the market.

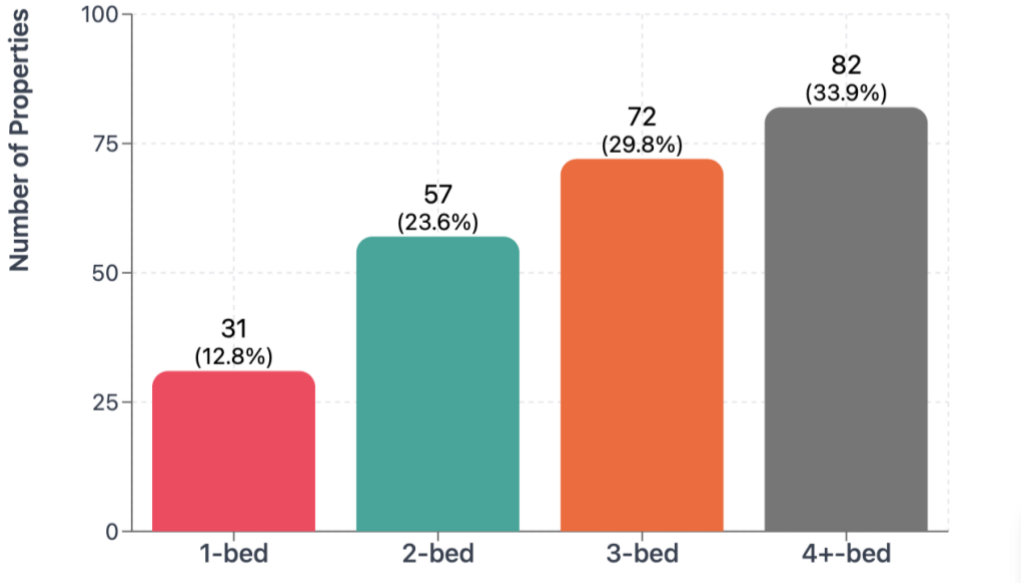


Figure B.4 Property Size Distribution

This composition is material for policy design, because the barriers and incentives for switching from STR to LTR are shaped by property size. Larger homes typically come with higher mortgages and running costs, so owners of these properties may require greater financial support or risk mitigation to consider LTR. In contrast, smaller homes are generally easier to manage and have lower operating expenses, but when converted to LTR, they tend to attract tenants such as singles or couples rather than families. Recognising how these differences influence owner decisions helps ensure that policy interventions are tailored effectively, maximising the impact of incentives, addressing gaps in the rental market, and supporting a mix of housing options suited to the district's population.

Ownership structure

The ownership landscape is dominated by investors, who own 66.9% (162 properties) of the total portfolio, while owner-occupiers account for 33.1% (80 properties). This two-to-one ratio of investor-owned to owner-occupied properties reflects a market driven primarily by investment purposes rather than primary residences being occasionally rented out, suggesting a mature short-term rental investment market.

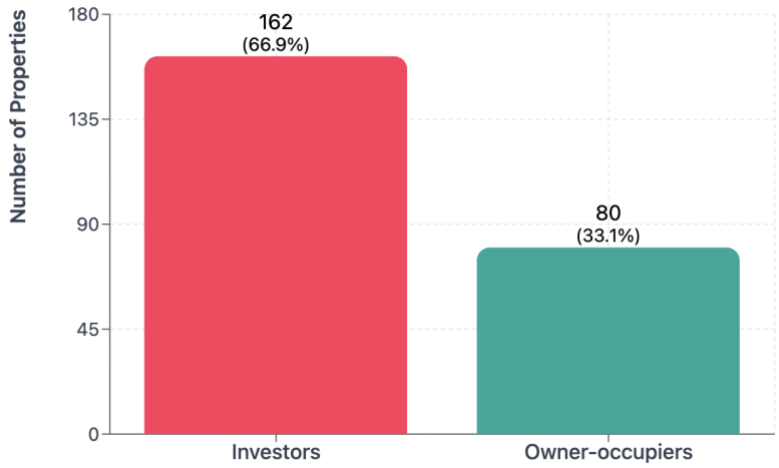


Figure B.5 Property Ownership Distribution

Survey responses reveal that two logics coexist: investors prioritise yield and risk, while owner-occupiers balance income with lifestyle access.

Utilisation intensity

Property utilisation patterns show a polarised distribution. High-intensity properties (booked for more than 180 nights annually) and low-intensity properties (less than 90 nights) each represent 35.8% of the market (83 properties each). Medium-intensity properties (90-180 nights) account for 28.4% (66 properties). This balanced split between high and low utilisation, measured by nights occupied rather than merely available, suggests diverse rental strategies: some properties operate almost year-round, while others serve as occasional or seasonal rentals.

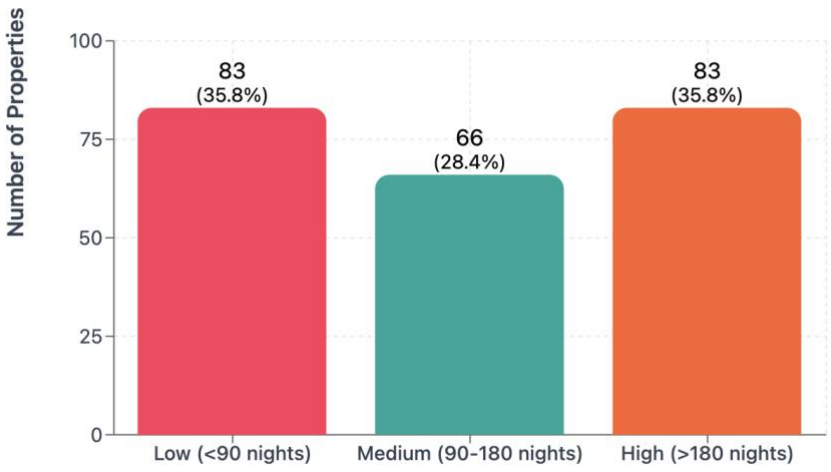


Figure B.6 Property Utilisation intensity

The market is heterogeneous, with lifestyle-driven intermittent letting coexisting alongside professional, year-round operations.

Implication: The mix of self-managers, family-sized dwellings, and investors means different decision logics drive conversion choices.

Switch-Ready Capacity

We speculate, in part from the results gained from the operating user surveys, that 1,870 active STR listings may have converted to long-term rentals, especially larger, family-sized homes, over the COVID-19 (2020-2021) period. However, there are two points we believe are relevant to this part of the study. Firstly, the survey and interviews show there are other incentives for STR as discussed below, and the COVID period may not be indicative of willingness to switch to LTR more generally. If STR costs increased, some of these dwellings may continue to be used for STR with the increased costs 'passed on' to the customers, or they may remain empty or as holiday homes with no STR/LTR use at all as the owner may choose not to enter the LTR market. Secondly, we speculate that a number of these switch-ready listings would not be affordable LTR homes and would be used for LTR at higher price points.

Survey Key Findings

The survey identifies seven findings that have direct implications for policy design. Together, they confirm that conversion from STR to LTR is constrained by distinct factors across operator groups. No single barrier dominates, but several recurring patterns emerge. The analytical strategy is presented **in Appendix G.**

1. **Self-managers are the most resistant to conversion.**

Self-managed operators were significantly more likely to agree that LTR "does not earn enough" compared to non-self-managed operators (about half versus one third; χ^2=42.609, p=0.011). This group is distinctive because they:

- Know their numbers closely and often benchmark their performance against market averages.
- Invest substantial personal time into operations and thus perceive opportunity cost if yields fall.
- Derive non-monetary benefits such as control, flexibility, and a sense of craft or professional pride.

Implication: Conversion offers must bridge **two gaps**: the *cash gap* (addressing perceived net revenue shortfall) and the *identity gap* (preserving autonomy and control). Policies that respond solely to financial yield are unlikely to succeed. Instead, the survey shows that self-managers are more likely to convert if offered flexible rental arrangements (e.g., shorter fixed-term leases) and recognition for good land lordship through practical perks, such as preferred consenting processes, networking opportunities, or small grants. Measures that respect owner preferences are more effective than simply offering extra money.

2. Confidence in filling nights is as much psychological as economic

Self-managers reported a 13-point higher confidence in maintaining high STR occupancy than other operators (p≈0.051). This confidence stems from experience and repeats business, but also reflects an optimism bias, the belief that they can consistently outperform the market.

Implication: Price-based levers alone will not suffice. Practical council interventions include:

- Ensuring that self-operators are clear that there are no council barriers for switching properties between STR and LTR.
- Offering potential rate rebates for those converting to LTR.

The council's most effective role is to build confidence for owners by making local regulations understandable, predictable, and not unfairly punitive for those supporting the shift to LTR. This could be achieved through council advocacy.

3. Two-bedroom dwellings are the "sweet spot", while three-beds are squeezed.

By dwelling size, two-beds are the most straightforward STR segment: they align with visitor demand (couples, small families), are relatively simple to manage, and show strong operator confidence. Three-beds, however, present a paradox: owners have less confidence in occupancy but are more convinced that STR outperforms LTR (p=0.009). This mix suggests that three-bedroom homes could represent an important opportunity to increase LTR supply. Three-bed homes occupy a "squeezed middle", pressured by competition from both smaller and larger homes. Therefore, the most realistic policy response is to provide clear and

accurate information that compares actual long-term and short-term rental returns, helping owners make informed decisions.

4. Larger houses (including flats) face structural financial barriers.

Mortgage arrangements for these homes are often based on STR income, making it harder for owners to switch to LTR. Standard rates or potential limited rate increases may be not enough for this group, because the main barriers stem from bank and lender requirements, rather than personal preference.

5. Investors are yield-driven; owner-occupiers are lifestyle-driven

Investors typically see LTR as less profitable and are drawn to STR for its higher returns and flexibility. They want certainty of income and low risk. Owner-occupiers, by contrast, care more about retaining personal access to their property for lifestyle reasons, such as occasional use during holidays. ($p \approx 0.059$). Self-assessed knowledge of LTR rules was moderate in both groups (56–64 %; $p \approx 0.146$), suggesting that information campaigns alone will not significantly shift behaviour.

The implications are:

- For investors: The practical policy response is to monitor and provide reliable data on actual yields and offer clear information on tenant rights and responsibilities to reduce uncertainty.
- For owner-occupiers: The district plan does allow for some compliant carve-outs, letting owners retain limited personal use of a property even under LTR, so long as rules are followed. Council should clarify these provisions and communicate them widely to reassure potential converters.

6. Low-utilisation operators are a paradoxical group.

Properties that let fewer than 90 nights annually are the worst financial performers yet show the strongest resistance to conversion. Only 42.5% were confident in occupancy, and 43.4% believed STR outperformed LTR; yet 84.3% said they would not convert ($\chi^2 = 20.243$, $p = 0.063$). due to personal preference such as for the use as a holiday home. These operators treat STRs as lifestyle assets with supplementary income. For Council:

- Pure price incentives will not achieve the desired outcome.
- Conversion levers must acknowledge lifestyle value, or this group should be considered low priority for policy effort.

In summary:

Conversion from STR to LTR depends on bridging economic, psychological, and lifestyle gaps or personal preference specific to operator type. Tailored tools: information, recognition,

practical support, and promoting flexible tenancy options, will be more effective than uniform financial incentives or regulatory approaches. However, as we've considered preference survey results, there is a segment who valued the flexibility over the use of their secondary home and would not convert to LTR.

Table B.1 Linking conversion gaps to policy levers and priority cohorts

Gap	Barrier description	Policy levers	Priority cohorts most affected
Economic gap	STR is believed to outperform LTR in net returns	- Standardised cost comparisons ("reality check") - Clear financial and market data communications	• 3-bed "squeezed middle" • Medium-utilisation dwellings
Psychological gap	Self-managers value autonomy; believe they outperform market averages	- Light-touch management support - Respect for autonomy - Recognition for good land lordship (e.g., networking, small grants)	• Self-managed 2-beds in high-pressure areas
Lifestyle gap	Owner-occupiers prioritise access for personal use over maximising yield	- Compliant personal-use carve-outs - Promotion of flexible tenancy models (e.g. 11-month agreements) - Clear advice on District Plan options	• Owner-occupier subgroup (across sizes)

4.3 Interview Findings

Landlords / STR Operators

Acknowledgement of rental shortage, but resistance to attribution

Most landlords acknowledged a shortage of LTR housing in Queenstown. However, they attributed this primarily to weak enforcement of existing rules rather than their own STR participation. Many expressed frustrations about being unfairly blamed, often contrasting themselves with unregistered or "*rogue*" hosts. As one operator observed, *"there's no monitoring. It just removes all those long-term rentals from the market."* This perspective supports the survey finding that self-managing landlords see practical enforcement limitations, rather than their own activity, as central to the rental shortage.

Motivations for choosing STR: flexibility and risk avoidance

Operators consistently cited flexibility, particularly the ability to retain personal or family access, as the strongest motivator. Tenant risk was the second driver, with some landlords recounting negative LTR experiences as decisive: *"We had a convicted drug criminal in our house … we might never go back to long-term again."* This aligns with survey evidence of what we term a lifestyle gap: even when revenues are similar, operators attach high value to flexibility and control, preferring arrangements that allow them to use their property periodically and to manage tenant risk directly.

Financial trade-offs: yield vs. control

While operators generally viewed STR as more profitable, some acknowledged that in specific conditions, LTR could outperform STR: *"Long-term cash-wise just at the moment is paying better than short term in our experience."* Nonetheless, most prioritised flexibility and control over yield, consistent with the survey finding that self-managers are resistant to conversion even when the cash gap narrows.

Regulation, bed taxes, and monitoring

A recurring theme was the lack of enforcement. Many participants felt this undermined market balance and policy credibility*: "If you didn't say in your research that there's no monitoring, then your research might not hold much weight because it's so fundamental."* Some landlords supported mechanisms such as a bed tax if applied consistently across operators *"Why can't Airbnb take a bed tax and pay that to the council, like they do overseas?"*

Neighbourhood and Development Impacts

Operators acknowledged that high STR concentrations could erode community cohesion, with comments such as *"nearly a whole street can turn over, and it just becomes like a glorified motel."* They also described how mortgage finance arrangements and design decisions were sometimes predicated on STR income: *"To get the mortgage, they had to have an income-generating part of the property."* These insights align with earlier survey results on contractual constraints and underscore how STR economics are embedded in broader housing finance and development patterns.

Property Managers

Market dynamics and the LTR shortage

Managers reported that the rental market had shifted from an extreme shortage to a more balanced, even tenant-friendly position. As one noted: *"Even 18 months ago demand was massive… now some properties are sitting vacant for weeks, which was unheard of."* They emphasised that broader affordability and migration patterns, rather than STR alone, shaped these pressures: *"Prices just went through the roof, and a lot of families left and went overseas."*

Contributing factors

While acknowledging STR as one influence, managers consistently pointed to broader structural drivers of affordability and population movement as the decisive factors. This positioned STR growth as a contributing factor rather than the sole cause of market pressure.

Affordability and yields

Managers highlighted falling rents for larger dwellings noting that rents and demand for smaller or standalone houses generally remained stable and less affected. In particularly: *"Three- and four-bedroom houses have dropped by $200 per week. Investors are realising long-term is more consistent."* They also observed that some "home-and-income" models - mixing STR and LTR across separate units - often proved financially unsustainable. *"Owners rent out the main house long-term and the unit as Airbnb, but usually they come back to us after a few months because the costs are too high."* This aligns with the quantitative evidence that larger homes face distinct financial constraints.

Regulation and policy

Recent changes to tenancy law were seen as restoring landlord confidence in offering LTRs. *"Being able to give notice again has made owners more confident to rent long term."* Managers framed regulatory shifts as stabilising influences that could coax properties back into the LTR pool.

Social cohesion and neighbourhood impacts

Managers recognised localised issues such as parking congestion and noise but tended to frame these as planning and regulatory matters. *"Yes, there are issues, but ultimately council needs to regulate where STRs can go."*

Development trends

They confirmed widespread reliance on home-and-income models to finance new housing. *"Everybody in Shotover and Hanley's Farm has a flat attached… but most owners eventually revert to long-term rental."* This illustrated both the financing role STR plays in development and the practical limitations that often bring owners back to LTR.

Community Representatives

Severity of the LTR shortage

Community stakeholders described the shortage of long-term rentals (LTR) as *"very serious,"* even though conditions had eased slightly compared with two years earlier. They pointed to the persistence of acute hardship, noting that *"there are still people living in vans every morning."* This confirms that demand pressures remain structurally high despite recent cyclical shifts.

Role of STR platforms and enforcement gaps

The Housing Trust identified the growth of short-term rental (STR) platforms as a key turning point in the housing market: *"Suddenly, people were pulling their properties from long-term rental to put them on Airbnb, and that's when rents really shot up."* They argued that weak enforcement exacerbated the problem, including cases where developments approved as "affordable housing" had instead been converted into visitor accommodations.

Affordability and demand pressures

The Trust's waiting list had risen by 40% to around 1,460 households, with 83% based in Queenstown. They reported room-sharing rents of $300–400 per week as commonplace, underscoring how affordability challenges are filtering down to even the most basic accommodation options.

Policy and regulatory impacts

Recent regulatory changes were viewed as having begun to shift behaviour back toward LTR supply. For example, the complexity of tax rules and GST obligations was cited as making STR less attractive, while the reinstatement of no-cause termination provisions was perceived as increasing the willingness of landlords to offer seasonal or short-to-medium-term LTRs, particularly for workers.

Neighbourhood cohesion and identity

Stakeholders voiced strong concerns about the "motelisation" of new subdivisions. While Queenstown Lakes has long had a stock of second homes, the scale and concentration of STR in newer areas was seen as posing a greater risk to neighbourhood cohesion: *"In new subdivisions, it just risks becoming like a glorified motel."*

Housing form and development patterns

The Trust also highlighted design mismatches between short-term and long-term needs: [dwellings configured for STR, with compact kitchens, limited storage, few bedrooms and poor acoustic privacy etc.] *"…works fine for a short-term stay, but it's not liveable long term. That's a real concern for the future of our housing stock."* They advocated for new development models, including higher-density schemes with shared greenspace, and enforceable no-STR covenants in council-supported projects.

4.4 Synthesis Across Stakeholders

The interviews reveal three cross-cutting tensions that shape how STR affects LTR markets in Queenstown Lakes:

1. **Flexibility vs. Housing Need**
    - **Landlords/STR operators** prioritise flexibility and protection from tenant risk, often citing past negative experiences as reasons for preferring STR.
    - **Property managers** focus on yield consistency and market cycles.

- **Community representatives** emphasise affordability pressures and systemic unmet demand.

2. **Regulatory Gaps and Enforcement**
    - All groups identified weak enforcement as a *fundamental* issue.
    - **Operators** framed it as the "make-or-break" factor in the current system.
    - **Community representatives** noted cases where dwellings included in the Special Housing Areas, originally consented for residential purposes, were apparently being used for STR under resource consent.
    - **Managers** saw zoning and planning, rather than policing, as the core responsibility of Council, acknowledging that difficulties in enforcing policies perceived as insufficient have contributed to the weak enforcement noted by all groups.

3. **Neighbourhood Cohesion and Development**
    - **Operators** admitted that in some areas "whole streets become like glorified motels."
    - **The Housing Trust** raised concerns about STR concentration in new subdivisions, undermining neighbourhood identity.
    - **Managers** acknowledged localised issues but placed responsibility with the Council to regulate location and density.

4.5 Interpretation and convergence/divergence

These perspectives demonstrate how **economic rationalities, regulatory gaps, and community impacts intersect** in the STR–LTR landscape. Landlords emphasise property rights, flexibility, and tenant risk; property managers highlight compliance, tenancy law, and market adjustments; community voices stress affordability crises and cohesion loss.

While stakeholders broadly agree that STR has reduced LTR availability, they diverge on severity and mechanism:

- **Community representatives** describe the shortage as *"very serious,"* linking it to affordability crises and destabilised neighbourhoods.
- **Property managers** argue that conditions have recently eased into a "tenant's market," shaped as much by affordability cycles and migration as by STR activity.
- **Landlords** defend STR participation as a rational response to flexibility, lifestyle benefits, and tenant risk.

Central policy implication

This divergence highlights the **tension between household-level motivations and district-level housing pressures**. While STR offers flexibility and perceived security for individual owners, communities experience systemic loss of affordable rentals and cohesion.

Limitations.

These findings are based on a relatively small number of interviews, with lower participation than anticipated. They should therefore be treated as illustrative rather than exhaustive and interpreted in conjunction with the survey results and quantitative analysis elsewhere in this report.

5. Conclusions and Discussion

Our findings suggest that STR is not the sole cause of housing stress, nor affordability issues within the District. Our analysis confirms that STR has become a structural component of the Districts' housing market, reflecting an adaptive response to their tourism-driven economies. While STR provides economic benefits, there is tension between the flexibility it offers individual property owners and the systemic loss of affordable rentals at the District level, which may require a strategic response to address. With this, given that STR is now embedded in the visitor accommodation offering within the District, any significant reduction in STR offering could impact the tourism sector as the VA element of the market may not be able to compensate for the potential loss of STR, especially in the short term. STR also provides an importance source of income for many in the district.

However, while policy responses may seek to increase LTR levels within the District, it must be acknowledged that there is a group of property owners who have no desire to either enter the STR market or convert their STR to LTR for a range of reasons, including economic, psychological, and lifestyle.

Finally, we suggest that the Council explores establishing a role to monitor and ensure compliance for STR activities within the District as there appear to be a high number of STR which are not part of the Council's register. Not only would this ensure compliance with the relevant District Plan/rating standards, it would also provide the Council a more accurate source of data to track the level of STR and also the impact of holiday homes within the District and ensuring that the Council policy approach is fairly and evenly applied across the District.

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Appendix A: Survey Design

1. Purpose

This survey asks a practical question for Council: who can realistically switch from STR to LTR, what holds them back, and which levers would move them?

The survey explores how STR operators in Queenstown Lakes District manage their properties, form revenue expectations, and what conditions might prompt them to switch to LTR.

It serves two complementary objectives:

- Identify convertible segments: to determine which operator groups are most likely to transition from STR to LTR under feasible conditions.
- Reveal barriers and levers: to isolate the financial, behavioural, and institutional factors that shape conversion potential.

2. Method and Data

The survey aimed to provide behavioural and attitudinal evidence that administrative datasets cannot capture-particularly operators' perceptions of risk, their willingness to switch to LTR, and the frictions that constrain that decision.

It is worth noting that our aim was not population estimation but to surface which operator segments are realistically convertible, what is holding them back, and which levers matter. In short, we want to better understand the decision-making process of the STR operators. Accordingly, all analyses are unweighted and focus on clear, comparable contrasts across the four segmentation lenses (management style, property size, owner type, utilisation intensity).

Fieldwork overview

- Survey period: **1 July – 1 August 2025**
- Respondents: **242 complete responses** from an estimated 3,900 (Council data) active STR properties
- Response rate: **6.2%** – modest, but within the expected range for voluntary business-focused surveys, and sufficient to detect consistent patterns across operator segments.

3. Survey design

The instrument comprised 20 questions organised around 6 policy-relevant domains (Fig. B.1). First, operational configuration captured how properties are run (self-managed versus professionally managed, co-hosted, or supported by family/friends). Second, property characteristics are recorded using scale indicators, such as the number of bedrooms and the maximum number of guests. Third, revenue and cost perceptions asked whether operators believe STR outperforms LTR and whether current long-term rents are adequate. Fourth,

regulatory awareness assessed self-reported knowledge of LTR rules and readiness to comply. Fifth, conversion frictions identified concrete barriers, including individual financial situations or mortgage terms, insurance settings, and one-off change-over costs. Sixth, willingness to convert gathered responses to realistic New Zealand policy scenarios, including potential rate rebates, limited personal-use carve-outs, and streamlined fixed-term tenancy agreements.

Most items used multiple-choice and Likert-style scales to support statistical comparison, with a small number of open-ended prompts for nuance that were later coded thematically. Where appropriate, questions used range rather than point estimates to reduce false precision, and routing/skip logic limited the burden by showing only relevant items to each respondent. The full questionnaire and flow are provided in Appendix 5A.

The six policy-relevant domains are shown below.

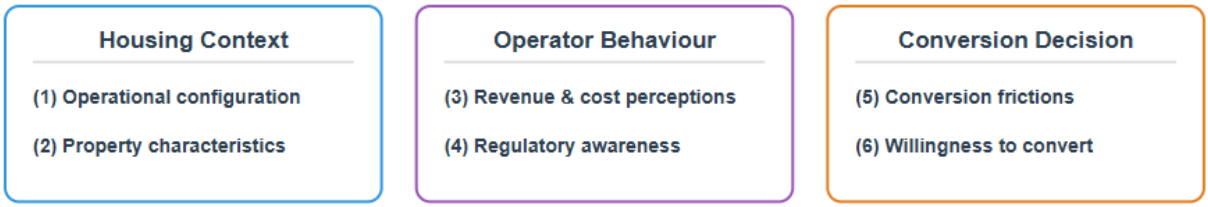


Figure A.1 Analytical Framework: Six Policy-Relevant Domains

Notes:

1. **Operational configuration** – self-managed vs. professional/co-hosted
2. **Property characteristics** – bedrooms (size proxy), maximum guests
3. **Revenue and cost perceptions** – whether STR outperforms LTR, perceived adequacy of rents
4. **Regulatory awareness** – understanding of LTR rules and compliance readiness
5. **Conversion frictions** – finance covenants, mortgage conditions, insurance, change-over costs
6. **Willingness to convert under scenarios** – e.g., rate rebates, streamlined fixed-term tenancy options, limited personal-use carve-outs

Response processing and data cleaning, and quality safeguards

Rigorous data-processing protocols were applied to ensure the reliability and credibility of the survey results. Partial responses were retained only if they contained the core segmentation variables: management style, property size, and owner type, which underpin all subgroup analyses. Implausible entries were removed through consistency checks (for example, mismatches between bedroom count and maximum guests), and timestamps were reviewed to identify irregular or excessively rapid completions.

All records were fully anonymised before analysis, with no personally identifying information collected at any stage. Responses with missing values were excluded on a per-item basis, so sample sizes vary slightly across figures and tables. Categories with very small counts were

merged or collapsed to preserve statistical validity; where expected frequencies remained low, Fisher's exact tests were used instead of χ^2 tests.

Results are reported as unweighted counts (n) and percentages, as the survey was designed to inform policy development rather than generate population-level inference. To confirm representativeness, face-validity checks compared the observed profile (management-type split and bedroom mix) with external market intelligence, ensuring alignment with known features of the District's STR market.

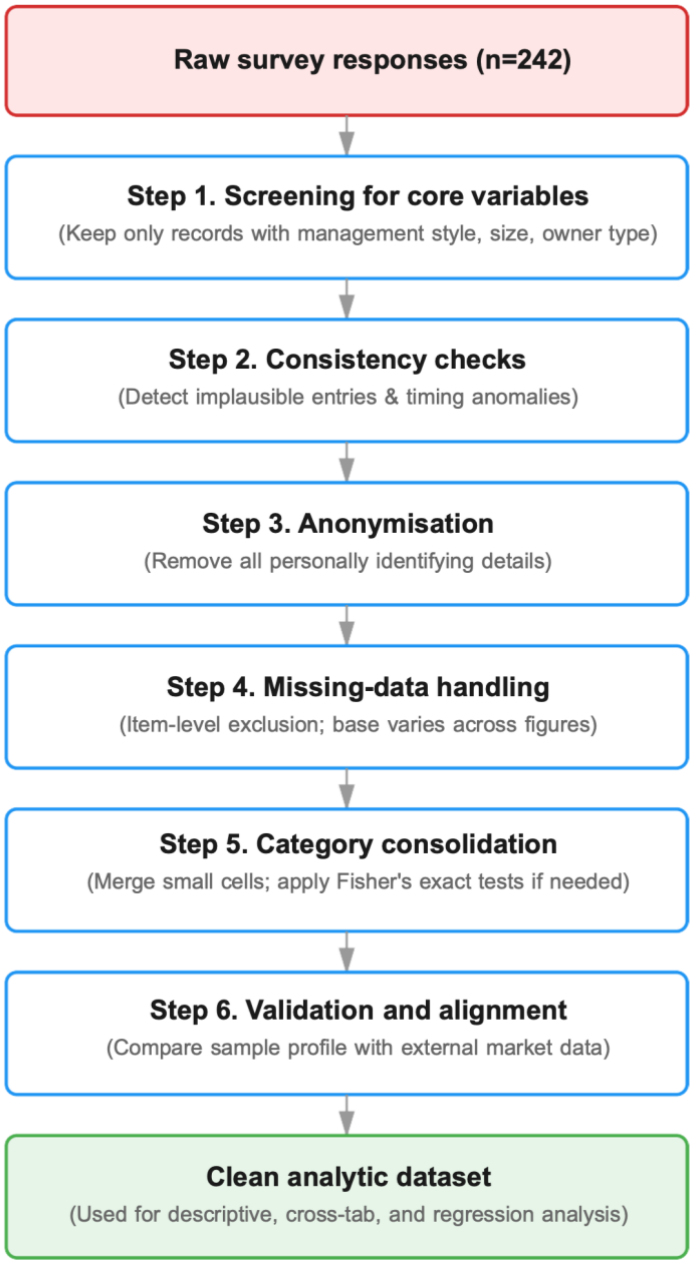


Figure B.2 Data Processing and Quality Control Workflow

- Partial responses excluded unless they contained core segmentation variables (management style, property size, owner type)

- Implausible cases removed through consistency checks (e.g., mismatch between bedroom count and maximum guests), with timestamps used to flag irregular completions
- No personally identifying information collected; all responses anonymised before analysis
- Missing responses excluded on a per-item basis; analytic bases therefore vary across tables and figures
- Categories consolidated where necessary to avoid very small cells; Fisher's exact test applied when expected frequencies remained low
- Results reported as unweighted counts (n) and percentages; no weighting applied as the survey was designed for policy narrative rather than population inference
- Face-validity checks conducted by comparing observed sample profile (management split, bedroom mix) with external market intelligence

Ethics and data security

- Participation was voluntary and informed; data handling complied with privacy obligations. No identifiable details are reported, and aggregate reporting suppresses any potentially disclosive combinations.

Segmentation Framework and Analytical Strategy

The analysis of survey responses was designed to uncover how different types of STR operators behave, perceive risk, and respond to policy incentives. Recognising that the STR market in District is not homogeneous, the study employed a structured segmentation framework to capture meaningful variation across operator groups. This approach suggests the relationship between STR and LTR outcomes differ by dwelling type and location. Here, the segmentation framework serves a similar function: it distinguishes between distinct behavioural and structural subgroups, each with its own conversation on potential and policy relevance.

Segmentation

Four segmentation variables were pre-specified to reflect the main sources of heterogeneity observed in both the quantitative and descriptive analyses:

1. **Management style** – distinguishing self-managed properties from non-self-managed ones (including those operated by professional managers, co-hosts, or family/friends). These variable captures not only operational scale but also autonomy, control, and attachment to the hosting identity. Self-managed operators often have hands-on experience and view hosting as both an economic activity and a personal endeavour, while professional management tends to reflect a more investment-oriented approach.

2. **Property size** – categorised as 1-bedroom, 2-bedroom, 3-bedroom, and 4+ bedroom dwellings. Size acts as a proxy for both the visitor market segment (couples, families, groups) and conversion feasibility. For instance, family-sized three- and four-bedroom homes are structurally more compatible with LTR use, whereas one-bedroom units or studio units often cater to transient guests or niche tourism demand.

3. **Owner type** – investors versus owner-occupiers. This distinction matters because investors typically prioritise yield, vacancy risk, and compliance costs, whereas owner-occupiers weigh lifestyle considerations such as personal access and neighbourhood character. The owner type dimension, therefore, bridges economic and lifestyle motivations.

4. **Utilisation intensity** – defined by the number of nights the property is booked per year: low (< 90 nights), medium (90–180 nights), and high (> 180 nights). The thresholds (<90, 90–180, >180 nights) reflect local Queenstown Lakes policy, where under 90 nights signifies lifestyle hosting and over 180 nights indicates commercial operations, with medium use capturing the transitional group in between. This metric distinguishes between occasional or lifestyle hosts and commercial operators. High-intensity listings tend to resemble small businesses with regular turnover and professional systems, while low-intensity listings often represent holiday homes with irregular use or personal retention value.

The segmentation here forms a matrix that allows patterns to be observed both horizontally (within each group) and vertically (across the entire operator spectrum). This multi-dimensional framework provides the foundation for identifying which combinations of attributes are most likely to respond to conversion incentives. In short, analysis was structured around four pre-specified segmentation variables that reflect policy-relevant heterogeneity:

- Management style: self-managed vs. non-self-managed (professional, co-host, family/friends)
- Property size: 1, 2, 3, 4+ bedrooms
- Owner type: investor vs. owner-occupier
- Utilisation intensity: low (<90 nights), medium (90–180), high (>180)

Dependent variables

Four groups of outcomes guided the analysis:

- **Revenue beliefs** (e.g., whether STR earns more than LTR)
- **Operational confidence** (e.g., perceived ability to maintain occupancy)
- **Regulatory awareness** (self-assessed understanding of LTR rules)
- **Conversion constraints** (e.g., mortgages, insurance, one-off costs)

The survey focused on four categories of dependent variables that collectively describe operator behaviour, market perception, and readiness to convert: First, it is about revenue beliefs. Perceptions of whether STR generates higher net income than LTR, and how operators evaluate rent adequacy or yield potential. This domain examines the economic rationale underlying the decision to remain in the STR market.

Second is operational confidence. The self-assessed ability to maintain occupancy and booking levels acts as a behavioural indicator of perceived market control and risk tolerance. High confidence often correlates with professionalisation, while low confidence may indicate openness to more stable long-term alternatives.

The third outcome is regulatory awareness. Knowledge of LTR requirements, tenancy law, and compliance readiness will all affect the switching decision. This variable assesses the extent to which information gaps, rather than economic barriers, deter conversion.

Fourth, it is the constraints that hinder conversion. Structural or institutional barriers, including mortgage conditions, typologies designed for STR, insurance policies, and changeover costs, may hinder the conversion process. This group highlights the practical frictions that prevent willing hosts from switching to LTR even when the economics are favourable. By organising the survey around these outcome variables, the analysis captures both attitudes (beliefs and awareness) and actions (constraints and readiness), allowing for triangulation with financial and spatial evidence from earlier sections.

Representativeness and limits

The survey was designed as a **tailored, non-probability sample**, meaning participation was open to all active STR operators in Queenstown Lakes, but respondents were **not randomly selected** from the full population. In a *probability sample*, every member of the target population has a known and equal (or measurable) chance of being selected, allowing researchers to apply formal statistical inference to estimate population parameters and margins of error. By contrast, this study aimed to generate policy-relevant insights rather than population-level estimates, prioritising depth of behavioural understanding over statistical representativeness.

Despite the absence of random sampling, the achieved composition of respondents aligns closely with the known structure of the district's STR market. The **management mix** shows a balanced distribution between self-managed and professionally managed properties, consistent with external market intelligence and platform data. The **bedroom profile** is weighted toward family-sized dwellings (three or more bedrooms), which are the most significant stock for potential LTR supply. The **ownership composition** is skewed toward investors, but a sizeable owner-occupier minority remains, ensuring that both yield-driven and lifestyle-driven perspectives are represented. Together, these features suggest that, although the sample is not statistically representative in a probabilistic sense, it is **structurally representative of the key market segments** relevant to conversion policy.

Nevertheless, several methodological limitations must be acknowledged.

- **Response bias** may exist if owners with strong views on regulation or housing policy were more motivated to participate, potentially over-representing certain opinions.
- **Self-reporting bias** can occur because participants may overstate earnings, understate costs, or simplify their operational details. Without access to verified booking or financial data, these perceptions are valuable but not exact measures.
- The survey's **cross-sectional design** captures conditions and attitudes at a single point in time (July–August 2025). It therefore reveals associations, such as links between management style and conversion willingness, but cannot establish causal direction or quantify behavioural change over time.

To mitigate these limitations, several safeguards were implemented. First, all results are reported both as absolute counts and as percentages, allowing readers to see the underlying denominators and judge the proportional weight. Second, findings are **triangulated** with administrative and econometric evidence presented in Sections 4–5, ensuring consistency across independent data sources. Third, **small-cell and borderline associations** are explicitly labelled as exploratory rather than definitive, and no conclusions are drawn from cells with insufficient statistical power.

These measures do not transform the survey into a probability sample but do enhance its **credibility and interpretive value**. The evidence should therefore be read not as a statistically precise snapshot of every STR operator in the district, but as a **well-balanced portrayal of the market's main behavioural and structural segments**, sufficient to inform practical, evidence-based policy design.

Appendix B: Questions and scenarios for the focus groups

Date: July 19 – 20, 2025

These are designed to be open-ended questions with the ability to gain responses from the participants, with the ability for these questions to snowball into the appropriate areas for us to better understand the factors that are preventing the use of properties for long-term rental.

1. Warm-Up & Context

Q1. *"Tell us about your experience as an STR operator in Queenstown. What works well, and what challenges do you face?"*

Probes: market seasonality, guest expectations, platform dependency

2. Policy & Regulatory Influences

Q2. *"Imagine the Council capped private STR to 90 days per year. How would that affect your decision to offer LTR instead?"*

Probes: financial impacts, compliance costs, alternative uses

Q3. *"What further changes to the Residential Tenancy Act 1986 or tax rules would encourage you to switch part or all of your property to LTR?"*

Probes: notice periods, fixed-term tenancy options, expense deductions

3. Economic & Financial Considerations

Q4. *"How do the returns you get from STR compare with what you believe you could earn from LTR?"*

Probes: yield differentials, premium pricing, yield volatility

Q5. *"What financial incentives or guarantees (e.g. minimum rent, reduced permit fees) might persuade you to try LTR?"*

Probes: council subsidies, insurance support, mortgage covenant waivers

4. Operational & Logistical Factors

Q6. *"What operational challenges (cleaning, guest turnover, maintenance) make STR more or less attractive than LTR?"*

Probes: management time, staffing, platform fees

Q7. *"How has COVID-19 influenced your views or practices around STR versus LTR?"*

Probes: booking cancellations, demand shocks, guest profiles

5. Community & Neighbourhood Impacts

Q8. *“How do your neighbours, local residents or community groups view your STR activities, and how does that shape your letting decisions?”*

Probes: noise/parking complaints, community cohesion, informal pressures

6. Closing

Q9. *“Is there anything we haven’t yet discussed that you think the Council must understand before designing STR/LTR policies?”*

Questions for Property Managers/Real Estate Agents

Scheduled Interview

Thank you for taking the time. We're exploring how STR vs LTR dynamics play out in Queenstown. There are no right or wrong answers, just your honest experience.

1. Market Dynamics

Q1. "Tell us about the main factors driving tenant preferences here in Queenstown. What do renters look for most, and why?"

Probe: differences between holiday-makers, corporate groups, locals

2. Operational Comparisons

Q2. "How does managing turnover, maintenance and guest relations differ when you're handling STRs versus LTRs?"

Probe: staffing, cleaning cycles, check-in/out logistics

3. Demand Management

Q3. "What tactics do you deploy to fill vacancies or attract tenants during slow seasons?"

Probe: pricing changes, promotions, partnerships

4. Client Motivations

Q4. "Based on your conversations, why do landlords choose STR over LTR, or vice versa?"

Probe: risk appetite, cash-flow needs, lifestyle factors

5. Regulatory & Tax Impacts

Q5. "How have recent changes to the Residential Tenancy Act or tax rules influenced your clients' appetite for LTR?"

Probe: notice periods, expense deductions, fixed-term leases

6. Yield & Premiums

Q6. "Do your clients see a premium in STR returns compared to LTR? Can you share examples or rough margins?"

Probe: location-driven differences (town-centre vs. outskirts)

7. Compliance Advice

Q7. “When advising clients, how do you balance profit-maximisation with staying on the right side of local regulations?”

Probe: licensing, insurance, District Plan rules

8. Tax & Financial Trends

Q8. “What are the most common tax or financial issues you help clients navigate in STR vs LTR?”

Probe: GST, accommodation levies, deductible expenses

Q9. “Over the last few years, what financial trends have you observed in Queenstown’s rental market?”

Probe: yield compression, visitor-season shifts, investor sentiment

9. Risk Mitigation

Q10. “What strategies or tools do you recommend to landlords for minimising financial or operational risk?”

Probe: guaranteed-rent schemes, damage deposits, guest-vetting platforms

Closing:

Is there anything we haven’t covered that you think is critical for understanding how to encourage a healthy balance between STR and LTR in Queenstown?

Questions for the Community groups/Iwi

1. **Perceived LTR Shortage**

Q1. Is there a shortage of long-term rental properties in this district?

   a. **Yes**
   b. **No**
   c. **Don't Know**

2. **Shortage Severity**

Q2. If "Yes," how serious is the shortage? (Please circle one)

Not serious at all / Slightly serious / Moderately serious / Very serious / Extremely serious

3. **Contributing Factors**

Q3. Which of the following contributes to the LTR shortage? (Select all that apply)

   a. **High STR uptake**
   b. **High purchase prices**
   c. **Low landlord incentives**
   d. **Planning or zoning restrictions**
   e. **Low local wages**
   f. **Other: _____**

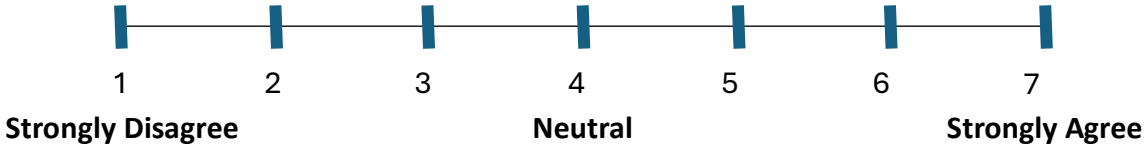
4. **Affordable Rental Shortage**

Q4. Is there a shortage of affordable rental housing in the district?

   a. **Yes**
   b. **No**
   c. **Don't Know**

5. **STR Controls & LTR Supply**

Q5. To what extent do you agree that limiting private STR days would improve the long-term rental market?

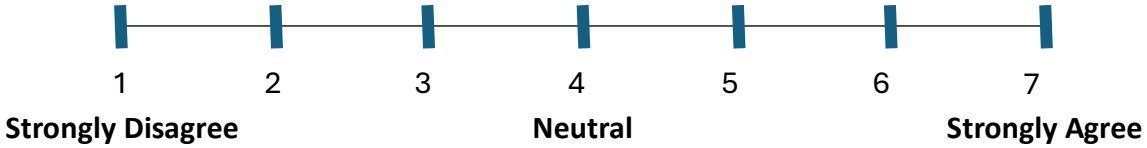


6. **Mechanisms of Improvement**

Q6. If you agree, in what ways would STR limits help LTR supply?

7. Financial Advantage

Q7. To what extent do you agree that owners earn significantly more from STR than from LTR?



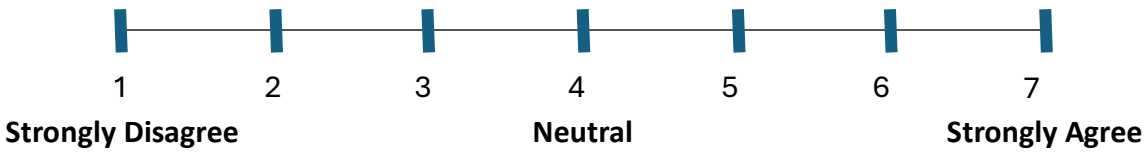
8. Impact of Tenancy Act Changes

Q8. Have recent changes to the Residential Tenancy Act affected LTR availability?

a. **Made it much worse**
b. **Made it slightly worse**
c. **No change**
d. **Made it slightly better**
e. **Made it much better**

9. Rental-Price Inflation

Q9. To what extent do you agree that STR activity has driven up long-term rental prices in your community?



10. Social Cohesion & Community Character

Q10. How concerned are you that a high proportion of STRs undermines neighbourhood cohesion (e.g. fewer year-round neighbours, loss of local identity)?

a. **Not at all concerned**
b. **Slightly concerned**
c. **Moderately concerned**
d. **Very concerned**
e. **Extremely concerned**

11. Final Thoughts

Q11. What else should the Council know about balancing tourism rentals and long-term housing?