

**Before the Panel of Hearing Commissioners
For the Queenstown Lakes Proposed District Plan**

**In the Matter of
And**

the Resource Management Act 1991

**In the Matter of
And**

the Queenstown Lakes Proposed
District Plan - Stage 2

In the Matter of

Hearing Stream 15 – Visitor
Accommodation Variation

**Statement of Evidence of Ben Farrell
for MajorDomo (Submitter 2592), Touch of
Spice (Submitter 2600) and NZSIR
Luxury Rental Homes Limited (Submitter
2598)**

Dated: 6 August 2018

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INTRODUCTION

Qualifications and Experience

1. My full name is Ben Farrell. I am an Independent Planning Consultant based in Queenstown. My expertise and experience as a planner has been identified in my other briefs of planning evidence on Proposed District Plan Review¹. In addition to those matters, in respect of managing Visitor Accommodation in the District I record that, over the past three years, I have prepared numerous resource consent applications and Certificate of Compliance requests for visitor accommodation activities (proposed now to be defined as Residential Visitor Accommodation (**RVA**)).

CODE OF CONDUCT

2. I confirm that I have read the Code of Conduct for Expert Witnesses as contained in the Environment Court Practice Note dated 1 December 2014. I generally agree to comply with this Code². This evidence is within my area of expertise, except where I state that I am relying upon the specified evidence of another person. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

SCOPE OF EVIDENCE

3. My evidence deals with the proposed amendments affecting RVA. Specifically, my evidence focuses on the following three issues, which I understand to be the Council's main reasons for managing and seeking to restrict RVA:
 - (a) maintaining residential amenity values and cohesion;
 - (b) maintaining residential cohesion; and
 - (c) helping address the District's shortage of housing supply.
4. My evidence is structured around the findings in the s.42A Report. I address the following:
 - (a) Statutory Matters;

¹ Refer evidence I have prepared for Streams # 1b, 2,4, 8, 13, 14

² If this matter were before the Environment Court I would not completely comply with the code of conduct because I have not stated the methods for reaching all the conclusions I have reached; and I have not properly referenced statements of others upon which I rely.

- (b) Effects of RVA on housing affordability;
- (c) Effects of RVA on residential amenity values and residential cohesion;
- (d) Effects of RVA on the rural environment;
- (e) Relief Sought; and
- (f) Conclusion.

5. In preparing this evidence I refer to the following documents:

- (a) Proposed QLDC District Plan (Stage 1 and Variation);
- (b) Otago Regional Policy Statement (**RPS**);
- (c) Proposed Regional Policy Statement (**PRPS**);
- (d) National Policy Statement on Urban Development Capacity 2016 (**NPS**);
- (e) QLDC s.42A Report of Amy Bowbyes and Economic Evidence of Robert Heyes, dated 23 July 2018;
- (f) QLDC s.32 Evaluation dated 2 November 2017 (including the report by Infometrics, Measuring the scale and scope of Airbnb in Queenstown-Lakes District, October 2017);
- (g) Discussion Paper by Hill Young Cooper (Plan Change 23 – Visitor Accommodation and Residential Amenity in the High Density Residential Zone: Discussion Paper on Residential Coherence, 2008);
- (h) Submissions on the Variation; and
- (i) Evidence of Lisa Hayden on behalf of MajorDomo and Touch of Spice and evidence of Mark Harris on behalf of NZSIR Luxury Rental Homes Limited ('Sotheby's').

RESPONSE TO SECTION 42A REPORT AND EVIDENCE

Statutory Matters

6. I agree the statutory matters set out in Paragraph 5 of the s.42A Report are relevant.
7. I consider caution should be applied to the extent of weighting to be given to the Objectives of the Proposed District Plan, because they are subject to challenge, including from submitters on the Variation seeking amendment to the Urban and Rural Zone Objectives and Policies.

NPS

8. I do not agree with the inherent theme and in some places explicit position³ of Ms Bowbyes that restricting the RVA market will help the Council implement its responsibilities under the NPS. On the contrary, I understand the NPS is about urban development and capacity (for both residential and business purposes), and in no way does it seek to give primacy to residential over business. For example:
 - (a) Most of the objectives and policies refer to “housing and business”⁴. There are no provisions which give or imply housing should be afforded greater priority over business.
 - (b) The NPS seeks to promote development, not restrict it (or in this case promote the reallocation of use from short term rental to long term rental)⁵.
9. The NPS also seeks to ensure a better understanding of the markets affected by development markets⁶. In my view the Council has not demonstrated that it understands the impact on the RVA sector as a whole.

³ For example par 5.30 “the VA provision give effect to this policy [PA4] by giving primacy to the use of dwellings for residential activities...”.

⁴ For example OA2, PA1, PB1, PB2, PB6, PD1

⁵ This is repeated in the preamble for example: “...This national policy statement aims to ensure that planning decisions enable the supply of housing needed to meet demand. ...The overarching theme running through this national policy statement is that planning decisions must actively enable development in urban environments, and do that in a way that maximises wellbeing now and in the future... Competition is important for land and development markets because supply will meet demand at a lower price when there is competition. There are several key features of a competitive land and development market. These include providing plenty of opportunities for development. Planning can impact on the competitiveness of the market by reducing overall opportunities for development and restricting development rights to only a few landowners”.

⁶ For example as outlined in the preamble: “Another key theme running through the national policy statement is for planning to occur with a better understanding of land and development markets, and in particular the impact that planning has on these. This national policy statement requires local authorities to prepare a housing and business development capacity assessment and to regularly monitor market indicators, including price signals, to ensure there is sufficient development capacity to meet demand. Local authorities must respond to this information. If it shows that more development capacity needs to be provided to meet demand, local authorities

10. In this regard, the Council's analysis to date has not included any consultation with or assessment of the business undertaken by RVA service providers such as Sotheby's, Touch of Spice or MajorDomo. This, in my view, has resulted in a lack of understanding of the RVA market. For example:
- (a) The Council assumes that capping the number of nights people can rent their home for short stays will result in homes being used for long term rentals. In my opinion this is simply an assumption and likely to be a gross exaggeration. This means that the Council has not been able to identify the actual benefits or costs of the RVA sector in respect of its contribution to the land and development market.
 - (b) It is not true that existing RVA providers (landowners and businesses in the RVA sector) will not be affected by the provisions (as stated in Paragraph s.42A Report). The provisions have already directly affected the confidence of people involved in RVA. Since the RVA variation provisions were drafted and made publicly available there has been a reasonable level of uncertainty in the market. In order to secure certainty about a landowner's ability to continue to undertake RVA for up to 90 days, many landowners have sought a certificate of compliance to protect their right or obtained resource consent to breach a permitted standard. These have resulted in costs to homeowners and/or business. Moreover, the proposed amendments will constrain the ability for the industry to grow and thus constrain the ability for the industry to spend/reinvest in the local economy.

Housing Supply

11. The s.42A Report relies on the s.32 evaluation and evidence of Mr Heyes in regard to the effects on the housing supply.
12. In my opinion there is simply a lack of credible or certain evidence demonstrating that the proposed RVA planning regime will result in a discernible benefit to housing supply and affordability issues in the District.

must then do so. Providing a greater number of opportunities for development that are commercially feasible will lead to more competition among developers and landowners to meet demand."

13. The following assessment provides a brief response to the key conclusions of Mr Heyes' evidence, which I understand draws on all of the relevant economic evidence underpinning the Council's case that RVA is a problem for the housing market which needs to be addressed:

- ***Conclusion A: Tourism is a large and fast-growing sector of the Queenstown economy.***

- ***Conclusion B: In the past few years, residential visitor accommodation (RVA) has grown rapidly to become a significant part of the Queenstown Lakes District (District) visitor accommodation sector.***

(a) Conclusions A and B lend support to the role of RVA, to the extent that its role is a "significant" benefit to the community.

- ***Conclusion C: The growth in RVA, at a time when growth in the capacity of commercial accommodation has stalled, has arguably helped accommodate continued growth in the number of visitor arrivals.***

(b) I think this conclusion understates role of RVA helping accommodate continued growth in the number of visitor arrivals. Based on my understanding of visitor behaviour (especially families and friends visiting the District) and speaking with RVA services providers and various people that let people stay in their homes, I believe it is undisputed that RVA has helped accommodate the continued growth in the number of visitor arrivals.

- ***Conclusion D: RVA provides an important source of revenue to hosts and businesses that service the properties involved, such as cleaners.***

- ***Conclusion E: RVA could potentially be a significant source of rates income if fully enforced. ...***

(c) Conclusions D and E lend support to the role of RVA in the District.

- ***Conclusion F: In early 2018, whole house properties listed on RVA platforms accounted for an estimated 21% of all dwellings***

in the District. Were these properties to be made available for long-term rental it would undoubtedly put downward pressure on rental prices. ...

(d) Conclusion F is theoretical, based on assumptions and is not supported by evidence (the evidence I am aware of is that the RVA housing stock will not be used for long term rental accommodation).

(e) Queenstown has been a holiday destination for a very long time and a significant proportion of the District's housing stock has always been "holiday homes". As described in the Hill Young Cooper discussion paper:

"While it is acknowledged that in Queenstown and Wanaka there has been a history of holiday and second homes which has meant that residential areas are often only partly occupied during the year, with a scattering of permanent residents in neighbourhoods that can sometimes be largely empty, this pattern is changing as a larger population becomes established in the district. There is also a significant difference between an occasionally used holiday home and a permanently used visitor accommodation development in terms of impacts on feelings of residential coherence."

(f) While the percentage of holiday homes may reduce as the population grows, there is always likely to be a significant percentage of housing stock used for the purpose of a holiday home, by either the landowner or visitors (paying or not paying). Irrespective of the district plan provisions, these homes (whatever their percentage of the housing stock) will not be made available to the long-term rental housing market.

- ***Conclusion G: However, the growth of the RVA sector is not necessarily responsible for all these properties being unavailable for longterm rental, as it depends on a complex combination of economic and personal factors. RVA listed properties whose ownership is financially driven and which are available all year round may well have been taken out of the long-term rental market. The financial incentives of short-term letting are certainly greater than long-term renting on a night-by-night basis. ...***

(g) This conclusion confirms the uncertainty around the actual percentage of homes used entirely for the purpose of RVA (i.e. the

percentage of RVA which are not holiday homes). In my opinion, there is no evidence identifying this percentage of housing stock.

- ***Conclusion H: Just over one-third of whole-house RVA properties in the District in 2017 were available all year round making them candidates for long-term rental. This equates to 8% of all dwellings in the District. In the context of strong population growth, the existence of such properties in the RVA listings can be considered detrimental to Queenstown-Lakes District's long-term rental affordability. ...***
- (h) Conclusion H assumes one third of whole-house RVA properties were available all year round and that these properties could be used for long term rental. It is likely to be an incorrect assumption because evidence from submitters⁷ points to holiday home owners not putting their houses into the long-term rental pool because they want to use their own houses to holiday in. Simply put, using holiday homes for long term rental prevents holiday homeowners from staying in their home and holidaying in the District.
- (i) The conclusion that RVA listings are detrimental to long-term rental affordability asserts an unfair bias because it dismisses the benefits of RVA in providing a significant supply of accommodation for visitors. In my opinion, it is simply not fair and it is unreasonable to ignore the benefits of RVA in helping accommodate visitors to the District. As stated above, the NPS does not give primacy to residential activities and it is not prejudiced against visitor accommodation activities or development. The NPS quite clearly is about providing capacity for the development of both housing and business, irrespective of its use.
- (j) The argument that RVA is not residential asserts a prejudice against visitors. The only difference I can think of between short and long term tenancy is that long term tenants are likely to live in the District and thereby create more of a community sense of place compared to short term visitors. However, this is an assumption

⁷ For example evidence of L Hayden (for MajorDomo and Touch of Spice) and Mr Brown and Harris (for Sotheby's)

informed by the 2008 Hill Young Cooper paper, which focused on VA and not RVA.

- (k) A difference between RVA and VA is that RVA is more likely to attract families or groups of families that prefer the practicalities, residential qualities and characteristics offered by a holiday home as opposed to staying in commercial VA. Use of RVA by such groups, in my opinion, may not degrade residential cohesion or amenity values and in some places be argued as enhancing it (for example visiting children playing with local children).
- (l) Long term rental accommodation is a business. Any argument that housing stock should not be used for short-term accommodation because of monetary gain applies equally to landlords providing long term rentals.
- (m) While any increase in long term rental accommodation will contribute benefits to the District's housing affordability issues, Conclusion H does not identify the extent of benefits from converting the RVA stock to long term rentals (i.e. would the benefits be minor or significant, or would it make any real difference?).
 - ***Conclusion I: However, properties such as holiday homes were probably never part of the long-term rental market (under their current ownership) and are unlikely to become so in future as long as their current owners want to maintain the option of residing there for a few weeks a year.***
 - ***Conclusion J: There is insufficient information to discern which of the RVA listed properties are of the different types, therefore I am unable to accurately quantify the extent to which the growth in RVA is responsible for an increase in long-term rental prices.***
- (n) These conclusions support my findings above and are supported in the submissions and evidence of holiday home providers and RVA services providers. This conclusion effectively undermines the findings in Conclusions F and G above.

- ***Conclusion K: An analysis of Airbnb host median incomes and average Airbnb rental prices suggests that restricting RVA to less than 90 nights a year will probably result in long-term rental becoming a more lucrative option for some hosts whose incentives are primarily financial.***
- (o) Conclusion K is an assumption and not evidence based. I understand from RVA service providers that holiday home owners will not rent their properties on the long-term rental market for a variety of reasons, chiefly because they wish to use their own holiday home themselves.
- (p) My view is that restricting holiday homes to less than 90-120 nights per annum is likely to result in an inefficient land use. This is because many holiday homes will unlikely be used for the majority of year, resulting in opportunity costs and increased demand on other accommodation suppliers.
- ***Conclusion L: The same analysis also demonstrates that restricting RVA to 45 nights a year would enable RVA hosts who are renting their properties at the mean rate of \$247 per night to generate annual earnings equivalent to the median income for an Airbnb host in Queenstown-Lakes district in 2017 (\$11,000). This is close to Queenstown Lakes District Council's threshold of 42 nights as recommended in their Section 42A report, which suggests that under this provision, earnings from RVA may be sufficient for hosts who use their properties as holiday homes and others whose motivations for owning their property are not primarily financial.***
- (q) This conclusion implies that there is an appropriate level of monetary gain for landowners. I do not think is an appropriate matter for the Council to consider in respect of addressing any resource management issue. The conclusions reached are based on statistics which cannot be verified and in my opinion should not be relied upon. The conclusions are reached on a simplistic understanding of the market conditions and a proposition that \$11,000 is an appropriate source of additional income for Queenstown residents. I do not think it is appropriate for QLDC to

determine what appropriate income level of landowners should be. Moreover, there is insufficient evidence to justify what income for a landowner might be appropriate.

Rural Zones

14. In respect of rural zones (including Rural Residential and Rural Lifestyle), I do not think there is any evidence of any concern lending to support to, or justification for, any restrictions on RVA. This includes the s.42A Report, which is focused on issues relating to urban environment. Unless evidence is provided demonstrating otherwise, there is simply no justification whatsoever for restricting RVA in rural zones.

Effects of RVA on Residential Amenity Values and Residential Cohesion

15. Ms Bowbyes' report relies on the s.32 evaluation when addressing the issue of residential cohesion. The submissions raised issues with the s.32 evaluation including the findings in the 2008 Hill Young Cooper report.
16. I have reviewed the 2008 Hill Young Cooper discussion paper **attached as Annexure A** to this evidence. The conclusions I draw from the discussion paper are:
- (a) The findings seem logical. However, the findings in this paper do not appear to be based on any specific analysis or assessment of Queenstown-based issues. Rather, it is more of an opinion drawing on some limited overseas research.
 - (b) The discussion paper is out of date. The paper concludes that more analysis needs to be done around social cohesion. As far as I can tell this work has not occurred prior to or as part of the variation.
 - (c) The discussion paper clearly identifies a difference between the issues in the HDRZ and the LDRZ.
- HDRZ
- (d) The issue in the HDRZ is more about ensuring that quality intensive living environments are offered for residents (i.e. promoting new residential development not restricting new visitor accommodation).

LDRZ

- (e) The issue for the LDRZ is more about “*compatible scale and intensity*”. Use of peoples’ homes for RVA does not result in any impact on scale. So the issue is actually more about “intensity” and whether intensity of use should be managed or restricted. The paper identifies that more work should be done to identify if “*there needs to be some sort of threshold or cap on the amount of visitor accommodation in a neighbourhood*”⁸. As far as I am aware, no further investigations have since been undertaken querying the effectiveness of whether or not some sort of threshold or cap will be effective or appropriate.
17. I have reviewed the submissions referred to in the s.42A Report under the heading “Submissions that generally support the notified VA provisions”⁹. Of these submissions I make the following findings:
- (a) Most (and I think all) these submitters support the management of RVA to control adverse effects.
- (b) Most of these submitters support the use of homes for RVA. There are a few exceptions (for example A McLaughlin (#2045), T and S Clarry (#2258), Hospitality New Zealand (#2556), and Trevor Tovey (#2274). Collectively these submitters raise concern about the degrading of amenity values and residential cohesion, and some give examples of their concerns. The examples of issues raised relate to concerns about:
- (i) noise and inappropriate behaviour of visitors (e.g. partying);
- (ii) increased traffic and / parking overflow/congestion; and
- (iii) personal safety.
- (c) Hospitality New Zealand refer to these issues as residential “*general disruption and deterioration of the local community*”. Examples given are effects on “*resident’s peaceful enjoyment of their homes and the ability to attract staff in a tight long-term rental*”

⁸ Hill Young Cooper Paper, Page 7 Second bullet point

⁹ Paragraphs 9.33 – 9.16 (Submissions: # 2021, 2274, 2538, 2152, 2455, 2035, 2061, 2062, 2204, 2108, 2109, 2045, 2124, 2284, 2125, 2159, 2160, 2188, 2204, 2188, 2258, 2495, 25565, 2087)

accommodation environment. There is a sense of place in having a residential neighbour in a residential neighbourhood and short term letting deteriorates this important aspect within communities”.

- (d) In respect of the issues raised by Tony and Shirley Clarry, these appear to arise from letting of homes over the main summer holiday period. I observe the concerns raised by this submitter are permitted by the proposed provisions (so the provisions would not prevent these concerns from occurring).

18. In summary, I am of the opinion that:

- (a) There is no evidence basis for discouraging (or not enabling) RVA in the rural environment.
- (b) Submitters want the effects of RVA on amenity values to be managed, but not necessarily discouraged. It is appropriate that the effects of RVA on amenity values, parking and traffic safety issues are managed.
- (c) It is appropriate that RVA providers have to provide a “duty of care” to visitors, at a minimum to ensure minimum health and safety requirements are met.
- (d) It appears no submitters have raised concern about the design and scale of RVA buildings. This demonstrates that there is no concern from the community about people designing houses to be used for RVA (rather concerns are focused on the behaviour of visitors).
- (e) VA presents a risk to residential cohesion (as outlined in the 2008 discussion document by Hill Young Cooper) but there is no evidence identifying that RVA is degrading or will degrade residential cohesion in urban environments.
- (f) There are likely to be benefits of RVA for the issue of residential cohesion, for example visitors using peoples’ holiday homes would do more to enhance residential cohesion compared to leaving a holiday home unoccupied. However, there is no evidence of the benefits of RVA for residential cohesion.

SUMMARY OF FINDINGS

19. RVA provides a significant benefit to the District. Enabling or providing for RVA helps implement:
- (a) s5 and s7(b),(c),(f) of the RMA
 - (b) Objective 5.4.1 and Policy 5.5.4 and Objective 9.4.1 of the RPS
 - (c) Objective 1.1 and Polices 1.1.2, 1.1.3, Objective 4.5 and Policy 4.5.1, and Objective 5.3 and Polices 5.3.1 of the PRPS
 - (d) Proposed District Plan Objectives 3.2.1, 3.2.1.1, 3.2.1.6, 3.2.1.8, 3.2.2.1, 3.2.6; and Policies: 3.3.1, 4.2.2.2, 4.2.2.3.
20. It is appropriate that potential adverse effects of RVA are managed. Management of the effects of RVA can occur through the resource consent process and/or the implementation of Residential Visitor Accommodation Management Plans (as suggested in the submissions by Sotheby's, Touch of Spice and MajorDomo). Management of the environmental effects of RVA will help implement:
- (a) s5 and s7(c),(f) of the RMA;
 - (b) NPS objective A1, A2, A3, C1, C2;
 - (c) Objective 5.4.2, 9.4.1 and 9.4.3 and Policies 9.5.4, 9.5.5 of the RPS;
 - (d) Objective 1.1 and Policies 1.1.2 and 1.1.3 of the PRPS; and
 - (e) Proposed District Plan Objectives 3.2.2, 3.2.3, 3.2.6, 3.3.1.
21. There is no direction in the NPS to give primacy to residential activities over business. I consider giving primacy to residential activities over business would be contrary to the NPS, including Policy A3, A4. Also, I consider a planning decision that is not based on robustly developed, comprehensive and updated evidence will contravene Objective B1.
22. Evidence has been provided on behalf of Sotheby's, Touch of Spice and MajorDomo¹⁰ identifying that 120 days is a more appropriate threshold for

¹⁰ Refer evidence of Lisa Hayden and Mark Harris

triggering the need for a resource consent to manage RVA (in situations where RVA is controlled by a bespoke service provider).

23. Restricting RVA creates opportunity costs and inefficient uses of land if dwellings are left unoccupied.
24. Restricting the number of nights landowners can rent out their homes for as RVA will not result in a discernible benefit to the supply of houses in the District (including for long term rentals).
25. There is no evidence or demonstrable reason why RVA should be restricted or discouraged in the rural environment.
26. Requiring resource consent imposes an administrative cost on people wanting to use their home for RVA. This cost, coupled with ongoing rates income, provides a monetary benefit to the District.

CONCLUSION

27. The amendments proposed in the Variation (as notified) or recommended in the s.42A report will not be effective, efficient or promote sustainable management of the District's resources. I support amendments that result in RVA being:
 - (a) Recognised in objectives and policies as contributing a significant benefit to the community, acknowledging that adverse effects on residential amenity values should be managed.
 - (b) Provided for in Rural Zones as either permitted or controlled activities for up to 120 nights per year, subject to standards relating to noise, parking, and vehicle access. RVA beyond 120 nights in Rural Zones should be classified as a Discretionary Activity (not Non-Complying).
 - (c) Provided for in Urban Zones as a controlled activity for up to 120 nights per year, subject to standards relating to noise, parking and vehicle access. Council's control should be reserved to site-specific operational management protocols to assist in the management of visitor behaviour. Beyond 120 nights, RVA should be managed as a Discretionary or Restricted Discretionary Activity with the focus of

assessment on the effects on residential amenity values and residential cohesion.

28. For the reasons set out in my evidence above, I support the relief sought by Sotheby's, Touch of Spice and MajorDomo (and/or any other relief that has a similar effect).



Ben Farrell

6 August 2018

ANNEXURE A

Discussion Paper by Hill Young Cooper (Plan Change 23 – Visitor Accommodation and Residential Amenity in the High Density Residential Zone: Discussion Paper on Residential Coherence, 2008)

Plan Change 23 – Visitor Accommodation and Residential Amenity in the High Density Residential Zone

Discussion Paper on Residential Coherence
Hill Young Cooper Ltd
28 April 2008

Introduction

This paper has been prepared to assist with the investigations associated with the role of visitor accommodation developments in the residential zones of the Queenstown Lakes District.

A key driver of this project is the extent to which the current residential zones are protecting residential coherence and whether the mixing of visitor accommodation and residential developments, as is possible under the QLDC District Plan, is conducive - in the long run - to promoting sustainable residential areas.

Operative policies in the Partially Operative District Plan emphasis the role of the residential zones of the district in providing for a stable residential environment. For example Policy 3.1 refers to the need:

To protect and enhance the cohesion of residential activity and the sense of community and well being obtained from residential neighbours.

In relation to Queenstown residential zones, the following statements are made:

7.2.3 To provide for non-residential activities in residential areas providing they meet residential amenity standards and do not disrupt residential cohesion

7.2.4 To ensure the scale and extent of any new Visitor Accommodation in the residential areas does not compromise residential amenity values.

In Wanaka, the words “social wellbeing” are added to the policy relating to non-residential activities.

The explanation and reasons reinforce the importance of stability in providing liveable neighbourhoods for residents:

"The effect on community cohesion and hence wellbeing, arises from the removal of permanent residents as much as from the visual disruption and loss of amenity caused by the establishment of these (non-residential) activities".

The approach of the QLDC District Plan at the policy level is similar to that of other plans. Christchurch City District Plan seeks to retain the dominance of residential activities in

residential areas. In particular this Plan recognises the adverse effect on residential coherence of a residential site being left with no residential neighbours, for example.

While it is acknowledged that in Queenstown and Wanaka there has been a history of holiday and second homes which has meant that residential areas are often only partly occupied during the year, with a scattering of permanent residents in neighbourhoods that can sometimes be largely empty, this pattern is changing as a larger population becomes established in the district. There is also a significant difference between an occasionally used holiday home and a permanently used visitor accommodation development in terms of impacts on feelings of residential coherence.

Currently the QLDC District Plan defines visitor accommodation as a form of residential development, whereby the principle difference between the two forms of development is perceived to be the length of stay (i.e. temporary / transient versus permanent). It can be questioned whether this classification of visitor accommodation as a non-commercial activity is correct.

The potential impact of visitor accommodation on residential coherence is recognised by the Plan in relation to suburban areas - the low density residential zone - but not in relation to the higher density zones.

Experience since the Plan was prepared and visitor accommodation units have been extensively developed in the HDRZ in the Queenstown area suggest that the differences between temporary and permanent forms of residential development are more profound and have a particular affect on residential coherence in higher density zones.

In Wanaka there is a larger representation of holiday and second homes that means that permanent residents are more accepting of large number of houses that are only temporarily occupied. However consultation on the Issues and Options paper identified that there is concern that development trends will see overtime, increasingly larger and more intensive visitor accommodation developments. Thus, it is reasonable to say that for Wanaka, for the meantime, residential coherence means something different to Queenstown. The concept is perhaps more associated with the look and feel of the place – its more spread out, suburban pattern. However as the settlement develops, it likely that residential coherence will take on a meaning closer to that associated with other more built up areas.

Defining residential coherence

There are no accepted definitions of residential coherence. As is explained in the Queenstown Lakes District Plan, generally the term is used to mean an intact neighbourhood that is not eroded by non-residential activities.

Residential coherence can be seen as one aspect of what makes a socially sustainable community. For example the following UK discussion of social sustainability¹ notes that a number of physical elements support or foster a healthy social environment, along with equitable access to services and facilities:

Literature on the wider concepts around ideas of social sustainability (such as social, capital, social cohesion and social exclusion), indicates that the following dimensions are ... likely to be significant in helping to sustain local communities and neighbourhoods:

- *Interaction in the community/social networks.*
- *Community participation.*
- *Pride/sense of place*
- *Community stability*
- *Security (crime).*

The physical dimensions of stability, sense of place and safety are therefore important aspects of residential coherence. These dimensions strongly relate to people knowing who lives next door, and who do not experience a constant flow of strangers (such as tourists or visitors). In neighbourhoods where informal contact between residents who know each other is high, streets tend to be safer and people are happier with their surroundings. Networks are also stronger.

To be effective, stability needs to be provided at both the site and neighbourhood level. It is not just the neighbouring site which is important to feelings of coherence; people also need to feel that they are part of a wider neighbourhood that is stable and liveable.

Relevant physical factors that contribute to coherence and liveability include:

- Some sense of “boundedness” or edges to the neighbourhood, whether these be formed by topography or busy main roads, and where there is some common focus, such as orientation to a view or proximity to an open space. This helps to create a sense of place, - a neighbourhood with some sense of identity and legibility to it
- A domestic built form whereby each unit has its own sense of address, even if it is part of a larger complex, such as front doors and porches orientated to streets, and where individuality is expressed through varying adornments, landscaping and paint

¹ WHAT IS ‘SOCIAL SUSTAINABILITY’, AND HOW DO OUR EXISTING URBAN FORMS PERFORM IN NURTURING IT?, Glen Bramley, Professor of Urban Studies, School of the Built Environment, Heriot Watt University,

finishes, and there is access to open space (both private gardens as well as public reserves), as well as daylight and sunlight. These factors also help to promote identity, informal interaction and safety - "eyes on the street".

In summary, residential coherence can be defined as being made up of the following elements:

- Stability – where the rate and scale of the incursion of non-residential activities is limited so that the majority of residents have other permanent residents as neighbours (owner occupiers or longer term renters)
- Character – more domestic forms of development prevail, even if they are at a higher density, and where there are clear signs of permanent occupation, with an integration of the built and open spaces (gardens, trees and open spaces)
- Identity – there is a sense of containment to the neighbourhood, such as not being cut in two by a busy main road, and where there is some sense of common identity in terms of relationship to views, open spaces and orientation which offer reasonable access to daylight and sunlight.

In relation to the suburban, lower density zones of the District, these attributes are usually clearly visible, and it is easier to judge the effect of visitor accommodation on residential coherence. The usual issues for visitor accommodation are scale and intensity, with the more difficult issue being the incremental effect of gradual changes tilting the balance away from stability. In this regard, the Issues and Options paper suggested some sort of threshold on the extent of visitor accommodation within low density areas. In Wanaka, this threshold would need to recognise the already mixed nature of the settlement, with the interspersed holiday and second homes with permanent homes being an accepted feature.

The high density residential zone in the Queenstown area presents a much more complex picture. Visitor accommodation is more prominent and it is harder to see a loss of residential coherence, given that the zone encourages a change of character towards more intensive building formats. Obviously in the context of the Higher Density Residential Zone, the change to the density and scale of development is to be expected, and across the zone stand-alone houses will be replaced by town houses, terrace houses and apartment type complexes. While building forms will change, this does not mean that residents will seek a less coherent residential environment. In fact, if anything a more cohesive environment needs to be offered to attract permanent residents to more intensive living environments.

Higher density residential zones are a common feature of many urban district plans. When first proposed such zones were generally seen to offer choice to homeowners and renters, whereby people wishing to locate close to activities and in housing forms

that required less maintenance would be willing to accept a more inner city lifestyle with a greater mix and flux of activities. Essentially there was perceived to be a trade off where the disbenefits of living close to other people and other activities would be off set by the benefits of the proximity to more “vibrant” areas. A mixing of visitor accommodation and permanent residential development was consistent with this view.

Experience from Queenstown, as well as larger metropolitan areas suggests that higher density residential environments are likely to be much more sensitive to the disbenefits of close living than first thought, particularly for residents looking for permanent residential opportunities. Numerous surveys of residents of more intensive inner city neighbourhoods have shown that the benefits of close proximity to services can be quickly outweighed by the impacts of poor design, particularly a lack of green space, limited private outdoor space, conflicts over parking, maintenance and noise and high levels of churn in the development (people not staying for long).

A 2005 report on the Social Implications of Intensive Housing² prepared for the Auckland Regional Council reviewed a number of surveys of resident's attitudes to living in intensive developments. The report noted the following:

"When asked to consider what aspects residents liked and disliked about the development they were in, the overall balance of responses was about equal in terms of positive and negative responses.

The most common positive responses ranked in order were:

- 1. Location – access to services.*
- 2. Safety and security.*
- 3. Community identity and cohesion.*
- 4. Lifestyle – low maintenance.*

The most common negative responses ranked in order were:

- 1. Noise.*
- 2. Parking – especially for visitors.*
- 3. Design and amenity.*
- 4. Privacy.*

In a smaller settlement like Queenstown and Wanaka, the benefits of more intensive housing being close to services is only marginal, compared to the benefits that are experienced in a larger metropolitan district. Equally the benefit derived from a sense of community was typically associated with larger purpose built developments that offered some form of shared amenity (e.g. pool).

It can be reasonably claimed that the inter mixing of visitor accommodation with residential development tends to reduce the benefits and increase the disbenefits listed, as viewed from the residents perspective. Community cohesion is reduced, noise and parking issues tend to increase and there is a reduced feeling of safety. Along these lines, the Issues and Options Paper for PC23 and feedback to it identified the following

² Social Implications of Intensive Housing in the Auckland Region, Synchro Consulting and Hill Young Cooper Ltd.

factors in terms of residential cohesion and the potential impact of visitor accommodation on cohesion:

- loss of neighbours/residential feel – feeling of not being in a stable neighbourhood and uncertainty about where the area is “headed” if there is a constant expansion of visitor accommodation developments
- Reduced sense of safety from more strangers about, not knowing neighbours, large number of empty units during off peak times leading to a sense of isolation.
- The loss of a domestic feeling to the built form. Larger building masses with a uniform appearance tend to dominate. The individuality created by owners or long term renters adding features to their houses or gardens is lost as complexes are managed by the same organisation and occupiers stay for only a few nights.

In a high density setting, these effects have a particularly corrosive effect on residential coherence.

It is apparent from many cities that the more successful higher density residential areas are ones that strongly display the characteristics set out above – that is, they are an identifiable pocket or area where there is a sense that residential uses are and will predominate into the future and there is close association with high quality open spaces helping to off set the greater proximity to neighbours. As just one example, in the Auckland CBD, residential pockets around Emily Place (an inner city green space) and parts of the waterfront have prospered as stable residential areas despite the influx of larger apartments developments aimed at the rental / investor market that have created unsettled conditions in many other parts of the CBD.

As demand rises for more intensive residential living arrangements (partly in response to changing demographics, increased housing and transport costs and changing lifestyles) it will be very important that quality intensive living environments are offered for residents.

Measuring and identifying residential coherence

While any discussion of residential coherence is subjective and a matter of judgement, the project requires the identification of those parts of the HDRZ that are likely to offer stable residential areas with a high degree of coherence.

The above factors that contribute towards residential coherence could be measured by a number of indicators. These indicators could include:

- Stability – the % of owner occupiers with a neighbourhood and the % of units or sites already devoted to visitor accommodation developments.
- Built form / character – the extent to which the current character of the area presents a non-domestic appearance as referenced by a character study.

- Neighbourhood identity – whether the neighbourhood offers features which will attract permanent residents such as not being on a main road, traffic speeds and volumes are controlled by the road layout and there is a relationship to open space, views and adequate levels of sunlight and daylight.

Conclusion

Residential coherence is recognized in the QLDC District Plan as an important element of what makes a sustainable residential environment. Coherence includes the principles of stability, identity and character.

Subsequent sections of the project will look at the issue of residential coherence in terms of the high and low density residential zones:

- In relation to the HRDZ, the main question is whether the zone needs to be subdivided into different activity areas to better protect residential coherence, given the prevalence of visitor accommodation through the zone. To address this, the structure of the HDRZ is analyzed to identify the different neighbourhood pockets within the zone, and then to identify if there are neighbourhood pockets that should be retained for residential use because they still have the ability to offer a sustainable, coherent residential environment.
- In relation to the LDRZ, the issue is more one of compatible scale and intensity and whether there needs to be some sort of threshold or cap on the amount of visitor accommodation in a neighbourhood.