

Proposed District Plan Notification – Visitor Accommodation
Submission on behalf of Relax it's Done Limited
Presented by Alastair McIlwrick

1. Executive Summary

The proposed changes to Visitor Accommodation will have a significant detrimental effect on the availability of Holiday Home accommodation. In considering the proposal the Queenstown Lakes District Council (QLDC) needs to take into account that:

a) The owners of the Holiday Home properties primary purpose are for them to have a holiday home for their own use. It is not an investment property.

b) They have the property on the short-term market to have some potential income to cover costs related to owning their property.

c) The renting out of Holiday Homes is not a recent activity but has been happening since the first Holiday Homes (Crib, Bach) were built in the area.

d) The Holiday Homes, due to their owners' use have never been part of the staff rental pool. This pool of accommodation has been impacted by the spare room or "granny flat" now being rented under the Home Stay style accommodation.

c) Holiday Homes are a preferred option for a significant number of visitors to the area. The current proposal takes this choice away from visitors.

d) There have been a media and regulatory focus on booking platforms, particularly Airbnb. Airbnb is just a booking platform that is taking advantage of the technology that is currently available. It along with other booking platforms are an evolution from word of mouth to advertisements in newspapers. The major difference being that they offer QLDC and others a greater transparency as to the number of properties available.

2. Holiday Homes – Residential Holiday Homes

a) The Queenstown Lakes District Council area (QLDC) has been a holiday destination from the early days of its settlement. Visitors soon realised that the QLDC area was an ideal place to have regular holidays and to establish a Bach or Holiday Home for their accommodation. The owners of these early holiday homes regularly let them out to friends, family, acquaintances as well as advertising them for let. Their primary purpose for these lets was to cover some of the costs associated with owning the holiday home, such as rates and insurance.

- b) The last 20 years has seen an increase in the sections available for building holiday homes. The holiday homes now being built are not so much the early Bach style but in some cases luxury homes.
- c) It is important to note that the primary reason for owning a Holiday Home is for the owner's personal use. Like those that owned the Holiday Homes in the early days of tourism into Queenstown they look to cover some of the cost of the property by letting it out on a short-term basis when they are not using the Holiday Home themselves.
- d) Relax it's Done manages Holiday Homes for their owners. The reasons that the owners engage the services of Relax it's Done are:
 - To look after the property so its condition is maintained or improved
 - Have the property ready for them when they wish to use it
 - To get an income from the property so as to cover a portion of the costs
- e) Like many similar properties in the QLDC area these are not investment properties, they are primarily Holiday Homes for the owners use.
- f) Considering the history of owners letting their Holiday Homes this type of accommodation option can be considered a traditional option for visitors.

3. Home Stay

- a) Home Stays as defined in the QLDC proposal is B&B style accommodation, where the usual occupants of the house remain living in the house and host paying guests.
- b) Traditionally the B&B would have a separate guest area away from the host's area.
- c) The changes that have happened in this accommodation option are:
 - Home owners or lease holders of the property are offering their spare room as visitor accommodation.
 - The spare room or the "granny flat" that would have been offered as staff accommodation is now sold as a Home Stay.
 - The ease of listing on websites rather than establishing their own website or advertising via print media
 - A move away from the professional B&B operator with a more casual approach; most home stays not offering breakfast or concierge services.

4. Staff Accommodation

- a) One of the reasons for the proposed changes is the perceived impact that the letting of Holiday Homes has on the availability of staff accommodation.
- b) There have been major changes in the last 10 years in the profile of staff in the QLDC area, these are;

- The change from a defined winter and summer tourism seasons to the area being an all year-round destination
 - Staff are no longer laid off or offered reduced hours in the off season
 - There are few employers who are now totally reliant on seasonal staff, NZSki being one of the few.
- c) These changes in staffing have had a significant impact on staff accommodation.
- Staff now have the option of full time permanent jobs
 - Now that they have security of employment they are looking to have permanent housing, either through ownership or long-term rental.
 - For those that are on working visas and are looking for shorter term rentals these are now limited due to the rooms or “granny flat” that was available now being put on the Home Stay market.
- d) Holiday Homes have never been part of the staff accommodation pool primarily due to the following reasons:
- The owners want the option to use their property for their own holidays therefore require the flexibility that short term holiday rentals allow them.
 - The properties that Relax it’s Done manages are valued in the \$2m plus bracket and the owners want to maintain the value of the property. This includes furnishings and valuable artwork which they do not want subjected to increased wear and tear that a long term rental would cause.
 - The owners wish to minimise the foot traffic through their property.
- e) If it is the aim of the QLDC to have more staff accommodation available then they should focus on limiting the Home Stay activity and getting the spare room and “granny flat” back on the staff accommodation market.
- These are the rooms that used to be regularly advertised for both long term tenants and seasonal workers.

5. Impact of Holiday Homes and their Owners

- a) The owners of Holiday Homes are part of our wider community.
- They contribute to the maintenance of our community assets via the increased rates they pay when registered as Mixed Use Accommodation.
 - To maintain their home to a high standard they employ Property Managers and tradesmen to regularly service and upgrade the property.
 - With their regular visits to the area they contribute to the local economic activity their lifestyle purchases while staying in their homes
 - They have purchased their property because this is an area that they love to visit on a regular basis and in some cases eventually move here permanently.
 - Because of their positive view of the area they are ambassador’s for the area when they return home.
- b) Guests staying in Holiday Homes typically have up to a maximum of 2 vehicles. All

of which will be parked on site rather than requiring on street parking. If the Holiday Home has long term tenants, then there is a potential for up to 8 car parks required of which most will require on road parking. This will have a detrimental effect on the neighbourhood.

c) If the number of days is limited to 28 days per annum then neighbourhoods will have a large number of houses that will be vacant for a significant part of the year. This will mean that there will be detrimental effect on the vibrancy of the neighbourhood and will also result in significant assets being underutilised.

d) Potential visitors.

Visitors choose a Holiday Home because it meets their requirements. If these properties are no longer available as an option then there is the potential that they will not come to the QLDC area.

6. **Accommodation Options**

Holiday Homes have always been an option for visitors to the QLDC area. QLDC will get considerable pressure from other accommodation options, in particular Hotels and Motels to limit the market for Holiday Homes. Visitors need to have freedom to choose the style of accommodation that suits their needs. They choose Holiday Homes because they offer what they are looking for, in particular:

a) Space and Privacy

Most of the people renting Holiday Homes are families or groups of friends and relatives. A Holiday Home offers space, enough bedrooms for the group and large enough areas for the group to meet up without having to consider other guests.

b) Price

The rental of a Holiday Home offers competitive price options particularly as it will result in additional rooms, beds and amenities

c) Feels like home

A Holiday Home offers the same facilities as home

- The ability for prepare your own meals
- Laundry
- Common areas
- Outside areas
- Garaging
- Own site storage

d) Practical for families

The Holiday Home option offers families

- Separate areas for parents and older family members while others are taking a nap
- Kitchen facilities which are important for groups with babies and children.

- Cost effective in that meals can be cooked on site

e) Additional Services

Holiday Homes offer additional services over other accommodation options

- Wi-Fi is included
- Spa and Sauna in some properties, with the knowledge that your group is the only one using them
- Secure and private garaging – and no valet fees

e) Local neighbours

The groups using Holiday Homes would love the opportunity to chat with the local neighbours. So long as the political climate has a positive view of Holiday Homes and their users

7. Booking Options

The options for guests to book their accommodation has evolved over the years.

a) Guests have been booking holiday home accommodation in the area for decades.

b) Initially the booking would be made via family or friends or an advertisement in a classified section of a newspaper.

c) The internet has increased the reach of the Holiday Homes availability. This was initially via basic websites developed by the owners and then extended to property managers websites and third-party sites. Due to the number of sites it was difficult to get a clear view as to the total number of properties being on the short-term market.

d) Airbnb has entered the market in recent years. Their website has been a step up regarding ease of use for owners and guests. This has meant that it is an extremely popular platform for listings and for guests to search for a property that suits their needs. As it is online it is also transparent to local and national authorities as to the number of properties being rented on the short-term rental market.

The Holiday Homes being offered via Airbnb have previously been available to rent but their availability is now more visible on one site.

e) Airbnb is the current best booking platform but with the rapid changes in technology and business innovation it is likely that in the next few years it will have a different format or be overtaken by another business. It is therefore important to not have a regulatory environment that is based on regulating one businesses participation in the accommodation sector.