

QUEENSTOWN LAKES DISTRICT COUNCIL  
PROPOSED DISTRICT PLAN STAGE 2  
VISITOR ACCOMMODATION

SUBMISSION BY BRIAN REEVE

My submission is made as the owner of a modest holiday home that is rented out on a short-term basis for part of the year.

In the 20 years I have owned it I have never let it as a long-term residential tenancy.

The main reason for this being it would prevent me being able to use it myself.

I believe that visitors stay at my home because of the view they can enjoy while there and because they wish to be in a relatively quiet locality.

It should be noted that Queenstown is somewhat unique in that it is almost exclusively centred around the tourism industry. Wanaka is similar.

Under the Visitor Accommodation rules there are a number of consequences that result directly from a single dwelling being used for short-term letting for less than half the year.

- (1) increased rates,
- (2) resource consent fees and associated costs,
- (3) threats of prosecution resulting in multi-hundred thousand dollar fines and imprisonment being made by the Council.

RESOURCE CONSENT FEES

I understand that the cost of obtaining Resource Consent would amount to several tens of thousand dollars even for a modest house such as my own.

In addition if the activity ceased but was recommenced several years later then the Resource Consent processes and charges would apply again.

HISTORY

The beginning of this saga is the Environment Court case C100/2000 Queenstown Branch of Motel Assn v Queenstown Lakes District Council.

Particularly relevant is that the Motel Assn failed to prove their case which amounted to allegations and no evidence.

MEASUREMENT OF COMMERCIAL ACTIVITY

Typical commercial visitor accommodation is a large complex usually on a relatively small piece of land that has multiple units or rooms. It may also have conference facilities and restaurant facilities.

The level of commercial activity or use of resources cannot be measured by occupancy rate alone.

The number of rooms/units, number of guests, number of guest's vehicles, other facilities, additional visitors such as attendees of conferences or other events that are not actually staying at the complex, employees, service vehicles and personnel etc are all factors.

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One would hope that Rates and Resource Consent fees are set to reflect that.

However when it comes to private dwellings used for Visitor Accommodation the only measurement being used is occupancy rate.

#### PURPOSE OR USE

When a hotel or motel is built it is expected that it will be used for visitor accommodation for at least say 50 years.

The Resource Consent fees are presumably based on that assumption and are paid once at commencement.

However a single private dwelling in Queenstown could in 50 years change from owner-occupied to long-term residential to holiday home (mainly vacant) to holiday home & short-term rental and so on in any order and with a multiple number of changes.

#### THE PROBLEM WITH APPLYING VISITOR ACCOMMODATION RESOURCE CONSENT FEES & COMMERCIAL RATES TO PRIVATE DWELLINGS

One of the main drivers of the rules has been the repeated complaints from the hotel & motel industry of unfairness over the last 16 years.

However many of the regulatory requirements stem from the nature and size of the building (multi-storey, multi-unit) and not because it is visitor accommodation eg fire escapes, fire alarms, lifts.

Why would those requirements apply to a single dwelling?

The complaint of unfairness regarding rates is also not valid when you look at an actual example of applying commercial rates to a single dwelling.

In 2002 there was a Mountain Scene article in which Lex Perkins, motel owner, was complaining about the rates for his motel being \$5,848. From memory his motel had more than 10 units plus owner's accommodation.

At that time I estimated that my rates would be about \$2,000 if my property was rated on the same basis.

A current example:

Abba Court Motel (which appears to have 10 units and possibly owner/manager accommodation as well). Rates for the current year total \$12,800 including GST.

If commercial rates are applied to my property, which is equivalent to 1 motel unit, then I calculate my rates would be roughly \$3,450.

Therefore applying rates designed for hotels and motels to private dwellings actually results in exorbitant charges.

There will be Resource Consent fees charged when a residential property is established.

If its use changes to short-term letting no additional infrastructure is required. So what is the charge for?

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## PARKING & NOISE

The Council's current reason for requiring rules for private residential properties appears to be to mitigate the adverse effects of noise and parking/vehicle movements.

In 2004 it appeared to be noise and bus parking. How buses would be involved is beyond my understanding.

At no time either in the past or currently has the Council provided any evidence to support that there is a problem with noise or parking.

Why would there be more vehicles or vehicle movements when a dwelling is used for short-term letting as opposed to owner-occupied or long-term residential tenancy?

Simply not logical.

The report received on 14 September 2018 from Counsel for the Council appears to be stating that people go crazy when on holiday but provides no support for that.

No evidence has been provided that supports the need for anything other than the existing noise complaint procedures that apply to residential properties.

The report also emphasises residential amenity in a way which goes far beyond what the Resource Management Act should be about.

In particular the part about knowing your neighbours and having the same neighbours is an "urban myth".

The writers clearly have no understanding about Queenstown where there is a large number of houses vacant for much of the year, there is a large seasonal turnover of many so-called long-term tenants.

In the past the Council has admitted that it is unable to identify properties that are used for short-term letting even when it possesses photos of those properties.

## REPORTING REGIME

This can only be described as draconian.

Is the Council also going to require owners of all residential properties to report to them whether their property is vacant or occupied, the number of people in residence, whether the property is used for owner occupation or tenanted, any changes in the preceding?

#### SUPPLY OF RESIDENTIAL PROPERTY

Is the Council going to take action to ban or penalise residential property owners who leave their properties vacant or require people who have a larger house than necessary to downsize ?

The Council's own report confirms that there is no shortage of land to accommodate growth in Queenstown.

The problem in Queenstown is the lack of accommodation suited to seasonal workers. Little if anything is being done to alleviate this problem.

#### BRIEF SUMMARY

The claims of adverse effects are allegations only. The Council has failed to provide any evidence that would stand up in Court. In fact it has failed even to measure the effects or use of resources that can easily be measured. I understand that it is a requirement under the RMA (section 9) that rules have to be justified ie evidence that will hold up in Court.

In fact the Council admits that even if it could come up with a case the Court would charge a minimal fine which confirms that the adverse effects are minimal if that.

There is no material additional consumption of resources or adverse effects when a single residential property is used as short-term accommodation as opposed to owner-occupied or long-term residential rental or when it changes from one to another.