

The Housing Challenge in Queenstown Lakes

Jan 2024

The Problem

Housing is critical infrastructure, and fundamental to wellbeing, sustainable well-functioning urban areas, and development. Yet:

1155

1155 households are on the Queenstown Lakes Community Housing Trust waitlist (Jan-24)

Average House Values Sep 2023

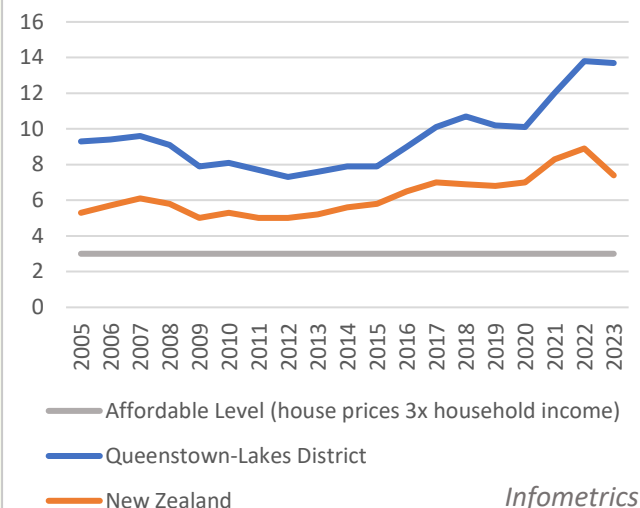
Queenstown-Lakes
\$1,677,669

New Zealand
\$908,853

Infometrics

Housing Affordability

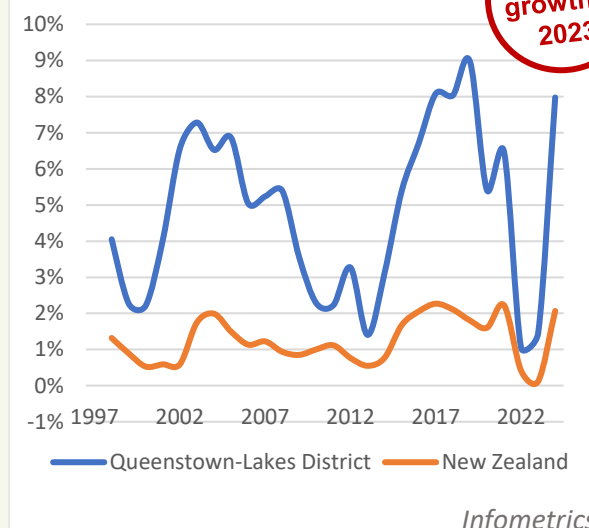
Mean house value to mean household income multiple, March years



Infometrics

Population Growth

Annual change, June years



8% growth in 2023

Infometrics

3.3 million unique visitor arrivals to the district (year ending June 2023), 63 visitors per resident, puts pressure on services funded by ratepayers



Destination Queenstown

Drivers

- High demand from across NZ and overseas, supported by wealth not just local incomes
- The tension between protecting the character of the district and the landscape, and providing more and higher density homes
- Holiday/second homes left empty when not in use
- Short-term rentals have fewer regulations and higher returns than long-term tenancies
- High building costs due to scale and location

In 2022, Queenstown Lakes District Council granted the highest number of building consents per 1000 residents of any territorial authority in the country (Statistics NZ). However, the market mostly delivers bigger, more expensive homes, and there are **not enough new affordable homes or rentals.**



Median rent in Nov 2023 was \$720p/w in Queenstown Lakes and \$650 in NZ overall

MBIE tenancy data



While the district has enough plan enabled housing capacity both short and long term (shown through the Spatial Plan) there is still insufficient capacity in the lower price bands

Queenstown Lakes District Housing Development Capacity Assessment 2021

Impacts

Essential workers leave and businesses **struggle to attract and retain the right staff**: the higher labour turnover rate is costing the local economy \$105m-\$200m a year (3-6% of QLD's GDP)

Sense Partners 2022: The economic case for Inclusionary Zoning in QLDC

When long term residents are **forced to leave** the district, it **separates friends and families** and disrupts social cohesion

Detrimental impacts on personal wellbeing, from **financial stress** and **inability to leave unsafe housing**

Migrants / ethnic communities report **discrimination** in the rental market

People are **living in cars** and campgrounds

Mana Whenua **struggle to house whanau** in the district and are unable to exercise their traditional practices e.g. mahinga kai

Some demographic groups can't afford to live here, impacting **diversity** and resilience

People are **forced to live further away**, creating car dependency, long commutes, more driving emissions, higher travel costs, and less safe roads

Employees who are **financially and housing stressed** are more **disengaged and less productive**, sometimes holding more than one job to make ends meet

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Gaps in the data

Public housing (subsidised by MSD): anecdotal evidence suggests many more households are eligible than the housing register suggests

Homelessness: How many people, including longer term residents, are living in cars and campgrounds?

Short-term letting: How many homes are being used for short-term letting instead of longer-term rentals?

Empty homes: census data is 5-yearly and imprecise. How many potential rentals are vacant and why?

Migrants: QLD has a large migrant population. How many are struggling and ineligible for support?

Relocation: How many people are forced to leave because they can't find and retain suitable housing?

Mana Whenua: How big is the challenge to house whanau in the district?

What we're doing

Implementing the **Joint Housing Action Plan:** Working with central government partners and the local community, including:

Queenstown Lakes Spatial Plan: ensuring future proofed best use of priority development areas

Inclusionary Housing: a proposal that new subdivisions and developments provide an affordable housing contribution to community housing providers

Intensification and upzoning: to enable more housing capacity, including a special purposes zone for Te Pūtahi Ladies Mile

Supporting **Queenstown Lakes Community Housing Trust:** with funding, land and other ways to provide affordable housing

Advocacy: highlighting the changes we need to effectively address the housing crisis

Improving our data: to build the case for new funding and policy support from central government and our community

Short-term letting

The shortage of longer-term rental properties is exacerbated by homes being used for short-term letting/holiday rentals

QLDC has tried to restrict short-term letting, but there are limits to what can be done through the Resource Management Act

The rules require everyone to register and require resource consents above a certain threshold, but this is very difficult to enforce

We don't have good data on who is letting out properties and whether they are following the rules

(see box below)

Legislative
change would
help us limit
short-term
letting

What else could help

Increasing the supply of long-term rentals:

Alongside signaled changes to tenancy legislation:

Stronger short-term letting controls: to boost rental supply and to monitor compliance with the rules:

- Enable stronger restrictions and/or a levy for using whole houses for short-term letting
- Require short-term letting companies to require proof of registration and provide data
- Healthy homes compliance for all visitor accommodation

Investigate higher rates/levy for underutilised land, short-term letting, or empty homes: to boost housing supply and help fund housing initiatives

Capturing value with 'beneficiary pays':

A key challenge is the cost of infrastructure.

Visitor Levy:

- 3.3 million unique visitor arrivals to the district (year ending Jun 2023) equals 63 visitors per resident
- In a 2019 referendum, over 80% of locals supported a 5% levy on visitor accommodation to help pay for services and infrastructure used by visitors

Infrastructure for residents:

- To unlock further housing supply, commitment from all stakeholders to help fund enabling infrastructure e.g. in a City Deal or IFF Act process

Inclusionary Housing:

Inclusionary Housing provides a sustainable funding stream for retained affordable housing. Continued Government support and national enabling legislation could streamline this process considerably

Private investment and community support:

- Local businesses have a role to play in supporting workers accommodation initiatives and/or directly providing housing for staff
- Community support (from individuals, community groups and businesses) is critical, e.g. for increased housing density, and everyone has a role to play in helping to address the housing challenge