

Proposed Thames-Coromandel District Plan



Submission Form

Form 5 Clause 6 of the First Schedule to the Resource Management Act 1991

Your submission can be:

Online: www.tcdc.govt.nz/dpr
Using our online submissions form

Posted to: Thames-Coromandel District Council
Proposed Thames-Coromandel District Plan
Private Bag, Thames 3540
Attention: District Plan Manager

Email to: customer.services@tcdc.govt.nz

Delivered to: Thames-Coromandel District Council, 515 Mackay Street, Thames
Attention: District Plan Manager (or to the Area Offices in Coromandel, Whangamata or Whitianga)

Submitter Details

Full Name(s)	MARY KATHLEEN O'BRIEN		
or Organisation (if relevant)			
Email Address	mary@nzms.com.au		
Postal Address	P.O. Box 19998 13-330 Eastridge Auckland 1146		
Phone no. <small>include area code</small>			Mobile no.

Submissions must be received no later than 5 pm Friday 14 March 2014

If you need more writing space, just attach additional pages to this form.

PRIVACY ACT 1993

Please note that submissions are public information. Information on this form including your name and submission will be accessible to the media and public as part of the decision making process. Council is required to make this information available under the Resource Management Act 1991. Your contact details will only be used for the purpose of the Proposed District Plan process. The information will be held by the Thames-Coromandel District Council. You have the right to access the information and request its correction.



Your Submission

The specific provisions of the Proposed District Plan that my submission relates to are:
 (please specify the Objective, Policy, Rule, Map or other reference your submission relates to)

The specific provisions to which our submission relates, as laid out in the letter attached to this submission.

My submission is:

(clearly state whether you SUPPORT or OPPOSE specific parts of the Proposed District Plan or wish to have amendments made, giving reasons for your view)

I support oppose the above plan provision.

Reasons for my views:

Please refer to the accompanying letter which forms part of this submission.

The decision I seek from the Council is that the provision above be:

Retained Deleted Amended as follows:

Please refer to the accompanying letter which forms part of this submission.

Proposed District Plan Hearing

I wish to be heard in support of my submission. Y N

If others make a similar submission, I will consider presenting a joint case with them at a hearing. Y N

Signature of submitter *M. M. M.* Date 11/3/2014

Person making the submission, or authorised to sign on behalf of an organisation making the submission.

Trade Competition

Please note that if you are a person who could gain an advantage in trade competition through the submission, your right to make a submission may be limited by Clause 6 of Schedule 1 of the Resource Management Act 1991.

I could gain an advantage in trade competition through this submission. Y N

If you could gain an advantage in trade competition through this submission please complete the following:

I am directly affected by an effect of the subject matter of the submission that -

- a) adversely affects the environment; and
- b) does not relate to trade competition or the effects of trade competition. Y N

If you require further information about the Proposed District Plan please visit the Council website www.tcdc.govt.nz/dpr





The Destination Coromandel Board of Directors
 c/o Hadley Dryden, Manager
 Destination Coromandel

An Open Letter to Destination Coromandel

3rd March 2014

Dear Hadley and the Destination Coromandel Board:

RE: Potential impact of the TCDC Proposed District Plan on Tourism in The Coromandel

We are writing to voice our concerns over elements of the TCDC Proposed District Plan that we believe will adversely impact tourism in the Coromandel.

There are around 1,500 baches and holiday homes used as holiday rental properties in the Coromandel. In 2013 approx. 69,000 visitors (54,000 adults and 15,000 children) chose to book a paid stay at a Coromandel bach or holiday home¹. The proposal to require resource consent to accommodate more than 6 people in a holiday rental will:

- Limit available traveller accommodation in the area and reduce the number of visitors to the region.
- Drive holiday rental underground, making it even more difficult to engage with owners as tourism operators.
- Make owning a holiday home in the Coromandel marginal or uneconomic for many owners.
- Reduce the ongoing investment in property maintenance and improvement in the Coromandel housing stock.
- Create more work for local officials to track, manage and enforce compliance of regulations.

¹ Based on Bookabach booking data on known rental bookings on 800+ properties and extrapolating for the 1,500 Coromandel Holiday Rentals.

RE: Letter in support of my Submission on the TCDC Proposed District Plan

Dear Mayor Leach and TCDC Councilors,

My name is Mary O'Brien and I own a holiday house in 1 Wharekawa Place

I oppose the various provisions for Visitor Accommodation throughout the Proposed Thames Coromandel District Plan ("Proposed Plan") as they relate to renting out of private dwellings/holiday homes.

There is no proven evidence that the consumption of local resources and the amenity effects on neighbours are any different with holiday rental holiday homes compared to properties used by their owner/family/friends.

The proposed changes will affect existing holiday home owners, as well as those that aspire to holiday home ownership in the Coromandel. In particular I believe the rules:

- Will decrease the income I receive from my holiday home – income I use to offset expenses such as rates and maintenance.
- Could reduce the value of my property as holiday home ownership becomes less desirable in the Coromandel due to the limitations imposed on holiday rental.
- Will mean less choice for tourists wishing to stay in the Coromandel, resulting in fewer visitors to the region, impacting on Coromandel businesses as result.
- Will not change the amenity effects arising from holiday home usage on the Coromandel.

I urge you to reconsider these rules in your Draft Annual Plan for 2013/2014 and look to implement a system more like that used by Queenstown Lakes District Council that provides allowance for holiday houses to better distinguish them from true commercial accommodation.

I seek the following decision from the Thames Coromandel District Council:

As Principal Relief

(i) Amend the definition of "Visitor Accommodation" in the Proposed Plan, such that the rental of holiday homes is specifically excluded from the definition.

Or, in the alternative, if the principal relief in (i) above is not accepted

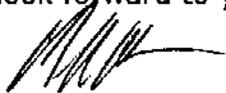
(ii) Amend all references to the permitted activity conditions for Visitor Accommodation in the various zones throughout the Proposed Plan relating to "6 tariff-paid customers on-site at any one time" instead amending this to "12 tariff-paid customers on-site at any one time", and delete any condition requiring the activity to be undertaken within an existing dwelling, minor unit or accessory building.

And, in relation to both (i) and (ii) above

(iii) Any consequential amendments necessary as a result of the amendments to grant the relief sought above.

I have owned this land and since 1973 and do not want to see this law come into force at all.

I look forward to your response.

A handwritten signature in black ink, appearing to read 'Mary O'Brien', with a long horizontal flourish extending to the right.

Mary O'Brien

Address C/-PO Box 13-333, Eastridge Auckland 1407

Form 5

**Submission on the Proposed Thames-Coromandel District Plan
Under Clause 6 of the First Schedule to the Resource Management Act 1991**

To: Thames-Coromandel District Council
Proposed Thames-Coromandel District Plan
Private Bag
Thames 3540
Attention: District Plan Manager

Submitter: Trade Me Limited, Bachcare Limited, Bookabach Limited

Address: Trade Me Limited, Bachcare Limited and Bookabach Limited
(see address for service details below)

1. Trade Competition

Trade Me Limited, Bachcare Limited and Bookabach Limited could not gain any advantage in trade competition through this submission.

Trade Me Limited, Bachcare Limited and Bookabach Limited are directly affected by the subject matter to which this submission relates. The subject matter relates to environmental effects and not trade competition or the effects of trade competition.

2. Trade Me Limited, Bachcare Limited and Bookabach Limited make the following submission:

Trade Me Limited, Bachcare Limited and Bookabach Limited **oppose** the various provisions for *Visitor Accommodation* throughout the Proposed Thames Coromandel District Plan (“Proposed Plan”) as they relate to renting out of private dwellings/holiday homes.

On its own website, Thames Coromandel District Council (TCDC) has indicated the District Plan needs “to be simpler, more user-friendly and cut through unnecessary red tape to help economic development, while still protecting the qualities that make the Coromandel such a special place.” The proposed rules related to visitor accommodation are not consistent with these stated objectives.

Value of Holiday Home Owners in the District

According to the 2013 / 2014 Annual Plan and census data, there are 27,640 Rateable Units in the District, of which 22,994 are residential units, contributing 84% of the rates value in the District.

Council sources have estimated that 55% of the residential base is related to absentee residential owners. It has been assumed that these absentee owners represent holiday home owners. This represents over 12,000 holiday home owners contributing nearly \$30m in rates, per annum, representing nearly 50% of the Council annual rate take.

Proposed rules under the Proposed Plan must take in to account the needs of the largest constituency in the District.

Holiday Home Owners

Typically, a holiday home owner has purchased a second home as a lifestyle and for their own aspirational purposes. Holiday home owners cherish their second home, their own piece of paradise.

Most holiday home owners would rather not rent out their holiday home, but need to do so in order to maintain this second property. A holiday home owner has no desire to abuse neither their home nor their relationships with their neighbours and communities. The holiday communities in the Coromandel are close-knit communities and owners typically value these relationships.

Renting holiday homes is part of the fabric of the kiwi society.

Trade Me (through its listing site www.holidayhouses.co.nz), Bachcare (through its full service management offering) and Bookabach (through its listing site www.bookabach.co.nz) collectively provide services to approximately 1,500 holiday home owners in the District.

With over 12,000 unoccupied residential homes, the holiday homes being formally rented out represent less than 15% of the total holiday homes in the Coromandel.

Rental Holiday Home Owners

A combined Industry Survey was conducted in November 2013, with over 2,000 holiday owners nationally and 292 in the Coromandel participating.

The survey results for the Coromandel holiday home owners show most owners would not be able to afford to keep nor maintain their holiday homes without their rental income. Even with renting, their homes sit unoccupied over two thirds of each year. Each holiday home owner spends over \$10,000 per year maintaining and improving their holiday homes in addition to local rates, contributing significantly to the local economies. Some findings from the survey are as follows:

- The holiday home has been owned on average 12 years, with an average capital value over \$600,000.
- 92% of the homes are free-standing, with 3 bedrooms.
- 74% of the respondents said they would not be able to afford to keep / maintain their holiday home without the rental income they receive from private rentals, while another 78% stated they could not afford to improve / renovate their property without their rental income.
- The owners have used the houses on average 30 nights per year and rented the house on average of 40 nights per year, earning on average \$8,745 of gross income.
- 20% of owners rent it out just enough to cover expenses and operating costs, while only 21% rent it out as much as possible.
- The average number of persons the house will accommodate while renting is 8 persons.

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- Owners have been renting, on average, over 5 years.
- Owners have spent on average \$15,320 over 5 years maintaining the house, and \$31,439 over 5 years improving / renovating their holiday home. Combined with annual rates, the holiday home owner is contributing over \$12,000 per year to the local economy.
- Assuming the 12,000 unoccupied homes are similar, \$144 million per year is being contributed to the economy from unoccupied holiday homes.

Nothing to indicate guest problems from rentals

Local media reported comments from TCDC staff that holiday home guests cause issues to the local community.

Our Industry Survey polled our owners to understand if they had received complaints from their holiday home rental activities. Less than 1% of owners reported any incidents.

Council staff have reported in local media and through discussions that holiday guests have amenity effects on neighbours from noise, dust from cars up and driveways, excess cars, and litter left and strewn about.

We do not believe there is any evidence to suggest amenity effects on neighbours are being directly impacted by paid holiday home rental guests over any other type of home visitors. With only 15% of the unoccupied homes rented out privately, 85% of the visitors to the Coromandel holiday homes are not paid visitors. This could be the actual owners themselves, owners' friends and family, unpaid guests of the holiday home owner. It could equally apply to the 45% of residential home owners in the District that have friends and family visiting during the key peak periods, or friends and family of long term tenants occupying the homes.

There is no empirical evidence we are aware of to suggest any issues relating to the amenity effects can be narrowly attributed to holiday home rental owners.

Any restrictions put in place to limit visitors to holiday homes must also be equally applied to all residential owners as amenity effects are likely widely distributed across the entire residential base of properties, until such point that it can be categorically proven that amenity effects are arising solely from paid holiday home guests.

Six versus twelve paying guests

The Proposed District Plan process commenced with an internal recommendation based on the expert opinion of Council staff.

Council staff initially recommended that the Visitor Accommodation Rule be increased from 6 paying guests to 12 paying guests. This was based on the Council objectives to enhance economic development in the region and to minimise bureaucracy and red tape.

We applaud Council staff in developing a practical solution that recognises the situation already in place, one that minimises red-tape and acknowledges the vast value that holiday homes contribute to the District. Our preference would be for no specific limit to be applied due to expected practical issue with monitoring and enforcement. However, if a limit must be imposed, 12 is certainly a more tenable number than 6.

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It is our understanding that no wide-spread consultation process across all industry participants was received before Council staff were instructed to change the recommendation back to 6 paying guests.

Council staff, having well thought through the dynamics of holiday home rentals in the Coromandel had properly adjusted the Proposed District Plan to reflect the current situation in the District, as in keeping with the Council stated objectives of the planning process. Council desires a vibrant and thriving Coromandel region. Holiday homes bring in large groups of people to the area, which mainly respect the uniqueness of the region and bring large economic value to the region.

Requiring owners renting to more than 6 paying guests as a discretionary activity requiring resource consent is inconsistent with Council's stated objectives. This will bring increased compliance costs to evaluate and approve the resource consents and increased compliance costs to monitor 6 vs 12 paying guests across holiday home rentals vs other forms of rentals.

Increasing the paying guests limit to 12 is considered to be a much more tenable alternative to limiting the number of paying guests to 6. The preference is however for no limit to apply in any instance.

Impacts to the Property Market

As previously mentioned, many holiday home owners rent their homes to afford the rates, maintenance and upkeep of their holiday homes.

There are already increasing compliance costs with the recent IRD changes to the bach tax regulations. Further costs and increased compliance from a resource consent process will leave many owners feeling uneasy about their holiday home.

68% of owners in our Industry Survey indicated they would probably re-think renting out their holiday homes. Given the rental income supports the economic viability of keeping a second holiday home which owners use less than 15% of the year.

There would be significant implications to the Council and the region should a large number of holiday home owners who currently rent decide not to rent.

Increase in properties put on the market for sale – Many holiday home owners would not be able to keep their holiday homes if they did not have the small rental income available to support the costs to maintain a second holiday home. Many holiday home-owners would likely be put in a position requiring them to place their Coromandel holiday home on the market. This situation if it were to arise could flood the market with properties for sale, which could lead to a depression in the capital value of houses as owners required to sell are forced to accept a lower price. There are already a large amount of homes on the market in the Coromandel and this policy change could lead to a further reduction in the liquidity in the real estate market.

Reduction in demand for home purchases in the Coromandel – A change in the regulatory framework for holiday homes rented would in our view lead to a reduced interest from potential holiday home buyers. These buyers rely on the small rental income to help them with second home ownership. Should the Council make it so punitive and troublesome to rent out their home, many potential home owners will simply choose not to purchase a holiday home. This will lead to a further contraction of demand for property in the District, further putting downward pressure on a property market just starting to show signs of recovery

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Reduction in visitors to the region – Holiday homes are the preferred accommodation type for kiwis when travelling. In a Bachcare survey in 2006, over 50% of kiwis surveyed preferred holiday homes as their accommodation type when traveling in New Zealand. Motels featured at 20%. To remove the stock of holiday home reduces visitor choice. New Zealand travellers do not always want to stay in motels and hotels. It would seem inconsistent with Council's desire to have a vibrant community with increased tourism to reduce accommodation options to visiting New Zealanders.

Reduction in visitors will have a flow on effect to the local economy –

- Renting a holiday home brings additional people to the Coromandel.
- These rental guests spend money in the local businesses.
- The local businesses rely on the tourists for a healthy business and a healthy business is required for Councils to collect rates from businesses. A reduction in visitor numbers could lead to further businesses being put under financial pressure and challenge their sustainability.
- Having occupants in holiday homes employs local people in the busy season, such as cleaners. Higher employment in the District results, providing much needed wages to the local economy. Greater employment will lead to lower crime.
- Houses being used more often inevitably leads to maintenance and other issues requiring local tradespeople and local supporting wholesalers and retailers. These retailers, organisations and tradespeople gain business as a result to the visitors to holiday homes, contributing much needed income to the local community.

Specific Planning Issues

The Visitor Accommodation provisions in the Proposed Plan are likely to be very difficult for the Council to monitor and enforce, particularly as the number of people on-site at a holiday home will often fluctuate (e.g. when friends arrive with tents or caravans which is typical at peak times). Even family members often have to pay a small fee to stay in a family holiday home to assist with the upkeep. Therefore, there are likely to be legal issues in determining when or if a tariff is being paid, and by how many people. The variables present in such situations means that a significant amount of Council resource would be necessary to scrutinise every holiday rental situation, and this could literally change on a day to day basis.

Further, it is unclear what the criteria would in practice be used for approving or declining an application to rent out a holiday home for more than 6 tariff paying guests. While the proposed assessment criteria require a site context analysis, in the example of a residential area this will typically involve an existing house, with residential sites adjoining. Therefore, the concern is that this may simply result in applications being considered on the basis of whether or not neighbours are prepared to give written consent rather than any specific characteristics about the site layout. It is also unclear what practical conditions could be imposed. Often two families will rent a house together, and with children would likely often exceed 6 persons, it is not reasonable or practical in this circumstance to have an on-site manager. This is the same situation even where it is a family group in a family owned holiday home without an equivalent measure of control.

As such it is considered appropriate that no restrictions apply to rental visitor accommodation over and above those already applying to dwellings under the Proposed Plan in any instance. However, if this principal relief is not accepted, increasing the paying guests limit to 12 is

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considered to be a more tenable alternative to limiting the number of paying guests to 6 should the Council insist that visitor accommodation restrictions are indeed necessary.

Further, existing condition requiring the activity to occur within an existing dwelling, minor unit or accessory building are not supported as this will cause confusion and uncertainty around use of tents/caravans during peak holiday times. This is more likely to be attributed to extended family and friends of owners, but as previously noted may infringe the proposed rules where a contribution towards the upkeep of the premise is being paid. It may also cause potential issues around use of outdoor spaces for BBQ's etc., as this is not within any of the above stated building types.

It is noted that the Auckland Council recently notified its Proposed Unitary Plan, which takes in a number of holiday beach areas where significant renting of holiday homes would be undertaken (e.g. west coast and Rodney area beaches). No equivalent control has been included in that planning document, with renting of existing homes not controlled to any degree greater than the residential activity itself.

Changes to Economic Development Funding

We note that Council undertook a review to the current funding structure of the Economic Development Activity between moteliers and other providers in the short-term accommodation market. We understand that Council will be considering this during the 2015 Long Term Plan.

We support the view that Economic Development activity in the tourism industry benefits not only commercial accommodation providers and casual accommodation providers, but more widely benefits residents and businesses across the District. Any changes to the Economic Development contribution must consider benefits across all participants in the District. We look forward to providing input to the 2015 Long Term Plan.

3. Trade Me Limited, Bachcare Limited and Bookabach Limited seek the following decision from the Thames Coromandel District Council:

As Principal Relief

- (i) Amend the definition of "*Visitor Accommodation*" in the Proposed Plan, such that the rental of holiday homes is specifically excluded from the definition.

Or, in the alternative, if the principal relief in (i) above is not accepted

- (ii) Amend all references to the permitted activity conditions for *Visitor Accommodation* in the various zones throughout the Proposed Plan relating to "*6 tariff-paid customers on-site at any one time*" to instead amend this to "12 *tariff-paid customers on-site at any one time*", and delete any condition requiring the activity to be undertaken within an existing dwelling, minor unit or accessory building.

And, in relation to both (i) and (ii) above

- (iii) Any consequential amendments necessary as a result of the amendments to grant the relief sought above.
4. **Trade Me Limited, Bachcare Limited and Bookabach Limited do wish to be heard in support of its submission.**
5. **If others make a similar submission Trade Me Limited, Bachcare Limited and Bookabach Limited would be prepared to consider presenting a joint case with them at any hearing.**

Dated this 7th day of March 2014

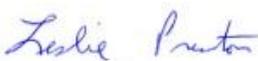
Address and contact details for service:



Daniel Bridges
Head of Travel
021 896 186
daniel@trademe.co.nz

Trade Me Limited
PO Box 11042
Manners Street
Wellington

trademe



Leslie Preston
General Manager
021 936 783
leslie@bachcare.co.nz

Bachcare
6 Fitzroy Street
Ponsonby
Auckland




Peter Miles
CEO
021 310 310
peter@bookabach.co.nz

Bookabach
Level 1
59 Pitt Street
Auckland 1010

bookabach™