

The Housing Challenge in Queenstown Lakes

Jun 2024

The Problem

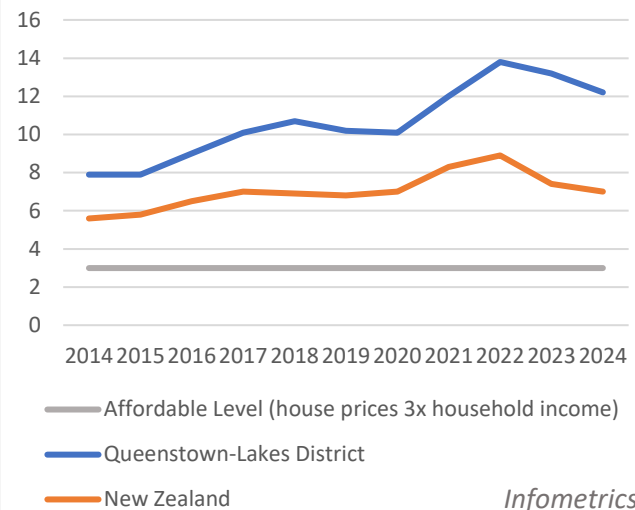
Housing is critical infrastructure, and fundamental to wellbeing, sustainable well-functioning urban areas, and development. Yet:

1200

1200 households are on the Queenstown Lakes Community Housing Trust waitlist (Apr-24)

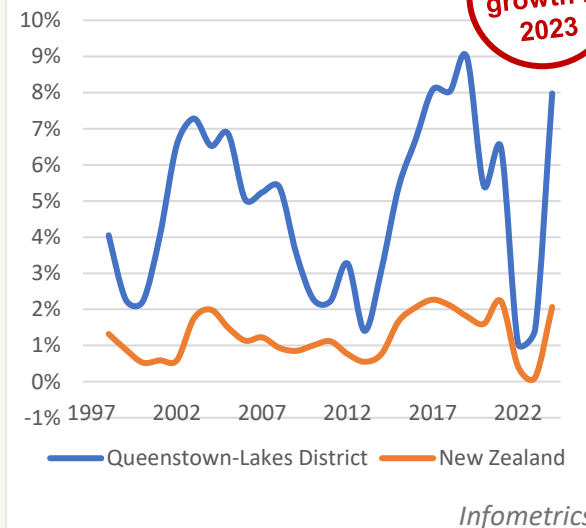
Housing Affordability

Mean house value to mean household income ratio, March years



Population Growth

Annual change, June years



8% growth in 2023

Average House Values Mar 2024

Auckland	\$1,290,329
Queenstown Lakes	\$1,779,124
New Zealand	\$933,633

Infometrics

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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
- High building costs due to scale and location
- Infrastructure deficit: debt limits restrain investment needed to enable more housing
- Tension between protecting the character of the district and the landscape, and providing more and higher density homes
- Holiday homes/investment properties left empty when not in use
- Ease and profitability of short-term letting

In the year to March 2024, QLDC 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 Feb 2024 was \$700p/w in Queenstown Lakes and \$600 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 suitable 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 houses are being used for short-term letting instead of as homes for locals?

Empty homes: census data is 5-yearly and imprecise. How many potential homes 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 iwi, central government partners, and the local community, incl. on:

Queenstown Lakes Spatial Plan: ensuring our priority development areas are future proofed to get the best use

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 Community Housing Providers like the Queenstown Lakes Community Housing Trust, with funding, land and other ways to provide affordable housing

Advocacy and facilitating connections: highlighting opportunities to address the causes and help build solutions

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

Short-term letting

Short-term letting supports our tourism industry and boosts local incomes

However, the shortage of homes for local residents is exacerbated by homes being used for short-term letting / holiday rentals

There are limits to what can be done to manage the impacts of short-term letting through existing legislation like the Resource Management Act

Our rules require everyone to register and require resource consents above a certain threshold, but it's difficult to monitor

There is insufficient data on who is letting out properties and whether they are following the rules

(see box below)

Legislative change would help us manage short-term letting

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. 1 in 6 businesses who answered the March '24 Business Confidence survey already provide staff accommodation
- Community support (from individuals, community groups and businesses) is critical, e.g. for inclusionary housing and increased housing density, and everyone has a role to play in helping to address the housing challenge

What else could help

Updating Accommodation Supplement Boundaries:

- Using 1992 data costs some residents \$185 p/w

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 housing supply, all stakeholders fund a pipeline of enabling infrastructure e.g. with GST, development contributions, a City Deal or the IFF Act

New legislation with stronger short-term letting controls:

To manage the impacts on housing availability and monitor compliance with the rules, it should:

- Enable new options to monitor and mitigate the impacts, e.g. data sharing, restrictions or levies
- Improve compliance by working with online platforms with stronger enforcement mechanisms
- Improve consistency in regulations, e.g. healthy homes compliance for all visitor accommodation

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