



**Policy and Planning Committee
MINUTES ATTACHMENTS**

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53 Hereford Street, Christchurch

TABLE OF CONTENTS NGĀ IHIRANGI	PAGE
4.1. Public Forum - Zeta	
A. Item 4.1 - Public Forum - Research of Anthony Brien presented by Zeta Pringle to Policy and Planning Committee.....	3

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Short-Term Rentals in New Zealand: Needed but not unchecked.

Short-term Rental Accommodation (STRA) has rapidly moved from a niche accommodation to something appearing in every town and city in New Zealand. As it grows, so too does public scrutiny. Communities, policymakers, tourism operators, and housing advocates are now paying close attention to the wide-ranging impacts, both positive and negative, associated with the expansion of STRA platforms.

At this stage of the debate, what is most needed is an informed, rational understanding. STRA unquestionably delivers economic benefits, diversifies visitor experiences, and generates valuable income streams for property owners. At the same time, legitimate concerns have emerged around housing availability, neighbourhood amenity, and regulatory fairness between traditional accommodation providers and STRA operators.

The challenge is not to engage in polarised discussions but to recognise the complexity of this market. Balanced, evidence-based analysis is essential if we are to move beyond assumptions or emotive claims.

Ultimately, effective regulation of the STRA sector is not only necessary, but it is also in the best interests of all stakeholders. Thoughtful, well-designed policy can protect community wellbeing, support sustainable tourism, and ensure that STRA continues to contribute positively to local economies without undermining housing stability or community cohesion.

This media release contributes to that conversation by providing clear insights into the realities of STRA and highlighting the importance of a regulatory framework that is both fair and future-focused.

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START

Short-Term Rentals in New Zealand: Needed, but not unchecked

New Zealand's debate over short-term rental accommodation (STRA) has become increasingly polarised. On one side are those who see platforms like Airbnb as vital to tourism and regional economies; on the other are communities experiencing housing pressure, rising rents, and neighbourhoods that no longer feel like places to live. The reality, as with most complex policy issues, sits somewhere in between. The question New Zealand needs to answer is not *whether* short-term rental accommodation should exist, but *how* it should be regulated so that it supports tourism without undermining housing supply, communities, or local government finances.

Does NZ need Short-Term Rental Accommodation?

With specific reference to accommodation for visitors, the answer is yes. There are legitimate circumstances where short-term rentals are essential, for example, when major concerts, sports tournaments, festivals, conferences, and seasonal tourism peaks can overwhelm the capacity of other commercial accommodation providers, e.g. hotels, motels, and backpacker accommodation. At these times, STRA provides critical overflow capacity, allowing regions to host events and capture economic benefits that would otherwise be lost.

When people think of STRA operators, they often think only of [Airbnb](#); however, Airbnb is only one of many platforms facilitating short-term rentals. Other platforms include [Booking.com](#), [Vrbo](#), [Expedia](#), [Agoda](#), [Bookabach.co.nz](#), [holidayhomes.co.nz](#), [Bachcare.co.nz](#), and there is a range of smaller operators, for example, [Staywithwilliams.co.nz](#). Together, these platforms enable anyone to list a spare room or an entire dwelling for short-term (commercial) accommodation use.

What are the reported issues with an unregulated STRA market?

In many districts, local councils have attempted to manage (via rules) STRA operators by limiting the number of nights a whole home (un-hosted) can be rented without resource consent. An important point is that this STRA debate is specific to un-hosted whole homes, and not for anyone renting out just a room in their house where the owner still lives in the home.

Local councils' rules are typically designed to balance tourism benefits with community wellbeing, neighbourhood character, and social cohesion. The most prominent concern is housing supply. Recent commentary has highlighted that, in some parts of New Zealand, whole-home STRA removes dwellings from the long-term rental market during a period of housing shortage. Further, there is the issue of converting entire homes into de facto commercial accommodation in an approved residential (not visitor accommodation) zone.

In places such as Queenstown and Lake Tekapo, the impacts are particularly acute. These towns rely heavily on tourism workers, yet whole-home STRA has reduced the availability and affordability of housing for the very people who keep these economies

functioning. Workers are forced to commute long distances, live in overcrowded conditions, or leave altogether, which leaves businesses having to reduce operations.

International research, echoed by local experience, also shows that high concentrations of STRA change the nature of communities. Streets dominated by short-term rentals can feel transient and anonymous, with full-time residents no longer knowing their neighbours, and concerns are frequently raised about noise, antisocial behaviour, and safety when guests change every few days.

In Christchurch and Queenstown, the issue goes further. Entire apartment complexes approved for residential accommodation located in residential zones now operate as STRA; in reality, they are unlicensed/non-consented hotels, just without reception desks, bars, or on-site management. Indeed, some residential developments are marketed explicitly as Airbnb investments ([Williams Corporation](#)).

The regulatory and fiscal blind spot

Under standard planning rules, and I use Christchurch city as an example, limited visitor accommodation (defined as hotels, motels, etc.) is not allowed in residential zones (defined as 'primarily for the purpose of long-term housing'). However, Christchurch allows unhosted whole-home accommodation in residential zones for up to 60 nights per year, provided it is registered with the Council. [Airdna](#) reports that in Christchurch, there are 3385 whole-home STRA operators, and the Christchurch City Council advise that less than 100 have registered with them. In effect, STRA operators are businesses operating outside zoning rules and in violation of the agreed city regulations.

While STRA operators are in the business of offering accommodation for financial return, they do not meet the required health and safety standards that commercial accommodation must; for example, a hotels/motels require an annual building warrant of fitness (water, heating, etc), fire regulation compliance, regular fire drills, etc. Hoteliers who are in the business of also offering commercial accommodation that I speak with do not want STRA banned, but they do want to see them comply with the same regulations they have to.

STRA operators are businesses, they advertise their products and receive money for it, just like hotels and motels, therefore it can be argued that they should pay commercial rates on their properties, as other commercial accommodation operators do. If the average rate for a residential property in Christchurch was \$4,000.00 per year, and the Council charged a 50% commercial rate premium (+\$2,000.00), the Council would raise an additional \$6.77 million in rates revenue annually. This could offset overall rates or be used for other council purposes.

Finally, there is the question of insurance and taxes. Commercial building insurance is higher than residential, and if STRA operators do not advise their insurance company of this change in status, this could invalidate their insurance. Regarding taxes, while STRA operators are in business, they should be registered for paying corporate tax on their earnings.

While a handful of councils require registration, the majority do not and in reality, local authorities do not know how many STRA operators there are in their area. Christchurch

City has employed someone to identify STRA operators to see whether they are compliant; however, in the scheme of things, this is a futile exercise, as STRA operators do not have their address on any platform until you make a booking, so finding them is almost impossible. Recently, a Christchurch City Councillor wanted to set up a hotline for people to complain and do in STRA operators. Each of these approaches is wishful thinking that it will happen or solve the issues mentioned above.

What does international research tell us about the STRA market and operators?

Internationally, the evidence is clear: unregulated growth in whole-home STRA negatively impacts long-term rental supply, worker accommodation, and community cohesion and does not pay its way to local councils in terms of rates. New Zealand is not unique in facing these challenges. While many cities around the world have local regulations on the maximum number of nights an STRA operator can operate, some have gone as far as banning unapproved STRA operations altogether.

The STRA market has caused such concern in Europe that they have moved from light-touch regulation to comprehensive oversight, and New Zealand should do the same. The European Union now recognises that whole-home STRA requires a different regulatory approach from occasional home-sharing.

Should STRA be regulated, and if so, how?

The answer, based on international experience, and the issues an unregulated market cause is clearly yes.

From a regulatory perspective, a residential dwelling approved for use by a single household changes its function when used for ongoing short-term commercial accommodation. Under the Building Code, this can constitute a "change of use," triggering requirements such as enhanced fire safety systems, evacuation procedures, and building warrants of fitness. These requirements exist to protect occupants, but they also impose costs, so it is a disincentive to tell your local Council you are a STRA operator, and as we know, hardly anyone does.

At present, with no regulation, there is little incentive for STRA operators to notify councils of this change. Doing so may expose them to compliance costs and enforcement action. Recent cases in Christchurch, where some operators chose to exit the STRA market after being found non-compliant, demonstrate both the potential scale of the issue and the fragility of the current system. Expecting councils to police this environment by trawling websites is neither efficient nor fair to ratepayers.

In suggesting regulation, this is not asking for a sledgehammer to crack a nut. [Airdna](#) advises that there are 3,385 whole-home STRA operators in Christchurch, with an average occupancy rate of 60%. This means that there are 2,031 STRA whole homes available nightly, or, conservatively, on average, 1 bedroom per home, a total of 741,315 bed nights annually. To put this into perspective, that is equal to an additional 10 Crown Plaza hotels in the city. There is no way the Christchurch City Council would allow the building of 10 more 204-room hotels in residential zones or without consent in approved visitor accommodation zones. Further, while it is appreciated that anyone can be a STRA whole home operator and competition is how the business world works, their existence at this

level, suggests there is room for more hotel companies to invest in the city with new hotel stock, which is permanent stock, as opposed to the ever-changing actual STRA market availability. Yet, this level of unregulated STRA market may be a reason why a hotel company would not invest.

A practical, proven STRA regulation solution

Local authorities need an efficient and effective way to identify STRA operators in their area to ensure all operators comply with their regulations. The solution is straightforward: the central Government implements the European Union Short-Term Accommodation Regulation. The EU regulation was implemented to address the above issues. [A simple explanation of the EU Regulation can be found here](#), and the [full regulation can be found here](#). New Zealand does not need to reinvent the wheel. A workable solution already exists and is now operating across much of Europe. I advised various New Zealand government Ministers, MBIE, Local Government New Zealand, and the Queenstown and Christchurch councils on the EU regulation in 2024 and again in 2025.

The EU model places the primary compliance obligation on STRA platforms, not on councils, meaning it does not cost councils to know all the information about STRA operators in their area.

In practical terms, this is how it works.

STRA platforms (such as Airbnb, Booking.com, Vrbo and others) are legally prohibited from listing a property unless a valid local authority registration number is supplied. Platforms must verify the existence and format of the registration number before publishing a listing. Where there are automatic night-limits compliance requirements (as defined by Council), platforms must ensure those limits are not exceeded. Once a property reaches its maximum permitted nights, the platform must block further bookings for the remainder of the year.

At defined intervals, platforms must provide councils with accurate data on active STRA listings, the number of nights booked, the number of people staying, and the registration numbers linked to each listing. This gives local Councils a complete and reliable picture of STRA activity in their area. Importantly, the EU framework does *not* impose a one-size-fits-all planning rule. Councils still decide whether STRA is allowed, where it is allowed, how many nights are permitted and what (registration) fees apply. The EU regulation simply ensures those local rules are enforceable in a digital marketplace.

What do the STRA platforms say?

STRA platforms emphasise their contribution to the New Zealand economy, and rightly so. Tourism is vital, and short-term rentals play an important role. They also state that they support regulation. Overseas, they have no choice. However, meaningful regulation is not in their commercial interest. If STRA operators were required to meet the same obligations as other accommodation providers: commercial rates, compliance costs, etc., some would likely exit the market, reducing platform revenues.

STRA platforms are enormous; they generate billions of dollars annually through commissions and fees. [Airbnb alone reported](#) revenues of \$11 billion in 2024, equivalent to 4.3% of New Zealand's entire GDP or about 1/23 the size of the entire New Zealand

economy. They do so without owning property, building infrastructure, or bearing local community impacts.

What would implementing the EU regulation mean for New Zealand?

This is a rare policy area where decisive action would cost the Government virtually nothing, yet deliver material benefits across housing, local government finance, and community wellbeing. By imposing enforceable obligations on global STRA platforms rather than on councils, the Government could address a long-standing regulatory failure without creating a new bureaucracy, funding a new agency to try and track STRA operators, or imposing broad prohibitions.

Instead of councils struggling in isolation, and renters and ratepayers absorbing the costs, central Government could simply require platforms operating in New Zealand to follow the same rules they already comply with in Europe. If Booking.com can comply in Barcelona and Berlin, it can comply in Queenstown. Choosing not to act is not neutrality; it is a policy decision to allow an unregulated commercial accommodation sector to continue distorting housing markets while local communities and local Government pick up the bill.

Adopting this model would immediately resolve many of the problems currently facing New Zealand councils. No costly enforcement teams: councils would no longer need to trawl websites or respond to complaints to identify STRA operators. Fairer rates collection: once registered, STRA operators could be correctly classified and charged commercial rates where appropriate. Improved compliance: building, fire safety, and change-of-use requirements become enforceable when councils know who is operating to keep guests safe.

Crucially, this approach does not ban STRA. It allows home sharing and legitimate short-term rentals to continue while preventing the unchecked conversion of residential housing into unregulated hotels.

Getting the Balance Right

Short-term rental accommodation has a legitimate place in New Zealand's tourism system. But when whole homes are converted into unregulated commercial accommodation at scale, the costs are borne by renters, workers, communities, and councils.

The solution is not prohibition, nor is it inaction. It is smart regulation that reflects international best practice, ensures fairness, and protects the long-term interests of New Zealanders and our economy.

New Zealand has the opportunity to act now, using a proven international framework that protects housing, supports tourism, and restores fairness. Given I advised various New Zealand government Ministers, MBIE, Local Government New Zealand, and the Queenstown and Christchurch councils on the EU regulation in 2024 and 2025, what has been missing is not evidence or tools, but political will.

END

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November 15 2025

Minister of Tourism Hon Louise Upston
Minister of Housing Hon Chris Bishop
Minister of Local Government Hon Simon Watts

Dear Ministers

A Local Authority Funding Crisis, a Housing Crisis, and the Short-Term Rental Accommodation Market: An Interconnected Challenge and a Central Government Solution

Minister Upston. Thank you for your response of November 11, 2026 (COR24506) regarding the above.

While New Zealand is relatively strong in innovation, we should also be open to seeking out international best practices (as per the EU 2024 STRA platform regulation) and not be afraid to adopt them as soon as possible to improve the lives of businesses and people in New Zealand. I am concerned that we are unnecessarily delaying a chance to capitalise on an opportunity that would help achieve these goals. Bluntly, we are missing an opportunity sitting in front of us.

Like you, I am also aware that several Councils are trying to understand the STRA market, and they may seek to put regulation in place via LTPs, and that LGNZ are considering a national register. However, the fundamental issue is that for any form of STRA regulation at a local Council level (e.g., via an LTP) to be effective, councils must know who the STRA operators are, and this can change by the day as operators join and leave various STRA property platforms (Airbnb, etc). Already, many Councils require *self-reporting* by individuals who are STRA providers, but thousands of STRA providers do not report for various reasons I mentioned in my last letter; there is no incentive to do so.

Councils would have no way of knowing who is an STRA operator in their area, unless they employ a large number of staff to monitor all STRA platforms daily, which is a waste of ratepayer money (and the results cannot be guaranteed) when a no-cost solution is available. Setting up local regulation, knowing you will never be able to deliver on its intent, is irresponsible. A one-time regulation by the central government (use the EU STRA regulation) solves this problem. This demonstrates that a smart, efficient government is here to help Councils solve problems at no cost to the Councils.

Like you, I am also aware that LGAs and other accommodation bodies have called for a national register of STRA. However, such a register will be unworkable and unmanageable for the same reason I mentioned above. Are we really expecting an organisation/government department to employ numerous staff to monitor all the STRA platforms daily, identifying who is currently an STRA operator, to keep a STRA register up to date? Who will pay for this: the central government, local councils, as no private company will do it for free. When could this actually happen? How sustainable will it be? What if it doesn't work? Finally, it was simple to create; it would have been done by now.

As a country and government, we need to be strategic about how we achieve our goals most effectively and efficiently. Tweaking the EU regulation to our needs is a no-brainer and has the following benefits:

- It is efficient and effective: in time and cost.
- It is not a tax.
Therefore, the government is not perceived as imposing additional taxes/costs on businesses.
If councils charge an STRA operator for a registration number (that they need to be on any STRA platform), this is no different to other accommodation providers having to pay for building warrants of fitness, etc. STRA operators are businesses, so they expect operational costs.
- (Relatively) Easy implementation
It should be able to be implemented in a reasonable timeframe. The EU has done the heavy lifting of regulation creation. This is a smart and efficient use of government resources.
- By default, platforms are creating a national register of STRA operators.
As platforms are required to submit data directly to Councils, there is no need for a separate national register and no one sitting in council offices checking STRA platforms. A national register is an accumulation of data to Councils. This is smart and efficient.
- No cost to central or local councils.
Apart from initial tweaking of the EU regulation by officials, there is no ongoing cost to the government, and councils are not employing staff to search STRA

platforms for operators.

It does not cost the government or local councils anything to know exactly who is an STRA operator. The STRA operator and the STRA platform bear the costs. That's smart and efficient.

- Nationwide use of data.
The government could utilise data to gain a deeper understanding of the STRA accommodation market in New Zealand, which may inform policy development as needed. That's a smart and efficient use of data.

Every day that we do not know who is an STRA operator, councils are potentially losing money, which they claim they need (STRA operators could be paying commercial rates). All they need is for the central government to put a tool in place that provides them with the data to make informed decisions. That's what the central government should do, and it's smart.

Regards



Associate Professor Anthony Brien