

**BUILDING BETTER
HOMES, TOWNS
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Ko ngā wā kāinga hei
whakamāhorahora

Waitaki Short and Long- Term Rental Accommodation

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Building Better Homes Towns and Cities

National Science Challenge

Working Paper 20-08b

August 2020

Title	Waitaki Short and Long-Term Rental Accommodation
ISSN (online)	2624-0750
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Series	Working Paper 20-08b

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Acknowledgements

We acknowledge funding from the Building Better Homes, Towns and Cities National Science Challenge. We also acknowledge collaboration with the Waitaki Housing Task Force and Safer Waitaki and the questions they have raised around housing in the district. None of these organisations is responsible for the information in this paper. Every effort has been made to ensure the soundness and accuracy of the opinions and information expressed in it. While we consider statements in the report are correct, no liability is accepted for any incorrect statement or information.

Recommended citation

Campbell, M., Taylor, N. and Mackay, M. 2020. Waitaki Short and Long-Term Rental National Science Challenge: Building Better Homes, Towns and Cities: Ko ngā wā kāinga hei whakamāhorahora (BBHTC). Wellington, New Zealand.
https://www.buildingbetter.nz/research/thriving_regions.html

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1. Introduction

This research-briefing note looks in detail at particular housing issues in Waitaki District (and the principal settlement of Oamaru) as one of a series of profiles of the South Island “Thriving Regions” study areas (Mackay, Taylor and Perkins, 2018; Perkins et al., 2019; Wilson et al., 2020). The research is part of a programme considering the basis for thriving regions and communities in New Zealand called Building Better Homes, Towns and Cities, a National Science Challenge (“BBHTC”) Ko ngā wā kaingā hei whakamahorahora. The programme includes South Island regions and communities that are attempting to create positive futures for themselves while considering issues such as the future of housing. The three case study districts are Waitaki, Timaru and Ashburton.

The research team is working with the Waitaki Housing Task Force (WHTF) by providing background data to their development of a housing strategy. We have collected and curated data at several time points for the penetration and concentration of Airbnb within the Waitaki District and explain some key trends and features of the data here. We also present data on the rental housing market that Airbnb is part of. These data relate to housing, rents, social housing waiting lists and accommodation sharing. Where relevant, comparative data are provided for Timaru and Ashburton Districts.

In considering the Waitaki housing market, it is useful to note the demographic and employment context. This information is provided in a separate Working paper prepared by the research team for the Housing Task Force (Taylor, Mackay and Russell, 2020).

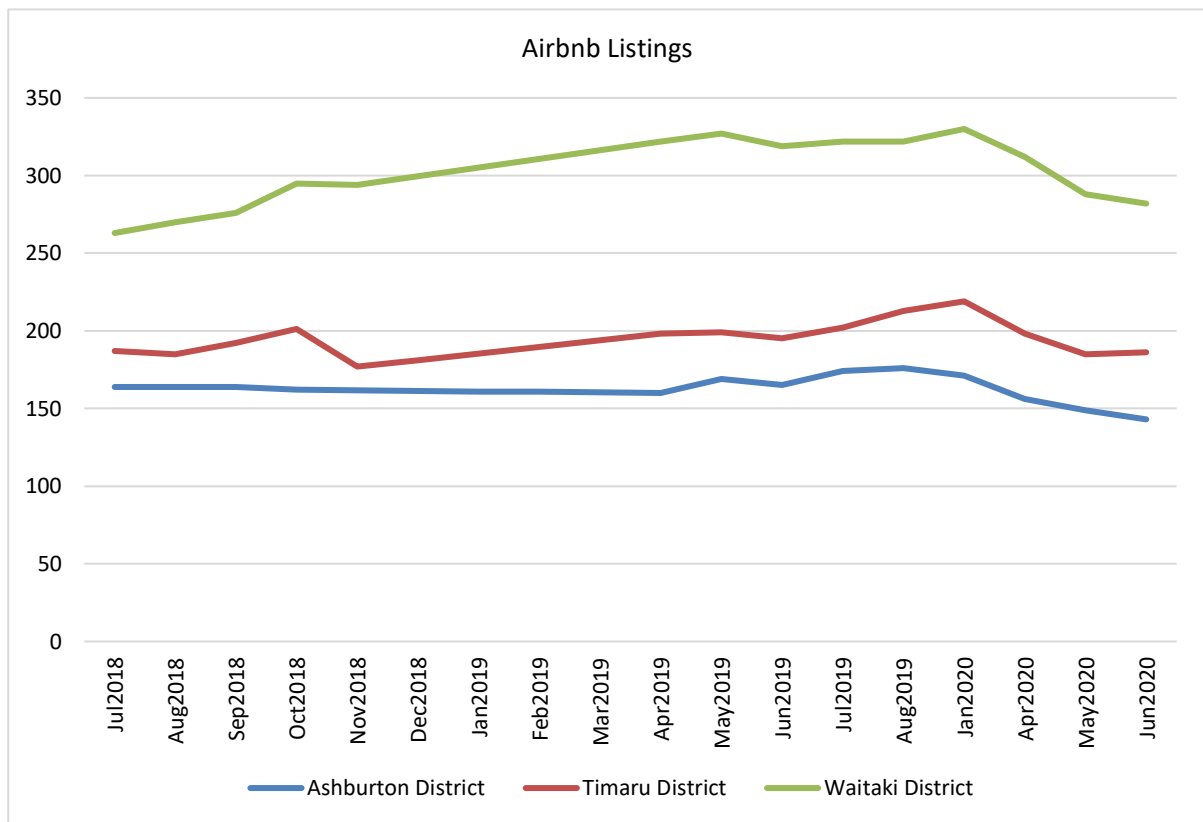
At present, it is also important to note there are distinct circumstances due to the COVID-19 pandemic, making it more difficult to determine rental housing trends given the uncertainty that has been created for the hospitality sector. There is considerable uncertainty in the data for the period of ‘lockdown’ and the extent to which recent changes are due to the disappearance of international and domestic visitors over this period. This may, or may not, continue for some time for international visitors although domestic tourism appears to be in a period of recovery.

2. Numbers and location of Airbnbs

Airbnb is an online platform that provides owners and occupiers of accommodation, including private homes, the opportunity to rent bed space, or the whole dwelling. The figure below (Figure 1, next page), shows the number of listings over the last three years in the case study districts. It is evident that there is some consistency in the number of Airbnb listings by place, particularly for Ashburton and Timaru Districts. However, there is growth in Waitaki, from 263 to 322 over the period July 2018 to July 2019, before a sharper drop off since March 2020, and back down to 282 for June 2020.

It is not yet clear what the full reasons may be for this recent retreat, although we can assume it is linked to the impacts of COVID-19 and the drop in both international and domestic tourists. (Note that between December 2018 and March 2019 imputation was applied in order to account for some missing data.)

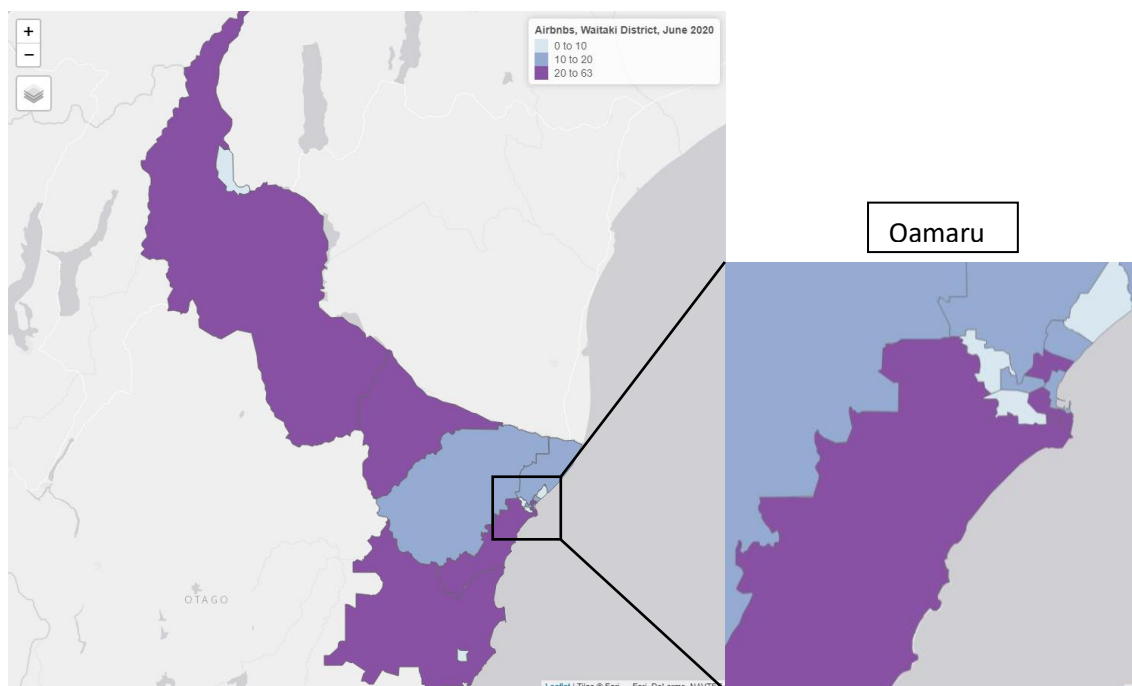
Figure 1: Airbnb listings for Ashburton, Timaru and Waitaki Districts, 2018 to 2020



The figures below show the outline of the Waitaki District and the location of Airbnb listings in the District as at June 2020 (Figure 2). The Airbnb listings are aggregated into Statistical Area 2 (SA2) areas as at June 2020, where the darker purple colours signify higher numbers of Airbnb listings, the lighter colours are the areas with fewer listings. The data has been divided into tertiles (thirds), less than 10, 10 to 20 and over 20 listings per area. There is also an online map available with the most recent data (June 2020) at time of writing.¹

These maps and additional location data show that Airbnbs are located both in and around the town of Oamaru and in the small towns and villages up the Waitaki Valley that benefit from the flow of visitors by road and bicycle.

Figure 2: Geographical extent of Waitaki District, Airbnb listings, June 2020



¹ Online Map June 2020 data <https://malcolmhcampbell.shinyapps.io/AirbnbWaitakiJune2020/>

3. Regional housing market and housing affordability

There are a number of measures of housing affordability. Regional profiles showed the importance of household income in relation to house prices, and all three districts had prices at over 3 times the household income based on median family income from previous census data (which is shown in Figure 3a). This ratio is a marker of housing (un)affordability globally (Campbell, 2019).

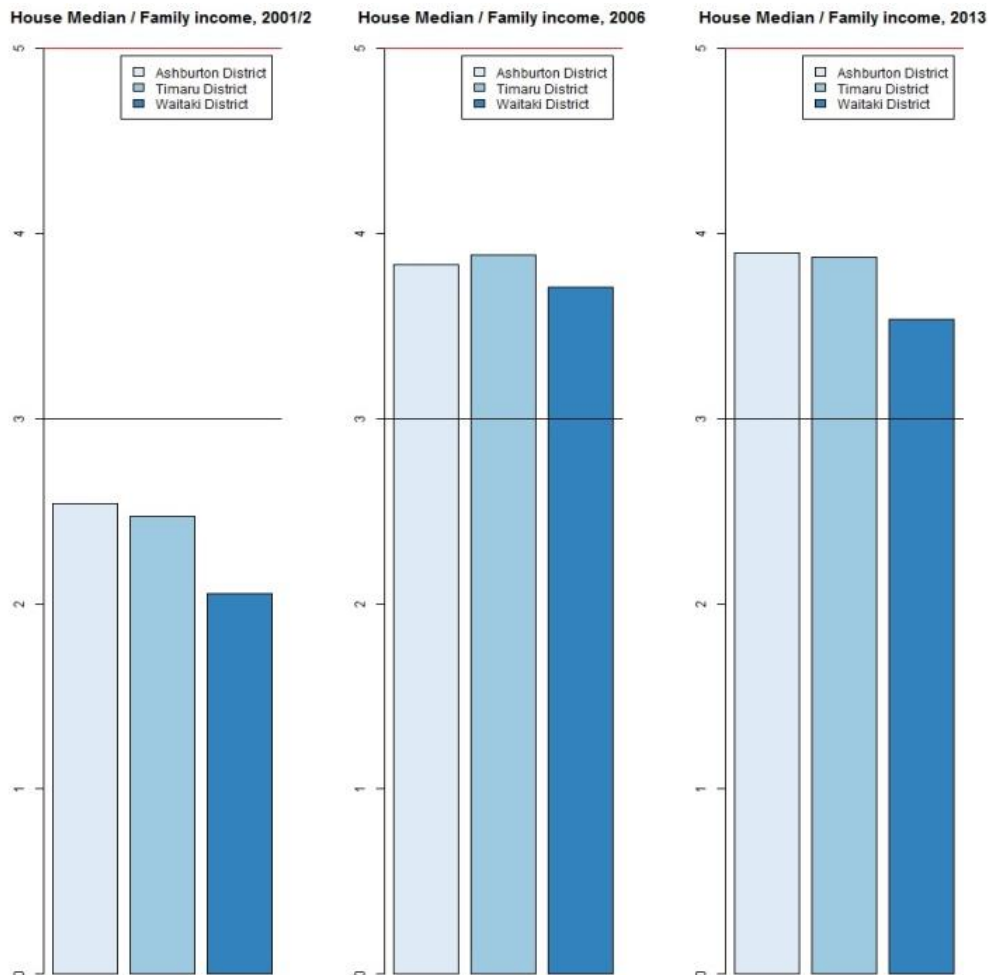


Figure 3a: Household median family income , 2001, 2006, 2013

It is against this historical context that the interest in short term rentals and/or accommodation sharing platforms (e.g. Airbnb, BookaBach) arose for the WHTF. From the mean rents data (based on MBIE rental bonds, Figure 3b, Table 1) we can see that the trend is a slow but steady increase in rents over the period Jan 2016-2020, with the one exception of Waitaki in 2016 when rents rose more sharply.

Figure 3b: Mean Rents, Thriving Regions Study Areas, 2016-2020

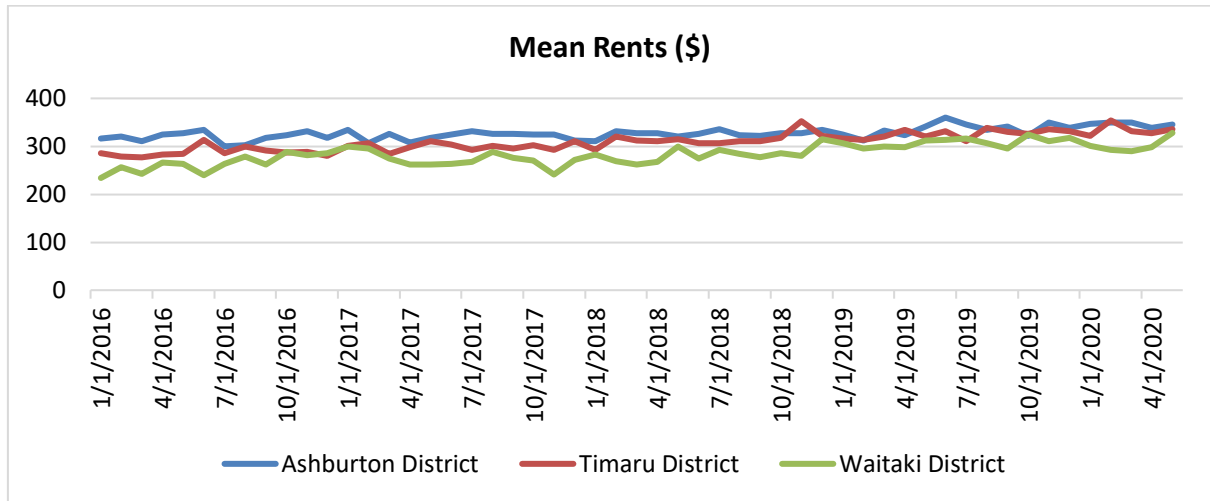


Table 1: Mean Rents, Thriving Regions Study Areas, Jan 2016 - Jan 2020

Month	Ashburton	%change	Timaru	%change	Waitaki	%change
1/01/2016	316		285		234	
1/01/2017	334	6	301	6	299	28
1/01/2018	310	-7	293	-3	283	-5
1/01/2019	324	5	316	8	307	8
1/01/2020	347	7	322	2	301	-2

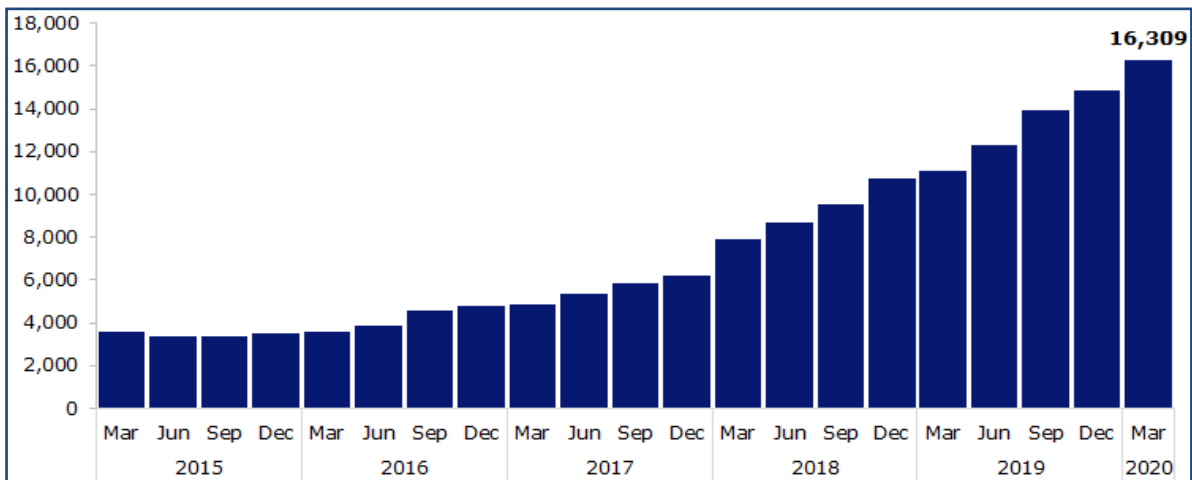
4. Housing waiting lists

Nationally, the public housing waiting list has increased markedly since 2016. The most recent figures show this trend to a national total of 16,309 (Figure 4 and Table 2, next page), with new results imminent.² For the three districts there is also an increasing trend over this period, however, the detailed picture is a little different (see Figure 5, next page).

We can also see the breakdown of the number of bedrooms required, indicating the demand for different sizes of house, although these are relatively small numbers with suppression (S) of some results for confidentiality (see Table 3). Most demand is for smaller houses of 1-2 bedrooms.

Overall, the increasing number of people in the public housing register both nationally and locally suggests a material deterioration in the ability of housing supply to meet demand.

Figure 4: New Zealand Housing Register, 2015 to 2020



² <https://www.msd.govt.nz/images/about-msd-and-our-work/publications-resources/statistics/housing/2020/housing-register-full-mar2020.png>

Figure 5: New Zealand Housing Register, Thriving Regions Study Areas, 2017 to 2020

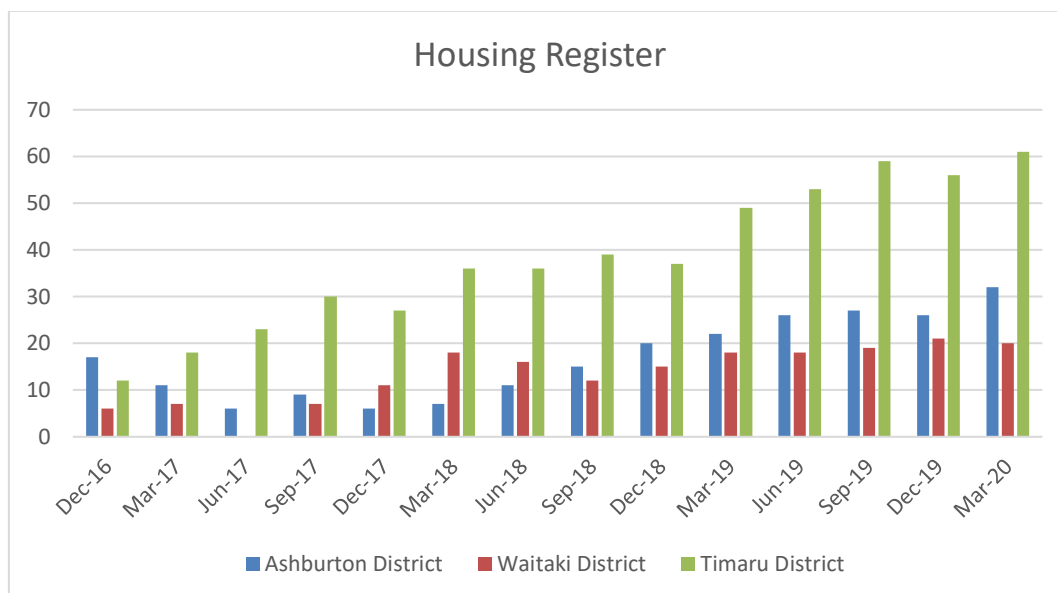


Table 2: New Zealand Housing Register, Thriving Regions Study Areas, 2017 to 2020

TA – Housing Register	Mar-17	Mar-18	Mar-19	Mar-20
Ashburton District	11	7	22	32
Waitaki District	7	18	18	20
Timaru District	18	36	49	61
Total New Zealand	4,865	7,890	11,067	16,309

Table 3: New Zealand Housing Register, Bedrooms, Thriving Regions Study Areas, March 2020

Mar-20	Bedrooms required					Total
	1	2	3	4	5+	
Territorial Authority (TA)	1	2	3	4	5+	
Ashburton District	20	8	5	5	0	32
Timaru District	33	21	5	5	0	61
Waitaki District	9	5	5	5	5	20
Total New Zealand	7,361	5,509	2,424	781	234	16,309

5. The impacts of Airbnb

The issue of accommodation sharing for a local housing strategy is investigated by using Airbnb data, which show there is a potential transfer of housing from the long-term rental stock into the short-term rental sector.

The composition of Airbnb listings is made up by a combination of entire homes or apartments and private rooms (Table 4). This means that at times up to 200 dwellings are possibly unavailable in the Waitaki District for other types of housing rentals, as well as a considerable number of rooms. To date few hotel rooms are marketed on this platform.

Table 4: Composition of Airbnb listings in Waitaki District

Date	Entire home/apt	Hotel room	Private room	Shared room	Total
Jul2018	146	-	106	11	
Jun2019	199	-	110	10	
Jun2020	185	6	90	1	

The July³ median price of the listings rises for Airbnb for Waitaki District for the last three years as shown in Table 4. However, there could be a downward trend emerging with regards to the median price of listings since the beginning of 2020 and it will be of considerable interest to see if this trend continues downwards.

Table 5: Median price of Airbnb listings in Waitaki District

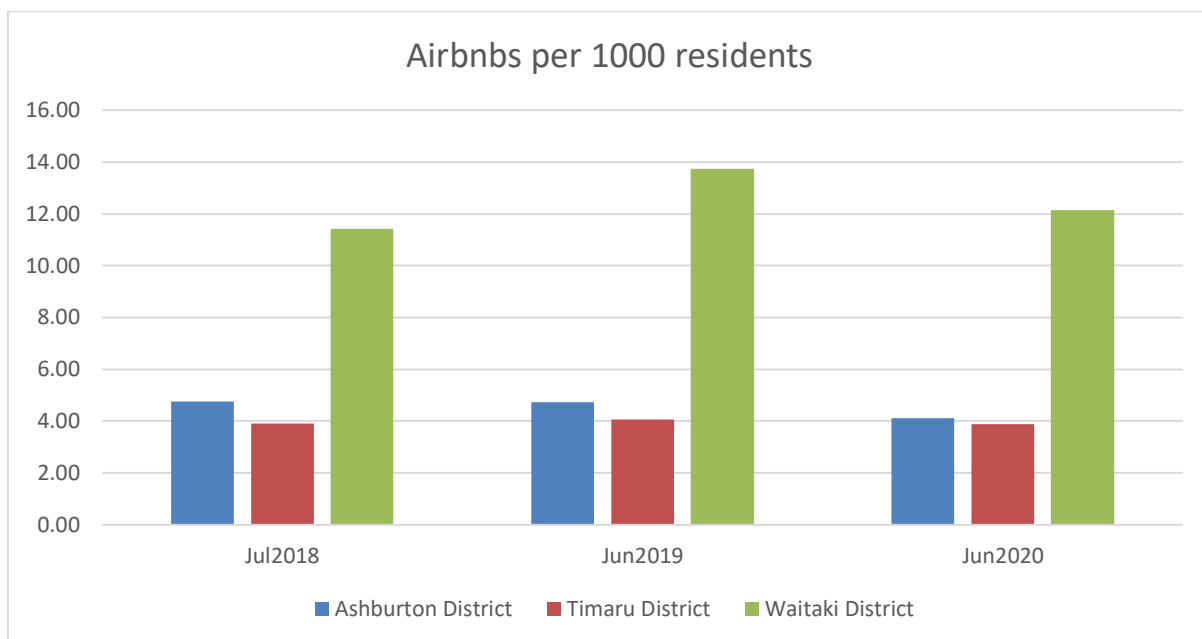
Date	Median listing price (\$)
Jul2018	85
Jun2019	78
Jun2020	81

The potential relative impacts of Airbnb on the housing market, as measured by the Airbnb listings divided by the most recent population estimate (2019), show the 'intensity' of listings for each district (Figure 6, next page). This analysis shows the intensity of Airbnb per 1,000 residents is higher in Waitaki District than Ashburton and Timaru, which have approximately 4 Airbnb listings per 1,000 residents, whereas Waitaki has 11.43 in July 2018, rising to 13.8 in June 2019, (see Table 6) falling to 12.16 in June 2020.⁴ These data give a strong indication of the differing impacts by area. Waitaki district has 3 to 4 times more potential impact from Airbnb listings per resident than Ashburton or Timaru Districts.

³ A single month is used to provide a consistent trend as prices fluctuate through the year.

⁴ The month closest to July is used here when July data are unavailable.

Figure 6: Airbnb, relative to number of residents, 2018 to 2020



6. Conclusion

This working paper provides knowledge as a contribution to development of a Waitaki Housing Strategy, where the availability and affordability of rental housing is a concern to community organisations involved in the housing sector. From the first available data in 2018, Airbnb has been a new presence in the Waitaki rental housing market. However, following on from an upward trend, in recent months, listings have fallen noticeably, presumably as demand in the hospitality sector was affected by Covid19. Still, the Airbnb listings appear high for the size of the population and they potentially remove up to 200 houses or apartments from the rental housing supply and the number of listings of places to rent. The main effect of Airbnb is likely to be on rental prices. While these have stayed relatively stable since 2017, the level of affordability (rental prices in relation to household income) is a concern. The effect of Airbnb on the supply of social and public housing is probably small as the level of demand for this type of housing appears low.

7. Data Sources

The data has been collected from a variety of sources including:

Census 2018 NZ: <https://www.stats.govt.nz/2018-census/>

House price median data: REINZ, QV

Rental Bond Data: <https://www.mbie.govt.nz/building-and-energy/tenancy-and-housing/rental-bond-data/>

Statistics NZ Population projections:

http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/subnational-pop-estimates-tables.aspx

Figure 1: Authors Analysis, Airbnb Data

Figure 2: Authors Analysis, Airbnb Data

Figure 3a: Authors Analysis, Census 2001, 2006, 2013 and QV house price data

Figure 3b: Rental data, Ministry of Business, Innovation and Employment

Figure 4: Housing Waiting List data, Ministry of Social Development

Figure 5: Housing Waiting List data, Ministry of Social Development

Figure 6: Authors Analysis, Airbnb Data

Table 1: Rental data, Ministry of Business, Innovation and Employment

Table 2: Housing Waiting List data, Ministry of Social Development

Table 3: Housing Waiting List data, Ministry of Social Development

Table 4: Authors Analysis, Airbnb Data

Table 5: Authors Analysis, Airbnb Data

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Taylor, N., Mackay, M. and Russell, K. (2020). Searching for community wellbeing: population, work and housing in the town of Oamaru. Draft Working paper. Report for the BBHTC National Science Challenge.

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