

Community Sentiment in Relation to Tourism

Supplementary Report:

- Tourism impacts on housing
- Concerns about infrastructure and services

Prepared for Great South

March 2023

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INTRODUCTION

The key outcome of Great South's Destination Development and Management workstream will be an update of the Murihiku Southland Destination Strategy which was completed in 2019. Central to this update will be a focus on what the communities of Murihiku Southland want from tourism and their views on its development.

Great South commissioned Angus & Associates to conduct research that would improve understanding of community aspirations and how tourism can be developed to serve the needs and aspirations of the community at a wider regional and sub-regional level.

Data was collected via a survey of residents and a small number of mana whenua (n=15) not currently living in the region. The design of the survey was informed by two workshops with key community stakeholders from across Murihiku Southland (one face to face in Invercargill and one by Zoom), and a separate Zoom hui with a small group of youth / rakatahi (aged 15-17 years).

The final sample achieved was n=445 residents of Murihiku Southland and non-resident mana whenua, aged 15 years or more.

The full findings from the research are reported separately.

This supplementary report summarises residents' views concerning the impact of tourism on housing and, more specifically, how the increasing incidence of holiday and Airbnb rentals has affected housing affordability and availability in Murihiku Southland. It also highlights more general comments made by residents about what they disliked about living in Murihiku Southland – as they relate to infrastructure and services.

WHAT RESIDENTS DISLIKE ABOUT LIVING IN MURIHIKU SOUTHLAND

QUESTION: “Please tell us what you most dislike about living in Murihiku Southland?”
(open-ended/free text question)

18% of respondents commented on aspects of living in Murihiku Southland that they disliked, and which related to poor services and/or challenges with infrastructure. There were no significant differences by demographic factors (age, gender, and place of residence within the region).

Topics raised included:

- **Limited access to health facilities and health professionals** (often seen as a consequence of living in rural/small population areas).

“Milford sound - if needing emergency care it’s far away. Also maternity care needs to be improved.”

“Very little around. Emergency services are low. Bowel cancer and breast cancer diagnosis are very late from the southland doctors and hospitals etc.”

“Not enough services in the health and wellbeing sector, minimum of 2 hours of travel for hospital appointments, insufficient mental health services, very expensive to go to the medical centre.”

“Lack of planning for aged care.”

- Housing is mentioned is also mentioned in this context; the **cost of housing** and the impact of this on residents’ overall cost of living and quality of life; limited **housing supply**; and **old, dilapidated and/or neglected** housing stock.

“Standard, style and poor availability of housing.”

“Housing is extremely challenging for young people to rent or to own for those that don’t have family to help out.”

“Locals pretty short sighted in terms of housing and the town is unable to grow/retain skilled people due to no rentals on the market as everyone jumps to Airbnb to cash up, council and mayor ineffective, Kainga ora uninterested despite a huge surge in demand for social housing on the social housing register for Fiordland.”

“Lots of dated buildings and houses which need revamping.”

- Some residents are critical of local and regional **Council processes and decision making**, which they feel are slow, reactive, and disjointed, and which result in poor services for residents. Examples given included poor waste and green waste management, high rates and not listening to residents.

"Lack of District Council action on basic issues like active transport, recycling bins. lots of planning but not much change on the ground. Missed opportunities for Government funding (provincial growth fund, tourism infrastructure fund, today's news about NZTA funding, <https://www.rnz.co.nz/news/political/480060/350m-new-funding-announced-to-bolster-transport-infrastructure>). It gets depressing to watch other regions keep gaining central government funding while our region misses out, especially when you've taken the time to talk to mayor, community board, council, + write submissions etc".

"Disjointed council, 'one size fits all' approach across communities, slow embrace of diversity, non-existent public transport, slow embrace of positive change."

"Lack of green-waste disposal services."

- Some residents feel that outdated and struggling infrastructure is the result of a **lack of investment and forward planning** at a local level, but also at a central government level, where Murihiku Southland is overlooked and neglected. There is a view that poor maintenance and upgrades of existing services and infrastructure means they are increasingly dated and unfit for purpose.

"The cost of flying to anywhere else in NZ. The way central government avoids spending any money on improvements to roads, facilities, and infrastructure."

" Status of some infrastructure e.g. roading is degrading rapidly while rates continue to rise. Limited regional transport options e.g. bus and rail."

"Bluff needs more infrastructure. I only shifted to Bluff several years ago. after buying a house. Born and bred Invercargill, but shifted away and came back but found nothing much had changed. Invercargill City has been stagnant for years and with the new City Council hopefully it will improve."

"Poor Roads. Constant roadworks even though all of the roads are still full of potholes."

"Lack of planning/ vision for infrastructure to cope with visitor numbers at peak times. A tourism industry that is dominated by companies that are not grounded in the community they operate in, stuck in the old model of 'numbers' equal profits. Run down & limited health care facilities/hospital. Lack of planning for aged care."

"Inadequate funding; overlooked by central government. We sometimes get forgotten about from the rest of the country".

"Only that we are considered 'little and far away' by Wellington. A standout example is 'per head' funding for various government activities, e.g. health provision... without any consideration of scattered population."

"Southland is not 'on the map' for many New Zealanders due to its perceived distance and cool climate."

"We are often overlooked by central government so have to fight our own battles - SIT is a good example of this."

"Feeling like central government has forgotten that this part of the country exists."

- There are **limited active and public transport options.**

"Lack of safe cycle-friendly roading (i.e. dedicated cycle lanes)."

"Average public transport options."

"TERRIBLE public transport."

"Lack of public transport to the main shopping and service town Invercargill is nothing so if cannot drive are really stuck."

"No cycle lanes."

"Would be nice to have more public transport too."

MURIHIKU SOUTHLAND'S USP

QUESTION: What (else) do you think sets Murihiku Southland apart from other regions of New Zealand (or elsewhere) – what are the unique points of difference that Murihiku Southland has? (Open ended/free text question)

Several residents made comments relating to housing, including some who feel that Murihiku Southland's affordable housing is a positive benefit and a USP.

"Affordable housing (compared with other regions)."

"Plenty of employment opportunities and affordable housing. I know of numerous 20-21 year olds who have bought their first homes in the past year., not many places this would happen without the bank of mum & dad."

Others, however, commented on the rapidly increasing cost of housing (buying and renting) and reduced housing stock availability. (These are recurring themes throughout this document.)

"Housing is increasingly challenging. The prices here have risen a lot and they haven't reduced like other parts of NZ."

"Accommodation cost risks if flatmates unavailable over winters. Insecure housing (flatting in rental accommodation)."

ADVERSE IMPACTS OF TOURISM (IN MURIHIKU SOUTHLAND)

QUESTION: In which of the following ways, if any, would you say you / your family or whānau are negatively impacted by tourism in Murihiku Southland ...

- **Reduced availability of housing for local people (25%)**

Murihiku Southland residents are significantly more likely to say they have experienced this as a consequence of tourism than the New Zealand population as a whole (9%).

Within the Murihiku Southland region, the following groups are significantly **more likely** to say they have been adversely impacted by reduced availability of housing for local people:

- Females (30%)
- Fiordland residents (58%)

Those significantly **less likely** to identify reduced availability of housing for local people as a negative consequence of tourism are:

- Residents aged 70+ years (11%)
- Males (18%)

- **Increased the demand for and price of local housing (22%)**

Murihiku Southland residents are significantly more likely to say they have been impacted by increased demand for and the price of local housing than the New Zealand population as a whole (11%).

Compared with Murihiku Southland residents as a whole, those who are significantly more likely to say this are:

- Females (30%)
- Fiordland residents (51%)
- Waihopai Toetoe Community Board + Rakiura Stewart Island Residents (47%)

Males are significantly **less likely** to identify increased demand for/price of local housing as a negative consequence of tourism (13%) than other population groups.

Residents who said they had been negatively impacted either by reduced availability or increased demand/pricing of housing **and** who disagreed that enough action is being taken to address these impacts were asked what more they thought could be done. Their ideas for mitigating these impacts included:

- Increasing the availability of residential building land.

“Increasing land availability that is zoned residential and multiple stories for smaller but more affordable first homes. Increase in apartments and condos on land sold by the community

board, learn from Squamish, Banff and Jindabyne, other tourism towns rather than repeat ongoing unaffordable seasonal and long term housing issues we have in Queenstown, Wanaka.

“Southland District Council needs to take a design leadership role in stipulating housing types, locations and quality compared to the current laissez fair approach that gives private housing developers relatively free reign.”

- Building more affordable housing (for rent and to buy) and specialist housing for seasonal workers.

“More appropriate seasonal housing for additional seasonal workers could free up rentals for more permanent residents.”

“Create an apartment specifically for seasonal workers plus a fee/tax for Airbnb to make renting long term an option.”

“More homes to be built and offered for sale or rent .Not to be turned into Airbnb's.”

“Create more affordable Council-built homes that are protected for local people to live in.”

- Introducing regulations to disincentivise Airbnb / holiday rentals for second homeowners.

“Regulation on holiday rentals, increased rates on second homes/Airbnbs etc.”

“Increase rates for Airbnbs.”

“Council should act to make AirBnB a less attractive option. They need to level the playing field, but are scared to act.”

“We should have a similar system to QT in regard to AirBnB or some type of regulation on these houses”.

- Compensating / rewarding homeowners who live in their own homes full time (mentioned by one resident).

“Reduce rates/ compensate homeowners who live in their home for e.g. 80%+ of the year and/or who rent long term to local families.”

ADVERSE IMPACTS OF TOURISM (IN LOCAL AREA)

QUESTION: What type/s of tourism, or tourism development, do you think have most negatively affected the community in which you live, whakapapa to or have a crib or other property where you spend more than half of your time? (Open Ended)

Residents refer to adverse impacts of tourism on housing both in the context of increased costs (monetary and in relation to quality of life) and unsustainable pressures on local resources, communities, and the environment.

"Lack of affordable housing due to people turning rentals into Airbnbs and lack of rentals putting up the price of housing."

"Airbnb and similar offerings have driven accommodation pricing and likewise housing up."

"Airbnb would have to be the most negative thing for tourism, we are in the middle of a housing crisis and cost of living crisis, I actually think the Airbnb website should be banned in this country and any other sites that offer similar services."

"I think overnight accommodation like Bookabach has ruined local housing rental opportunities, pushed up rental pricing and has caused employment issues due to lack of housing."

Residents are upset that landlords / second homeowners are prioritising more profitable, short term rental options (Airbnb, holiday rentals) over the needs of the local community. They believe that landlords should be encouraged to rent to local people and that financial penalties, including commercial rates, should be considered for those who rent out their properties. Second (holiday) homes (not used for holiday rentals) and which sit empty for most of the year are also a cause for concern.

"I think Airbnb owners should have to pay the same rates as hotel owners and have the same health and safety legislation put upon them."

"Proliferation of non-compliant accommodation has reduced the availability of rental housing, and as many of these "Air BnB" properties do not meet their council rating obligations that means the rates load falls unfairly on other sectors."

"The amount of people putting their homes on to Air BnB has reduced the availability of rental properties - twofold affect 1 seasonal workforce area needs 2 long term rentals for local residents."

"Airbnb and similar offerings have driven accommodation pricing and likewise housing up but the owners do not give anything back to the community in terms of higher rates or taxes on their profits."

Some residents believe that the increasing popularity of Murihiku Southland as a destination mean that housing costs and availability will only get worse.

"Murihiku, Invercargill has just finished building the Llangland's hotel in order to draw more tourism, both domestic and international. This has created more jobs, but it also has brought more people down here in order to fill these jobs which then places a huge strain on our housing market and inevitably adds to inflation."

"Domestic tourism has allowed big opportunities for Airbnbs and this has negative impact with reduced amount of rental properties available for locals."

Others are concerned about the housing situation's impact on families and that it will continue to worsen inequities in Murihiku Southland communities.

"Less housing for families or workers as many people are making more money renting as Airbnb."

"Definitely the impact on housing. so many Airbnbs. very few houses being rented full time for local families...hence families having to live away from the area due to difficulty getting into and affording rentals."

"Less housing for families or workers as many people is making more money renting as Airbnb."

"Housing supply is not enough while there are too many cribs/Airbnbs/holiday houses. If there was enough housing supply the Airbnbs would be fine but while there's a housing, rental and Kainga ora housing shortage and waitlist it's not okay."

Some blame council and other residents for their lack of care and insight regarding the impact on residents and a reluctance to address the issue.

"Air B and B / short term vacation rentals. These should be treated as commercial businesses and subject to rating/zoning requirements if being used for this for say more than 90 days per year. This is a very serious issue the council are not addressing."

"... it's the greedy herd mentality with a short sighted vision of locals that has led to massive inequality and lack of housing."

Housing costs and shortages are also a major challenge for seasonal workers (and business owners, who are already facing a worker shortage).

"The rise of AirBnB type accommodation has made it extremely difficult for residents and seasonal workers to find somewhere to live."

"Also the amount of empty properties being utilised as air B&Bs while businesses struggle to find seasonal staff due to lack of long term rental accommodation and the houses being so expensive. "

TOURISM IMPACT PRIORITIES

QUESTION: Following are four areas in which action could be taken to ensure that tourism has positive impacts. To help in prioritising action plans, please tell us how important you think each of these is by allocating a total of 100 points between them.

Residents were then asked what benefits they would most like to see in these areas. The four areas were community, economic, individual and environment.

Comments relating to housing are outlined below.

- **Potential positive impacts for the community** may include more affordable and increased choice of housing, including for seasonal workers. Also, revenue generated from 'bed night fees' can be directed back into the community to fund improved infrastructure and community services.

"More affordable housing, increased retail options."

"More housing. Encouraging people to move here."

"More available housing, less overnight rental housing."

"Bed night fees contributing to community services funds like ambo and fire and search and rescue /coastguard, victim support and local whanau in need of support. I'd like to see all Airbnbs as well as motels contribute for social licence of tourism to be clearer."

"Providing adequate housing for seasonal workers so business owners can stay open longer hours and present more options."

"Provision of more housing so can employ enough people to support the tourism industry and services in the town."

"Higher rates for Airbnb owners to match the rates and health and safety requirements of hotels and to encourage Airbnb owners to provide long term rental accommodation, encourage tourism in the off season e.g. providing a heated pool/recreation centre for the winter months, providing more security cameras to protect the environment and businesses from theft and vandalism."

"More infrastructure less Airbnbs so we can give long term rental and draw families to the area."

- **Potential positive impacts for individuals** are also related to increased and more affordable housing options, including improved housing and financial security and improved health outcomes.

"Housing available, financial security."

"Easier to live; day to day housing and health."

“Focus reducing impact of private market holiday rentals on housing in small communities.”

“Improved services especially sewage and wastewater.”

- **Potential positive impacts for the environment** may include improved housing, living conditions and urban spaces ...

“Best practice urban/suburban design to create a physically liveable town that supports different housing types and offers pleasurable to use, completely separated from roads (by locating in reserves) cycling and walking trails. Town limits imposed to stop suburban sprawl of developer driven low density franchise single level bungalow housing, which creates dependency on motorized travel and increases parking demand in town centre. Limit retail development to town centre to stop possibility of big box retailers and supermarkets on town perimeter and to create a vibrant town centre.”

- **A positive impact for the economy** may include supporting and encouraging private house owners to make money from renting to locals.

“Enable private house owners a reasonable option to make money with Rakiura's housing but not disallow renting to community i.e. it becomes a win, win for them to rent to locals rather than hold empty for rich, occasional visitors.”

MURIHIKU SOUTHLAND'S TOURISM FUTURE

Residents were shown a range of concepts and were asked to select those that they felt best reflected the type of place they would like Murihiku Southland to be for locals and visitors in the future (e.g. "a region with a strong sense of community and connection of people to place).

They were then asked what would need to happen to bring their preferred ideas to life.

Comments relating to housing in this context are outlined below.

- Murihiku Southland must **stop** allowing low density housing sprawl and unrestricted holiday 'rentals' (including Airbnb).

"Allowing residential housing developers to consume valuable land with low density suburban housing sprawl that is conceived for short term profit, not long term quality of town life, choice of housing type, and energy efficiency."

"Letting Air BnB operators operate without having to abide by same rules as all accommodation providers (e.g. they don't have to pay commercial rates, insurances etc). Advertising jobs with no housing."

"Air B n B opportunities are removing rental properties from the market, making it difficult for those renting to find alternative accommodation, impacting on the whanau's ability to remain in the area where they have jobs and children attending school. Social issues, financial issues and mental health issues are on the rise and the mainly seasonal nature of the work here makes staying in Te Anau unsustainable for some."

"Unrestricted market for private holiday rentals."

- Murihiku Southland must **start** imposing stricter criteria on housing design, creating more affordable homes, and charging extra rates for Airbnb's and absentee landlords.

"Imposing stricter design criteria on housing design for quality of life and energy efficiency."

"Create affordable housing options for local families. Charge extra rates for Airbnbs and absentee landlords."