

Item No: C0223(1) Item 16
Subject: IMPACT OF AIRBNB ON RENTAL HOUSING SUPPLY
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RECOMMENDATION

That Council receive and note this report.

DISCUSSION

At its Ordinary Council meeting on 25 October 2022 Council resolved:

- 1. Council prepares a report investigating the impact of Airbnb and similar operations on the housing supply, affordability and the local community. The report is to consider options for properties primarily used for short-term letting including options for rate variations or other appropriate responses; and*
- 2. The report considers best practice across NSW particularly in areas where short-term letting is exacerbating housing shortages and affordability.*

The impact of Airbnb on the availability of rental housing is shown in the table below.

Local Government Area	Total dwellings in LGA*	No. of rental dwellings in LGA ^{>}	Whole dwelling Airbnb's in LGA [^]	%Airbnb's as a proportion of rental dwellings	Residential vacancy rate [#]
City of Sydney	117,429	62,678	3,245	5.2%	3.4%
Inner West	74,288	32,485	858	2.6%	1.3%
Waverley	30,496	13,456	2,000	14.9%	1.3%
Randwick	58,300	23,875	1,076	4.5%	1.3%
Canada Bay	38,400	13,062	147	1.1%	1.3%
Byron Shire	11,250	3,907	2,470	63.2%	0.9%

*Source: latest Local Housing Strategy/Study for the LGA

[>]Source: ABS 2021 census

[^]Source: insideairbnb.com

[#]Source: SQM research, October 2022

These figures show that Airbnb is having less impact on the availability of long-term rental dwellings within the Inner West when compared to tourist areas.

State and Local Government responses

The NSW State Government has restricted non-hosted short term rental accommodation (STRA) to a maximum of 180 days per year in the Greater Sydney region (not including the Central Coast), Ballina area and Byron area as well as certain areas within the Clarence Valley and Muswellbrook regions.

The 180-day period is counted within an annual period, 12 months from the initial registration date on the NSW STRA Register. If a non-hosted STRA in these areas exceeds the 180-day

limit, STRA is no longer permitted under the state policy as exempt development and development consent would be required to continue the use.

While the NSW government has acted to lessen the impact of STRAs, it is evident that these changes do not directly tackle the impact of Airbnb and similar short-term letting platforms on the availability and affordability of long-term rental properties in high demand locations.

A number of Councils have either investigated or undertaken measures to encourage the return of non-hosted STRA to the long-term residential market.

Of particular note are Byron Shire Council's proposal to further restrict non-hosted STRA to 90 days per year. The Minister for Planning and Homes recently withdrew delegation from Byron Shire Council to finalise the associated planning proposal so that advice could be sought from the Independent Planning Commission (IPC) on the potentially significant economic impacts the proposal could have on local businesses. Advice from the IPC will be sought on:

- the status of housing and rental affordability and rental availability in the Byron Shire, including the impact of non-hosted STRA as well as recent flood events
- recommendations to improve housing affordability and rental availability in the Byron Shire
- the economic contribution of the STRA industry in Byron Shire and any potential economic implications of this proposal for Byron Shire
- whether any further information is required.

Eurobodalla Shire Council also attempted to return STRA's and holiday homes to the long-term rental market after the 2019-20 bushfires by writing to the owners.

CONCLUSION

The impacts that Airbnb's currently have on rental stock within Inner West and the options to address them are currently limited.

FINANCIAL IMPLICATIONS

Nil.

ATTACHMENTS

Nil.