



Short-term holiday letting Submission to NSW Department of Planning and Environment

Introduction

This paper is submitted by the Australian Coastal Councils Association Inc. on behalf of its member councils in NSW.

The issue of short-term holiday letting (STHL) through online platforms, such as Airbnb and Stayz, is of growing concern to a number of coastal councils. This issue was first raised with the Association at the end of 2016. As a result, the Association initiated a process which is aimed at identifying effective planning responses to the rapid increase in listings on STHL platforms and associated issues for the guidance of its members and other coastal councils.

The first step in this process was to conduct a survey of coastal councils to collect information on how the growth in on-line short-term rental accommodation services is affecting coastal communities. A questionnaire was developed in association with Professor Nicole Gurrán, Professor of Urban and Regional Planning at the University of Sydney. Professor Gurrán is co-author of a study into the effectiveness of local planning controls in relation to properties listed on online platforms such as Airbnb.

The questionnaire was designed to survey coastal councils about experiences with online STHL platforms in their local area and to identify responses that have already been developed. The survey was conducted in March and April 2017 and the results formed the basis for a keynote speech and workshop session presented by Professor Nicole Gurrán at the 2017 Australian Coastal Councils Conference, which was held at Redcliffe in Queensland on 4 May. The findings of the survey are summarised later in this submission.

Having considered the findings of the survey, the Association decided to commission a research study to identify relevant planning responses in collaboration with ten coastal councils which had agreed to participate in the project as case study areas. The study is headed by Professor Gurrán.

The third step in the process is a national forum on short-term holiday rental platforms, which is to be held on Tuesday 20 March, 2018, in conjunction with the 2018 Australian Coastal Councils Conference. The conference is to be held from 21 to 23 March next year at Geelong, in Victoria.

The forum is to be structured around a presentation by Professor Gurrán on the initial findings of the study and will provide an opportunity for presentations on planning responses already adopted by coastal councils. It will also provide an opportunity for input from state governments and short-term holiday rental service operators. The forum is planned to conclude with a workshop with input from all participants.

Context

There has been enormous growth in on-line holiday rental listings in recent years. By December 2016 there were listings on Airbnb for 3 million homes/rooms in more than 191 countries, which were servicing approximately 150 million guests. By comparison, this compared to 1.19 million rooms available in 120 countries through the Marriott Hotels chain.

Holiday homes and the use of these properties for short-term holiday rental has long been a part of coastal Australia. With the rise of the “share economy” and online platforms such as Airbnb and Stayz - which offer advantages such as direct marketing and ease of transactions - the potential market for residential tourism has increased dramatically. The other perceived advantage is that there are minimal establishment costs for the home owners.

There are several different types of “home-sharing” in coastal areas and other locations: traditional short term holiday rentals in specific holiday homes; principle residences which are “shared” with visitors, such as whole homes which are listed when the residents are away and rooms or shared rooms which are rented to visitors while the resident “hosts” remain present.

There have been reports that the increase in short-term holiday rentals in some communities has resulted in an increase in disorderly behaviour and public nuisance. The phenomenon has been perceived in some areas as tourism gentrification which results in displacing low income earners from affordable rental accommodation. Another common view is that it represents an opportunity for residents to earn extra income and for their neighbourhoods to generate additional economic activity.

The rapid rise in short-term holiday rental listings on popular internet platforms has highlighted the inadequacy of existing planning policies and the prevailing regulatory uncertainty about how to address the issue. The states and territories are currently considering their responses, and the public debate to date has been focused on the implications for the growth in the phenomenon in high density metropolitan areas, however the associated issues in non-metropolitan areas may be different.

There are many aspects involved in considering responses to this issue, which is why the research being commissioned by the Association is so important. While coastal councils welcome the role that STHL websites can play in driving local tourism growth they are seeking guidance on how to respond effectively to the complaints of disruptive behaviour and complaints in some areas from traditional holiday rental operators, such as hotels and bed and breakfast premises, that the properties listed through the online platforms are not subject to the same level of regulation and inspections as traditional holiday accommodation venues.

Survey of Australian Coastal Councils

The survey was designed to determine whether there had been an increase in short-term rentals since the emergence of popular online platforms; the key issues associated with any increase in listings and the current and potential planning and policy responses to date. 52 coastal councils completed the survey questionnaire. Their responses to the survey questionnaire are summarised as follows:

The survey identified that the issues associated with the rapid increase in short-term holiday rentals based on internet platforms are of concern to many coastal councils. The survey findings revealed differences in:

- The types of accommodation now being rented via online platforms;
- Local government views on the matter. Some see benefits for local economies while others are more focused on local community impacts;
- There are differences in impacts associated with the issue affecting local neighbourhoods, the local housing market and tourism;
- There are differences in planning and management responses; and
- There are questions concerning the future trajectory of short-term rentals and home-sharing, whether there will be continued growth or stabilization.

The survey identified there is a lack of data in relation to this issue which is available to local councils and there is also a lack of legal clarity in relation to the issue at state and local level, and differences in approach between the various jurisdictions.

The survey findings indicate a need for state government regulatory frameworks in relation to the rapid increase in short-term holiday rental listings on online platforms and a requirement for appropriate planning tools for local government. Other possibilities also emerged, including the potential roles the online platforms themselves and holiday rental managers may play in relation to issues of concern.

The study also indicates the need for further research to identify potential responses to these issues in terms of councils' planning frameworks, rating regimes, licensing, and complaints mechanisms. Rather than a "one size fits all" approach, the survey results indicate that coastal councils need different tools and strategies to address different sets of concerns around the amenity, tourism, infrastructure, cost burdens, and potential housing market impacts which are affecting local areas in different ways. However, there is likely to be much benefit in sharing knowledge and practices between councils across coastal Australia and in adapting emerging international responses for the local context¹.

Research project – short-term holiday rental platforms

The second step in addressing the issues associated with the rapid rise in STHL is a research project aimed at identifying effective planning responses to the issues being experienced by coastal councils.

To this end the Australian Coastal Councils Association Inc. and The University of Sydney issued a call for expressions of interest from coastal councils wishing to participate in a study to identify appropriate planning responses to concerns regarding the impacts of Airbnb and similar online short-term holiday rental platforms on coastal communities. The call for expressions of interest was issued in July 2017 and 10 councils indicated that they were willing to participate in the project.

This important and timely research project is to be undertaken by a study team headed by Professor Nicole Gurran, Professor of Urban and Regional Planning at The University of Sydney. Professor

¹ The summary is based on a presentation by **Professor Nicole Gurran**, Urban Housing Lab, The University of Sydney, at the 2017 Australian Coastal Councils Conference, held at Redcliffe Queensland on 4 May, 2017. Detailed findings of the survey are available on request.

Gurran is an urban planner and policy analyst whose research focuses on comparative land use planning systems and approaches to housing and ecological sustainability. She led a series of studies on the social and environmental impacts of lifestyle migration to Australian coastal areas, including responses to housing affordability problems in rapidly growing peri and non metropolitan communities. These studies were commissioned by the National Sea Change Taskforce, which has since been renamed the Australian Coastal Councils Association Inc. Professor Gurran is on the executive board of the International Urban Planning and Environment Association (UPE) and on the editorial board of the journal Urban Policy and Research (Taylor and Francis).

The objectives of the research project are to:

- Identify relevant planning responses to the growth in online short-term holiday rental platforms in terms of local government planning frameworks, rating regimes, licensing and regulations, and complaints mechanisms;
- Define the tools and strategies required to address concerns around the amenity, tourism, infrastructure, cost burdens and potential housing market impacts of growth in short-term, online holiday rental platforms;
- Examine the disaster management implications for operators of STHL short-term holiday rental premises; and
- Investigate the adaptation of emerging international responses to the growth in short-term, online holiday rental platforms within the local context.

Key outputs of the research project will include:

- A report for participating councils which identifies appropriate planning responses, tools and strategies that can be adopted by coastal councils to address concerns in relation to the impacts of online short-term holiday rental platforms;
- A guideline checklist, in a form developed in consultation with participating councils, which provides a practical framework to assist council's decision-making in relation to these issues; and
- Case studies which illustrate the application of appropriate planning responses to the impacts of on-line short-term holiday rental platforms on local communities.

The initial findings of the research project are due to be available in March, 2018, and the final results are scheduled to be available in May 2018.

Recommendation

The Australian Coastal Councils Association Inc. recommends that the NSW Department of Planning and Environment allow sufficient time in its deliberations concerning STHL issues to consider the findings of the research project commissioned by the Association and conducted by a study team headed by Professor Nicole Gurran.