31st October 2017

Director
Housing Policy
Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Dear Director,

Short-Term Holiday Letting Options Paper

We have been working as researchers in the short term holiday letting space for a number of years. We have written one of the first papers in a planning journal examining the issue, delivered and hosted a number of public events examining short term holiday letting through the Urban Housing Lab at the University, visited the AirBnb Company Head Office in San Francisco in April 2017, and talked to planners in a number of North American cities in 2017 about their experience in regulating the market. Most recently we were at a conference in Denver last month where we presented our research with academics from across North America who presented research on the impacts of AirBnB in a number of US cities.

Since our own study (which included an analysis of potential housing market impacts of AirBnb/ the conversion of permanent dwellings for short term rentals in Sydney) was published we note increasing US reports that AirBnB is having upward pressure on rents and house prices in some North American cities. Core Logic have come to that same conclusion in their latest quarterly report on Australian housing markets. They suggest that AirBnB might be one of the factors putting upward prices on rents in Australia (https://www.corelogic.com.au/news/quarterly-housing-economic-review-october-2017-release#.Wfhe/WiCw2x).

In this context, we would suggest that when developing a response to short term holiday letting, the following issues are relevant.

- Given the rapid growth in the market for STHL (AirBnb listing in Sydney increased by 49% from 2015 to 2016) it is very important to monitor growth and the impact of STHL on local housing markets. This will likely entail data sharing arrangements with the main platform operators;
- Local Councils could be required to have careful monitoring of STHL as part of their local housing strategies. The strategies should contain evidence about how their housing stock is being used, the impacts of new dwelling supply and the areas of unmet need.
• Potential housing market issues from STHLs arise where there is a shortage of affordable rental housing and an absence of current concrete strategies to address this, as is the case in much of NSW and particularly in Sydney. In this context, enabling AirBnB and other platforms to convert existing long term residential stock into housing stock for tourists is problematic and not consistent with the Government’s broader housing strategy of attacking affordability by increasing housing supply.

• More broadly, a registration or licensing system is likely to be needed to manage potential health and safety risks associated with informal tourism provision and as a basis for ongoing monitoring of the short term letting sector. Again, this implies the need for co-operation of the online platforms.

Overall, the impacts of short term holiday letting (holiday homes) and the new forms of ‘holiday home sharing’ now enabled by online platforms such as Airbnb, will have different impacts in different local neighbourhood and housing market settings and will also have implications for existing and potential tourism activities. It is important to identify and monitor these impacts, and to support local communities in developing their own responses, in the context of their wider strategic planning frameworks.

For your information we have attached a copy of a forthcoming paper to be delivered at the State of Australian Cities conference next month in Adelaide, as well as the link to our recent paper in the Journal of the American Planning Association, which deal with the regulation of online forms of STHL in greater detail.  
(http://www.tandfonline.com/doi/abs/10.1080/01944363.2016.1249011)

Yours sincerely

Professor Peter Phibbs and Professor Nicole Gurran,
Architecture, Design and Planning
“Holiday home-sharing”: Airbnb, housing markets, and implications for planning
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Abstract: There is growing global concern about the local neighbourhood and housing market impacts of online “home-sharing” platforms such as Airbnb. However, the research base to inform policy and planning responses remains limited. This paper examines how different forms of “holiday home-sharing” — whereby property owners use online platforms to rent homes or rooms to visitors — manifest in different neighbourhood and housing market contexts, and how Australian planners are beginning to respond. It draws on a comparative analysis of Airbnb listings and housing market trends in metropolitan Sydney and in regional NSW, to examine intersections between rental supply and affordability indicators as well as specific types of home-sharing (whole homes, rooms, shared rooms, available for various durations of time). It also draws on the results of a targeted questionnaire survey with Australian planners in non-metropolitan areas to examine their perspectives on the local impacts of online holiday home-sharing, as well as existing and anticipated policy and regulatory responses. The paper concludes by highlighting the ways in which different neighbourhood and housing market contexts dictate different forms of policy and regulatory responses to residential tourism overall and online home-sharing in particular.

Keywords: Airbnb, housing markets, sharing economy

Introduction
The so called “sharing economy” has emerged in many different forms which have implications for urban and regional Australia. The range of goods and services now exchanged between “peers” (rather than from businesses to consumers), through online, geo-enabled platforms has grown from cars and rides to equipment and labour, workspaces, and residential accommodation (Orsi 2013, Sundararajan 2014). The technological software facilitating these exchanges has provided a basis for global entities to extract value from this process in return for minimizing the transaction costs associated with commercializing what were once informal, small scale exchanges operating primarily between individuals through local or personal connections. Rather than advertising for lodgers via a café billboard or newspaper, in the expectation of reaching students or newcomers looking for local accommodation, households can now supplement their incomes by listing their home online to a global market of 150 million Airbnb users (Forbes 2017). The notion of “sharing” serves to distract from the commercial nature of the transaction and helps position a collection of practices as beyond orthodox regulation. Often contravening zoning or building controls, the rapid conversion of residential homes into visitor accommodation exposes underlying tensions in housing policy and urban regulation (Gurrnan and Phibbs 2017). Yet research on the implications of what we term “holiday home-sharing” for cities and local neighbourhoods, remains limited.

This paper considers these themes by examining how different forms of holiday home-sharing manifest in different neighbourhood and housing market contexts, and the implications for policy and planning. The research approach involved a comparative analysis of Airbnb listings and housing market trends in the Greater Sydney and the Northern Rivers regions of NSW. These case study areas were selected for their
contrasting housing market and community dynamics. Metropolitan Sydney is the most populated Australian city and although a gateway for international visitors, has a diverse economic base with tourist accommodation traditionally focused on purpose built hotels in designated, primarily central city and key visitor locations. Residential neighbourhoods and suburbs are primarily oriented towards permanent residents with negligible levels of non-resident holiday home ownership. By contrast, the Northern Rivers region of NSW which includes the iconic beach localities of Byron Bay, Ballina, Evans Head, and Coolangatta/Tweed, is a traditional holiday destination and has long been subject to the economic and social pressures arising from high seasonal visitation and non-resident (holiday) home ownership associated with “amenity” driven development (Gurran 2008).

The second source of data used in this paper is a targeted questionnaire survey completed by Australian planners and council representatives in non-metropolitan coastal localities (N=49) to examine their perspectives on the local impacts of online holiday home-sharing, as well as existing and anticipated policy and regulatory responses. The questionnaire was developed in collaboration with the Australian Coastal Councils and implemented online in March/April 2017. It was designed to add a specifically non metropolitan lens to data collected through existing public policy processes, such as the NSW Parliamentary Inquiry on short term visitor accommodation (Parliament of NSW 2015). Further, by focusing on coastal communities the survey provided a means of examining the ways in which online platforms may or may not be associated with fundamentally different forms of residential tourism, in terms of the nature, scale, and potential impacts of holiday home-sharing.

Before presenting the results of this analysis we first provide a brief outline of the research and literature on Airbnb style short term rental accommodation within the wider context of the sharing economy and urban policy.

The sharing economy, Airbnb, and urban policy – a growing research agenda

There is a small but growing literature on the emergence of the “sharing economy.” Sometimes called the “peer to peer”, “gig”, or “collaborative” economy, the introduction of software platforms able to connect people offering goods, space, or services for others to “share” (rent) rather than “buy” (own), has disrupted many traditional sectors (Sundararajan 2014, Hamari, Sjöklint, and Ukkonen 2015). By offering what is often a lower price to mainstream alternatives, ride (Uber, Lyft) and home sharing services (Airbnb) have increasingly come to challenge the traditional taxi and hotel industries, and early research sought to estimate the impacts of these disruptions on transport (Siddiqi and Bullung 2013, Shaheen and Cohen 2012), tourism (Zervas, Proserpio, and Byers 2014, Gutten tag 2015, Boswijk 2016), and more widely (Desai 2014).

Overall evaluations of the sharing economy and implications for cities are divided between enthusiastic “how to” manuals for cities and policy makers (Agyeman, McLaren, and Schaefer-Borrego 2013, Sharyable 2013), government or privately commissioned studies and reports which extol economic benefits and generally caution against “over regulation” (Allan and Berg 2014, Deloitte 2015, Minife 2016, Airbnb 2014), and more critical analyses (Cockayne 2016, Dredge and Gylmöthy 2015). The latter point to the ways in which the language of “sharing” has been co-opted to distract from the reality that software companies extract significant income by commercialising informal exchanges between members of a real world (as opposed to online, virtual) social network.

Concern about the implications of Airbnb for traditional tourism operators has given way to deeper analyses of the impacts of a rapid growth of residential tourism on “receiving” communities (Gutten tag 2015, Dredge and Gylmöthy 2015). This scholarship scopes the multifaceted issues affecting local residents as their neighbourhoods are increasingly populated by short term tourists. Even cities such as Paris, and Barcelona which have long been destinations for “second home tourism”, whereby non-residents maintain an apartment (“pied-a-terre”) or holiday home, have been affected by a sudden
increase in tourism numbers following the introduction of online rental platforms (Arias Sans et al. 2016, Dredge et al. 2016). With the suburbanisation of tourism to residential areas has come increased reports of conflicts over noise, anti-social behavior, a shortage of permanent rental housing supply, and an intangible sense of alienation as neighbours become unfamiliar and transient (Llop 2016, Gutentag 2015, Dredge and Gymiothy 2015).

A handful of studies have begun to examine the housing market implications of Airbnb style short term rental platforms. Evidence of potential pressure on permanent rental housing supply in cities such as New York (New York State Attorney General 2014), San Francisco (Brousseau, Metcalf, and Yu 2015), Los Angeles (Lee 2016), Berlin (Schäfer et al. 2016), Barcelona (Llop 2016) and Sydney (Gurran and Phibbs 2017) demonstrates a need for city governments to monitor and develop appropriate responses to protect permanent rental housing supply. Other researchers have pointed to the potential for Airbnb to stabilise vulnerable housing markets (Jefferson-Jones 2015), highlighting the ways in which impacts and interests in online home sharing are likely to vary according to local context and between different stakeholders – renters, resident and non-resident home owners, hosts, real estate agents, and local businesses.

Much of the scholarship on the impacts of Airbnb has been specific to particular cities. This is appropriate since housing market contexts, economic and social conditions, and urban regulations differ markedly between cities and often even at neighbourhood scale. However, the lack of comparative data makes it difficult to understand how different housing forms and density (e.g. detached versus strata dwellings) as well as housing market contexts (for instance, the historical balance between permanent and holiday homes) mediate the amenity and market impacts arising from increases in residential tourism linked to online platforms. Similarly, there are significant differences between housing systems (such as tenure and the institutional arrangements governing landlords and renters), as well as systems of urban regulation (development and building control, city versus central government authority). All of these differences imply that online holiday home sharing will have different impacts and necessitate different urban policy and regulatory responses, in specific local contexts.

The following sections explain the geography and composition of Airbnb listings in Sydney and in Northern NSW.

**Examining the spatial and housing market impacts of Airbnb in NSW**

To understand the proportion of homes used as Airbnb accommodation in Greater Sydney and Northern NSW, we compared the total number of Airbnb listings in relation to the total housing stock in both regions. The widely used and independent “InsideAirbnb.com” provides the primary listings data used to examine the geography and composition of Airbnb listings, while 2016 Census data and NSW Government Rent and Sales reports provide the basis for housing stock and market analysis.

As shown, only a small proportion of homes in Greater Sydney and in the Northern Rivers, are available for rent on the Airbnb platform (1.4% and 2% respectively, Table 1). However, there is a sharp spatial concentration of these listings within particular suburbs and local government areas (Figures 1 & 2). As shown, in Sydney the concentration is marked in the central City of Sydney, Eastern Suburbs (particularly Waverley which incorporates Bondi Beach), as well as harbourside and Northern Beaches localities. These localities, particularly the City of Sydney, have long been a focus for traditional tourist accommodation (hotels and to a lesser degree serviced apartments, backpacker lodges, and bed and breakfasts), however the listings data suggests that online home-sharing has facilitated a spreading of tourism beyond the prime destinations and certainly in excess of permitted and known serviced apartment supply.

In Northern NSW, listings are concentrated in Byron Bay and Tweed Heads, despite the fact that Ballina and Clarence localities are also primary destinations for tourism and second home ownership. Census data on population numbers and residential vacancy rates is notoriously problematic in coastal and
amenity regions which are subject to high seasonal volatility (Gurran 2008). Similarly, local authorities in amenity regions have long struggled to estimate the proportions of homes which are maintained for holiday rather than permanent occupation.

This raises the question of whether online listings in Byron and Tweed are primarily comprised of traditional holiday home operators who have migrated to the online Airbnb platform in addition to or instead of long standing marketing methods. To date there is no way to distinguish which if any Airbnb listings represent a home being used as tourist accommodation for the first time, or whether Airbnb and similar online platforms are generating new accommodation and business options for tourists and residents beyond the long standing holiday home and apartment sector. This issue is considered further through the survey data outlined in section two of this paper.

<table>
<thead>
<tr>
<th>Airbnb Listings</th>
<th>Greater Sydney (April 2017)</th>
<th>Northern Rivers (April 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing stock -- All private dwellings (2016)</td>
<td>1,759,923</td>
<td>136,016</td>
</tr>
<tr>
<td>Rental housing stock (2016)</td>
<td>553,249</td>
<td>30,388</td>
</tr>
<tr>
<td>Airbnb listings</td>
<td>24,038</td>
<td>2,350</td>
</tr>
<tr>
<td>Airbnb as a proportion of total housing stock</td>
<td>1.4%</td>
<td>2%</td>
</tr>
<tr>
<td>Private rooms</td>
<td>9,084</td>
<td>813</td>
</tr>
<tr>
<td>Private rooms proportions</td>
<td>37.8%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Shared rooms</td>
<td>349</td>
<td>15</td>
</tr>
<tr>
<td>Shared rooms proportions</td>
<td>1.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Whole houses</td>
<td>14,605</td>
<td>1,522</td>
</tr>
<tr>
<td>Whole homes proportions</td>
<td>60%</td>
<td>64.8%</td>
</tr>
<tr>
<td>Frequently available Airbnbs (whole houses) -- (&gt;90 nights/yr)</td>
<td>6,626</td>
<td>1,040</td>
</tr>
<tr>
<td>Frequently available Airbnbs (whole houses) as a proportion of rental units</td>
<td>1.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Frequently available Airbnbs (whole houses) as a proportion of all listings</td>
<td>28%</td>
<td>44.3%</td>
</tr>
<tr>
<td>Rental vacancy rate</td>
<td>1.8%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Frequently available Airbnbs as a proportion of rental vacancy rates (Apr 2016) (rounded off)</td>
<td>67%</td>
<td>298%</td>
</tr>
<tr>
<td>Multi listings</td>
<td>7,247</td>
<td>989</td>
</tr>
<tr>
<td>Proportion of multi listings</td>
<td>30%</td>
<td>42.1%</td>
</tr>
<tr>
<td>Median rent (2016)</td>
<td>$1,760</td>
<td>$1,170</td>
</tr>
<tr>
<td>Median mortgage (2011)</td>
<td>$2,167</td>
<td>$1,480</td>
</tr>
<tr>
<td>Airbnb monthly income, frequently available homes</td>
<td>$1,531</td>
<td>$1,166</td>
</tr>
<tr>
<td>Airbnb rooms / beds (private and shared rooms) (April 2016)</td>
<td>9,433</td>
<td>828</td>
</tr>
</tbody>
</table>
State of Australian Cities Conference (SOAC 2017)

<table>
<thead>
<tr>
<th>Description</th>
<th>0.5%</th>
<th>0.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb rooms / beds (private and shared rooms) as a proportion of total housing stock (April 2016)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airbnb rooms / beds (private and shared rooms), monthly income (April 2016) (all)</td>
<td>$385</td>
<td>$479</td>
</tr>
<tr>
<td>Airbnb monthly income, rooms / beds as % of median rent</td>
<td>22%</td>
<td>40%</td>
</tr>
<tr>
<td>Airbnb monthly income, frequently available homes as % of median rent (April 2016)</td>
<td>87.0%</td>
<td>99.7%</td>
</tr>
<tr>
<td>Airbnb rooms / beds, monthly income as % of median mortgage (April 2016)</td>
<td>17.8%</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

Sources: Inside Airbnb.com, Census data – 2016, NSW Rent and Sales Report (116)

A second series of observations relates to the proportion of whole homes, private rooms, and rooms in both regions, as well as the proportion of listed whole homes which appear to be permanently available tourist accommodation (28% in Greater Sydney and 44.3% in the Northern Rivers). This higher rate of permanently available homes in the Northern Rivers likely reflects a local economic orientation around tourism and a higher base proportion of holiday houses (relative to permanent residences) in coastal communities.

Figure 1: Airbnb listings by Local Government Area, Greater Sydney (April 2017)

Source: Derived from Inside Airbnb.com

The proportion of listings which are owned by a single host “multi-listings”, may be an indicator that permanent homes are being converted to tourism (Lee 2016). However, with the significantly higher proportion of multi-listings in the Northern Rivers (42.1% compared to 30% in Sydney) in this instance, again this indicator may also reflect the proportion of properties which are being managed by a tourism or real estate agency in a continuation of long standing practice.
Another potential indicator of the extent to which homes are being "converted" for holiday accommodation, is the relationship between median rents and estimated monthly incomes from permanently available Airbnb properties. The income indicator is estimated by Inside Airbnb using advertised nightly rates and a derived occupancy rate, since it is unlikely that even very popular listings are constantly occupied. As shown in Table 1, the economic incentive to convert a permanent rental property to a holiday home does not seem overly strong in either Sydney, with an estimated income of 87% of the median monthly rent for all dwellings. However, this is an overall figure and in particular localities the potential returns on holiday accommodation may be higher. Further, the flexibility associated with temporary rather than permanent tenants may be appealing to some landlords, for instance those who wish to use the home themselves while vacant, or those who wish to gain flexibility by avoiding a long term lease. In Northern NSW, a holiday home earner who makes their property more or less permanently available for tourists to make earns around the equivalent of a permanent rental return.

Figure 2: Airbnb listings by Local Government Area, Northern Rivers (April 2016)

Source: Derived from Inside Airbnb.com

To examine potential pressure on local housing markets overall and the availability of rental housing in particular, we examined the amount of whole homes considered to be more or less permanently available on the Airbnb platform, against rental vacancy rates. Rental vacancy rates are the proportion of rental stock which is available at a point in time. In Australia, a tight rental market is indicated by vacancy rates below 3%. In Sydney, the rental vacancy rate is around 1.8%, which indicates a shortage of rental supply. In the Northern Rivers, the vacancy rate is even lower, at around 1.4% (Table 1). When considered in relation to rental vacancy rates, it is apparent that permanently available homes listed on Airbnb in
Greater Sydney and the Northern Rivers region comprise a significant proportion of potential rental housing supply. Permanently available Airbnb listed whole homes in Greater Sydney amount to about 67% of the vacancy rate, and a significant 298% or more than two times the number of rental vacancies in the Northern Rivers. Further analysis would be needed to determine whether these listings would otherwise be available as permanent rental housing if not supplied as tourist accommodation, but in the absence of such data it is reasonable to assume that a proportion of this stock is being excised from the local housing market.

A final thematic theme for analysis is the potential for local residents to gain income from renting rooms or beds via online platforms. In Table 1 we show the median monthly income for residents who rent out rooms or beds in their properties, as a proportion of monthly rents and mortgages. As shown, resident hosts can earn an amount equivalent to 22%/17.8% of their rent / mortgage in Sydney and around 40%/32.4% in Northern NSW. This data might provide some support for claims that online home-sharing helps hosts meet their own housing costs. However, tenants who sub-let to tourists via Airbnb may be in breach of their rental contracts. Further, the proportion of households overall who are renting rooms or beds via Airbnb (0.5% in Sydney and 0.7% in the Northern Rivers) means that it is important not to overstate the role of online home-sharing as a strategy for housing affordability.

In summary, the comparative analysis of Airbnb listings in Greater Sydney and in the Northern Rivers region shows that there are many forms of online home sharing (whole homes, rooms, beds, primary residences versus holiday homes), and types of hosts (resident, landlord, commercial). Geographic concentration in particular localities (such as inner Sydney and the Eastern/Northern Beaches and Byron /Tweed) is likely to lead to perceptible local impacts, particularly if these locations are also densely populated, and or if tourist visitation is seasonal (rather dispersed throughout the year).

Some hosts may be using the income to help afford their housing, but overall the practice may be eroding the supply of permanent rental accommodation. On the other hand the practice may be absorbing otherwise empty holiday homes or apartments, or an extension to the tourism sector for communities with a dependence on associated economic opportunities. The following section draws on the results of a survey of local planners and policy makers to further investigate these issues.

**Local perspectives on holiday home-sharing**

As outlined above, a targeted questionnaire survey completed by Australian planners and council representatives in non-metropolitan coastal localities (N=49) provides a new source of data on perspectives on the local impacts of online holiday home-sharing, as well as existing and anticipated policy and regulatory responses. The questionnaire, was developed in collaboration with the Australian Coastal Councils, and administered online between March-April 2017. Although the questionnaire was a systematic approach to data collection, the small and targeted nature of responses means that results are primarily qualitative in nature and not necessarily generalisable across the diversity of Australian local authorities.

The questionnaire sought to explore perspectives on:

- The existing local planning and regulatory framework applying to short term holiday rental accommodation in non metropolitan coastal settings
- Perspectives on whether demand for short term accommodation has increased since the introduction of online platforms, and the intensity of this increase (during peak periods or spread throughout the year)
- Whether increases in demand for short term holiday rental accommodation have also been accompanied by local housing market pressures

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- The range of issues affecting local communities which are attributed to online accommodation platforms

As shown in Table 2, short term (residential) visitor accommodation is generally permissible across the vast majority (41) of local government areas responding to the questionnaire, but subject to tight restrictions in six localities. Nearly a quarter of responding localities indicate that they welcome short term residential accommodation and have no plans to restrict it, but nine (nearly 20%) of localities have or anticipate restrictions. Of the localities which permit short term accommodation, many respondents indicated that operators of short term rental accommodation need specific planning or building approvals, and that the accommodation may be confined to particular zones (such as a tourism zone). Of the six respondents who indicated that short term rental accommodation is not permitted, some advised that this prohibition is not policed.

A number of respondents distinguished between short term rental accommodation which is often unregulated, and Bed and Breakfast establishments, which generally do need planning permission to operate. It is important to note that state planning laws differ in each jurisdiction, as does the scope for local governments to introduce their own planning controls on short term rental and tourism accommodation.

Table 2: Existing regulation on short term holiday rental accommodation in non metropolitan Coastal Australia

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Number of councils</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term visitor accommodation permissible in local government area</td>
<td>41</td>
<td>82</td>
</tr>
<tr>
<td>Short term visitor accommodation not permissible in local government area</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Restriction on the period of time properties can be used for short term accommodation already in place / anticipated</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Short term visitor accommodation encouraged; no plan to restrict</td>
<td>11</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: Short Term Visitor Accommodation Australian Coastal Councils Survey 2017

The vast majority (82%) of responding localities indicated that demand for visitor accommodation has perceptibly increased since the introduction of online platforms such as Airbnb and Stayz (Table 3); although this finding likely reflects the views of respondents rather than a more generalisable experience in non metropolitan coastal Australia. Further, a number of respondents emphasised that the increase in tourism numbers could not be directly attributed to the growth of online listing platforms, but rather reflected a number of strategies to boost tourism in their areas. Others commented that data on visitor numbers is difficult for local government to obtain.

Perhaps more significant is that for 21 responding localities, demand for visitor accommodation has increased year round, which will have implications for local services and potential conflicts between local residents and tourism, but may also bring welcome economic benefits to these areas.

Some respondents indicated that short term rentals presented very few impacts for their localities. Of those respondents who reported concerns, these related to local disturbances affecting neighbours (noise, anti-social behavior, "party houses"), safety concerns in relation to property quality, and impacts on local infrastructure eg. parking, traffic, and wastewater (when residential occupancy levels exceeded). Some respondents noted that these issues did not arise when accommodation is "hosted". However, it is
not clear whether respondents overall regard hosted accommodation as less problematic than whole home listings. One respondent indicated that there were very few complaints in their area due to very active and effective management, involving periodic audits and swift action in response to any complaints which do occur.

Other concerns identified included a loss of community when places become "itinerant neighbourhoods", and a lack of rate revenue from unlicensed operators, which leaves council with a deficit (despite increased pressure on visitor attractions and facilities) and is unfair for licensed operators. Finally, some respondents also observed that online listings may undermine tourism strategies, because operators are not connected to the existing tourism network, and because tourist accommodation in residential neighbourhoods may be remote and inaccessible to attractions, undermining destination appeal.

Table 3: Local government perspectives on accommodation demand since the introduction of online platforms

<table>
<thead>
<tr>
<th>Accommodation demand</th>
<th>Number of councils</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand for short term visitor accommodation has increased since the introduction of online platforms</td>
<td>41</td>
<td>82</td>
</tr>
<tr>
<td>Demand for short term visitor accommodation has increased primarily in the last 2 years (2015-2017)</td>
<td>20</td>
<td>41</td>
</tr>
<tr>
<td>Demand has increased year round</td>
<td>21</td>
<td>41</td>
</tr>
<tr>
<td>House prices have risen since the introduction of online listing platforms</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Rents have risen since the introduction of online listing platforms</td>
<td>14</td>
<td>29</td>
</tr>
<tr>
<td>The shortage of permanent rental accommodation has increased since the introduction of online listing platforms</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Short Term Visitor Accommodation Australian Coastal Councils Survey 2017

Thirteen responding localities indicated that rents have risen since the introduction of online platforms, and 14 indicate rising house prices. These outcomes are consistent with a housing market experiencing increased demand from holiday home owners able to finance a second home through the ease of online rental listing, and also of a growing shortage of permanent rental stock (reported by around 20% of responding councils). Importantly, the supply and diversity of rental housing is typically limited in non-metropolitan coastal areas which are characterised by higher rates of home ownership, lower density, detached housing stock, and seasonal spikes in population (Gurran & Blakely 2007). Thus increased demand for potential rental supply for non resident home owners and visitors, will have a particular impact on these markets.

Conclusions: Potential urban policy and regulation for holiday home sharing

This paper has examined the rise of online "holiday home sharing" in Greater Sydney and Northern NSW, as illustrative cases of the global trend towards residential tourism facilitated by online platforms such as Airbnb. With reference to data on the geography and composition of listings in Greater Sydney and Northern NSW, as well as wider housing market data, we find that the phenomenon is generating spatially uneven impacts across different localities. There is evidence to suggest that a proportion of rental housing stock in high demand areas of inner Sydney and Northern NSW is under pressure for conversion to tourist accommodation, but the long term trajectory of this phenomenon is unclear. There is also evidence to suggest that households who rent rooms or beds to tourists secure up to around 20% of median monthly housing costs. However, the proportion of households engaged in holiday homesharing
remains small. Qualitative investigation of local planning and council representative views in non metropolitan coastal Australia provides further insights into the local and housing market impacts of online home-sharing, and the existing planning and regulatory responses. Overall, the findings suggest that the local context in which home-sharing takes place — low density coastal community versus strata building in a suburban residential neighbourhood — will influence the intensity of impacts. Similarly, the cumulative impacts of home-sharing — the balance between permanent and temporary accommodation, and whether visitation is seasonal or spread throughout the year — are also important considerations in understanding the ways in which home-sharing may present noise, amenity, or other impacts which need a spatial planning or other regulatory response. This provides a challenge to regulating the sector since a one size fits all approach is unlikely to be appropriate.

The results of the questionnaire also highlight a need to amend state planning laws, state tenancy legislation, state strata laws, and local government regulations to ensure that local authorities and strata communities have the necessary tools to manage the impacts of Airbnb and similar forms of residential tourism. States will also need to implement a reliable monitoring framework for distinguishing between housing vacancy, non-resident periodic occupation (second homes), and permanent tourist accommodation at the local level.

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State of Australian Cities Conference (SOAC 2017)


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