

Light as Air: Regulating Short Term Rentals in Australia

August 2023



**Centre for
Equitable
Housing**
A Per Capita initiative

V&F HOUSING
ENTERPRISE
FOUNDATION

percapita
FIGHTING INEQUALITY IN AUSTRALIA

Contents

| | |
|---|----|
| <i>About Per Capita</i> | 3 |
| <i>About the Centre for Equitable Housing</i> | 4 |
| <i>About the Authors</i> | 5 |
| <i>Executive Summary</i> | 6 |
| <i>Introduction</i> | 9 |
| <i>Short Term Rentals in Australia</i> | 11 |
| Airbnb, hotels and consumer preferences..... | 12 |
| Community benefits and costs..... | 12 |
| Regulation of Short-Term Rentals in Australia..... | 14 |
| <i>The Landscape of Short Term Rentals in Australia</i> | 16 |
| Key Findings..... | 16 |
| <i>Case Studies</i> | 23 |
| Barossa Valley..... | 23 |
| Melbourne..... | 27 |
| Mid-North Coast..... | 33 |
| Mornington Peninsula..... | 38 |
| Northern Rivers..... | 43 |
| Sydney..... | 50 |
| <i>Policy Frameworks for Regulating the STR Market</i> | 57 |
| Regulatory approaches to STRs..... | 57 |
| Registration and planning approvals..... | 60 |
| Taxation of STRs..... | 61 |
| Non-Compliance with STR regulations..... | 61 |
| Measures targeting host non-compliance..... | 63 |
| Measures targeting platforms..... | 64 |
| Data-sharing arrangements..... | 65 |
| EU STR regulation in development..... | 66 |
| Other considerations..... | 67 |
| <i>Policy Directions for Australia</i> | 69 |
| <i>Conclusion</i> | 71 |
| <i>Appendix 1: International Regulations Summary</i> | 72 |
| <i>Appendix 2: International Enforcement Summary</i> | 80 |

About Per Capita

Per Capita is an independent public policy think tank. We work to build a new vision for Australia based on fairness, shared prosperity and social justice.

Our office is located on the lands of the Wurundjeri people of the Kulin Nations, which were never ceded. We strongly support the Uluru Statement from the Heart and the call for a First Nations Voice to Parliament.

Per Capita's research and policy prescriptions are rigorous, evidence-based and long-term in outlook. All our publications and activities are intended to deepen political, social and economic democracy, and we are focused on challenges for the next generations rather than the next election cycle.

Our approach to public policy

Per Capita's approach to public policy challenges the dominant narrative that disadvantage arises from personal fault or failure by pointing out the policy choices that have deepened inequality and proposing alternative choices that will lessen it.

Our policy analysis and recommended solutions seek to recognise the challenges, and work within the complex economic, political and social conditions, of our age, such as:

- The impact of rapid climate change and extreme weather events;
- Growing economic inequality, with increasing returns to capital and a decline in returns to labour;
- The growing difficulty of accessing good jobs, adequate income support and secure housing; and

- The negative effects of privatisation and the deliberate shrinking of essential public services.

In doing so, we strive to incorporate new thinking in social science and economics, innovative ways of working with data, and effective evaluation tools to measure outcomes. We also engage actively with organisations across society, including the union movement, civil society, the community sector, academia, business, government and the public service, and social change movements.

In all our work, we seek to understand and highlight the experiences of those who bear the brunt of the effects of policy choices that exacerbate inequality, including underpaid and exploited workers, people who can't get a decent job, women, First Nations people, members of the LGBTQ+ community, people with disability and their carers, migrants and refugees, and others who are marginalised by our economic and social structures and denied their fair share of power and resources.

We live and work in hope and solidarity

The democracy Per Capita works for is one that shares its knowledge, wealth and power, to ensure all its citizens can live meaningful and fulfilling lives, able to take care of each other and of our shared planet.

About the Centre for Equitable Housing

The Centre for Equitable Housing (CEH) is a new initiative within Per Capita, which provides research, policy advice and public engagement on housing affordability-related issues.

The Centre was established with funding from V&F Housing Enterprise Foundation, in response to the failure of the housing market to deliver a pathway to affordable housing for many Australians in recent decades.

CEH works toward a future where all Australians have access to affordable, secure, and appropriate housing, regardless of their personal circumstances.

Housing meets a fundamental human need for shelter, safety, and stability. It is essential to individual and community wellbeing, as well as our shared economic prosperity. Home is a necessary foundation for building a productive and fulfilling life, and for raising children. But despite our growing national wealth it is increasingly difficult for Australians to find homes that are affordable and appropriate to their needs.

Housing policies at the national, state, and local level are failing to provide reasonable pathways to housing, contributing to unaffordability, and entrenching inequality. Policy making around housing is often described as a wicked problem because of the deep conflict of interest we have as a society: high property prices represent wealth for homeowners and investors, but unaffordability and insecurity for others.

And things are getting worse: many trends show that negative policy outcomes are being borne by an increasingly large proportion of society, while the benefits accrue to a shrinking share of the population.

Per Capita and V&F Housing Enterprise Foundation believe that the time has come for a significant overhaul of housing policy at all levels of government.

About the Authors

Sam Ibrahim

Sam Ibrahim is a Research Economist at Per Capita, providing research and analysis to projects across various research areas. Sam's research and policy interests include climate change, social justice, social security, and social policy. His work has encompassed critical areas of research, reflecting both contemporary issues and long-term economic and social challenges.

Prior to joining Per Capita, Sam was a Research Assistant at Swinburne University in the Information Systems for Social Impact research group. His involvement in this group further testifies to his commitment to employing technological solutions in the service of social impact. Sam completed a Bachelor of Business Information Systems, majoring in Business Analytics at Swinburne University, and is an alumnus of the Swinburne Emerging Leaders Program.

Matt Lloyd-Cape, Director of the Centre for Equitable Housing

Matt has worked in project management, policy development and research for over 20 years. His career includes work with the trade union movement, international development NGOs and with universities on issues of economic and social development, and social justice. His experience includes managing disaster relief and development projects, policy development, and research on industrial relations, education and livelihoods, in Eastern Europe, Russia, Central America, East Africa, Papua New Guinea and South Asia.

Before joining Per Capita Matt worked at the Australian Council of Trade Unions as an international officer. Prior to this, he worked at Islamic Relief International, Tufts University, Builders and Woodworkers International and Central European University. He also worked as a carpenter for several years.

Matt holds an MSc in International Relations and Development from the School of Oriental and African Studies (SOAS), University of London, and an MPhil in Political Economy from Central European University.

Lucy Tonkin, Andrew Herington Research Fellow

Lucy Tonkin is the current Andrew Herington Fellow at Per Capita, having commenced this program in September 2022. As the Andrew Herington Fellow, she assists and produces research into a variety of policy fields, with a focus on housing, urban planning and sustainability.

In 2021, Lucy commenced work with Per Capita as an intern while completing her Bachelor of Arts (International Studies) degree at RMIT University Melbourne. She is currently completing a Master of Urban Planning at the University of Melbourne.

Executive Summary

The impact of short-term rental (STR) platforms such as Airbnb has become increasingly problematic in Australia's residential rental market, particularly since the end of the COVID19 lockdowns, as long-term rental dwelling availability has shrunk and prices increased.

This policy challenge has been growing for many years. Airbnb has been expanding rapidly since it arrived in Australia in 2012: between 2016 and 2019, average revenue growth was 2.43% per month. Since then, online STR platforms have fundamentally changed the geography of tourism, shifting a large swathe of holidaymakers from traditional short-term accommodation such as hotels, motels and caravan parks, into domestic dwellings scattered throughout our residential neighbourhoods.

This has led some communities to feel invaded by short term holidaymakers, with the proportion of homes dedicated to short term rentals tearing at the social fabric of neighbourhoods.¹

Using the data on Airbnb listings gathered by *Inside Airbnb*,² this paper examines the Airbnb market in six different regions of Australia, to explore what effects are at play and, importantly, to determine what regulatory interventions would be appropriate in response to this significant shift in dwelling stock usage.

Some of our key findings include:

- In the six regions studied for this report, there are over 86,693 properties listed on Airbnb alone. Airbnb represents an estimated 75% of the STR market.³ This means that the total STR market in the six regions included in this paper is likely around 115,591. Previous research has estimated that around 251,000 dwellings are listed on STR platforms.⁴

251,000 STR dwellings is equal to 2.3% of the nation's 10,852,208 dwellings,⁵ and equivalent to 7.6% of all rental dwellings.

- Average Airbnb yields are extremely high compared to income from long-term rentals. In all areas studied, short-stay rental properties had the potential to exceed local median annual rental yields in fewer than 100 nights. However, in some areas, it only takes 25 nights of Airbnb yield to equal the median long-term rent for the year. Gaps between median rents and Airbnb incomes were more severe in regional areas than in capital cities.

¹ Mostafa Rachwani, 'Short-Term Rentals Destroying "Social Fabric" of Region, Byron Bay Residents Tell Inquiry', *The Guardian* (online, 22 February 2023) <<https://www.theguardian.com/australia-news/2023/feb/21/byron-bay-faces-housing-crisis-as-short-term-rentals-such-as-AirBnB-surge-residents-say>>.

² <http://insideAirBnB.com/get-the-data/>

³ <https://www.afr.com/property/residential/airbnb-wins-the-battle-for-australia-s-short-term-rental-market-20190410-p51ctw>

⁴ <https://www.abc.net.au/news/2022-12-29/influence-of-air-bnb-on-australian-rental-crisis/101809556>

⁵ <https://www.abs.gov.au/statistics/people/housing/housing-census/latest-release>

- A significant proportion of properties are not adhering to restrictions on short-term rental operations in New South Wales. 22.2% of listings in Sydney and 21.0% of listings in the Byron Shire Council exceeded 180 nights booked in the year preceding the data analysis, which was conducted in March 2023. This is despite legislation restricting bookings to 180 nights in these regions.
- Despite most active listings being available year-round, many listings are booked for a total of fewer than two months annually. 58% of listings in the Mornington Peninsula and 57% of listings in the Northern Rivers were booked for fewer than sixty nights a year. This may represent housing stock that is effectively vacant for most of the year.
- Several 'mega-hosts' managing dozens of properties were identified in each region. Extreme examples included an individual host with a portfolio of 182 listings across Sydney. Properties managed by mega-hosts included a number of informal hotels comprising of clusters of listings by a single host in one location.
- The impact of Airbnb varies dramatically across different towns and suburbs. For example, in Blairgowrie, Victoria, more than 32% of dwellings are listed on Airbnb, but the rate of Airbnb is far lower in neighbouring towns. This suggests that regulation must be highly responsive to local effects and the specific needs of residents.

This report aims to provide an evidence base for policymakers, both in terms of understanding the impact of STRs and identifying suitable regulatory responses. It includes a review of current Airbnb regulations around the country and compiles a set of international measures currently being used by other jurisdictions.

Based on these examples, and the local effects of the STR sector, we propose that STR sector regulations should include:

Recommendation 1: Short-term rental registries in each state and territory

Each state and territory to establish a short-term rental registry to provide a foundation for further STR reforms. A model similar to the proposed EU model, in which every dwelling or room listed in the European Union would be required to have a registration number linking a dwelling to a host's information, would provide governments with more cohesive, detailed and reliable data, and help with compliance and fraud detection.

Recommendation 2: Data sharing requirements for STR platforms

Federal or state and territory governments should negotiate access to listings data from STR platforms to enable state and local governments to be able to monitor and assess trends in the STR sector.

Given that small towns are often the most affected by high Airbnb density, their ability to negotiate data access may be limited. For this reason, it would be preferable for state/territory or federal governments to negotiate collectively with STR platforms, under a standardised framework of data criteria.

Recommendation 3: State/territory STRA regulatory frameworks

State governments should amend their state planning provisions to provide a standardised set of criteria, definitions, limitations, fire safety and other requirements for STR hosts, such as has been carried out by the NSW government. State planning provisions should also be amended to facilitate council decisions to reject planning approvals for STR applications.

Recommendation 4: Statutory planning tools

Councils should amend their planning schemes to require entire-home listings to apply for planning permission in order to operate as STRs. This would only apply to listings exceeding a certain nightly limit, which should be set by individual councils or through state STRA frameworks.

Recommendation 5: Council rate increases

Local governments should increase council rates for STR properties. Criteria may differ between locations, but for unhosted STRs, available for most of the year, and in use as an STR for over a particular threshold, rates should significantly exceed residential rates.

Recommendation 6: Enforcement mechanisms

In the absence of broad data collection, spot fines should be utilised by councils to improve compliance. For example, where a person lists their property on an STR platform without appropriate council permission, or for more nights than is legally permitted, fines should be sufficiently high, and publicised broadly enough to put off law-breaking. As a point of reference, the 5000 Euro fine in Ireland for the listing of unregistered STR dwellings equates to \$8420.

Where landlords repeatedly flout STR regulations, they should be temporarily or permanently disbarred from future STR planning applications.

Recommendation 7: Emergency use requirements

As climate-change related natural disasters become more common it would be prudent to build in an element of responsiveness from the STR sector. In the event of a natural disaster such as flooding or bushfires, empty STRs should be utilised by state emergency services to provide temporary shelter to survivors, with the state paying a reasonable rate of compensation.

Introduction

The costs and benefits of short-term rental platforms such as Airbnb have come under increasing scrutiny over recent years, particularly given the tight rental market and rapidly rising rent prices of the last 12 months. Several states are moving to strengthen the current light regulatory framework to ensure that the short-term rental (STR) sector is not reducing supply of long-term rental (LTR) stock, with good reason.

Not only is Australia one of the most highly penetrated markets in the world for STR platforms like Airbnb, it is also one of the most lightly regulated: Australian STR regulations lag significantly behind other peer nations. While there are many potential benefits to the STR sector, a lack of regulation means that social costs are higher, while the benefits are unevenly distributed throughout communities.

When Airbnb first enabled people to rent out their spare rooms, one of the major selling points of the new STR online platform model was that these platforms would improve the efficiency of housing stock use: if someone with a spare room could rent that room out when it was not in use, then the utility gained from that housing asset would improve the overall productivity of our housing stock.

However, given the relatively strong rental yields for STRs, particularly in high tourist areas, there is a question as to whether short-term rentals are instead reducing the efficient use of housing stock, with landlords choosing to leave properties empty for extended periods between short-term bookings rather than renting them to long-term tenants.⁶

In some instances, local communities have become victims of their own success in using these platforms, with so many people letting their properties out to tourists that there are not enough long-term rental options for local residents. In places such as Byron Bay, residents complain that a lack of affordable rental properties is affecting the social fabric of their community, with low-income workers having to sleep in their cars or travel in from distant accommodation.⁷

This paper examines some of the trends and effects of STRs through the *Inside Airbnb* data set, an open-source data source which extracts all available data from the Airbnb website.

We find that the explosion in popularity of Airbnb has led to a significant share of dwellings being listed for short-term letting. For example, in many coastal towns over 20% of dwellings are listed on Airbnb such as in the Byron Shire, where there over 3,085 listings. Similarly, there are 5,162 listings in the LGA of Sydney alone, 3,586 of which are entire dwellings.

⁶ See Nicole Gurrán and Peter Phibbs, 'When Tourists Move In: How Should Urban Planners Respond to Airbnb?' (2017) 83(1) *Journal of the American Planning Association* 80 ('When Tourists Move In').

⁷ <https://www.theguardian.com/australia-news/2023/feb/21/byron-bay-faces-housing-crisis-as-short-term-rentals-such-as-AirBnB-surge-residents-say>

We also find that the income from short-term renting can far exceed that which long-term renting could provide. For example, for properties on the Mornington Peninsula, the average Airbnb earns its owner the equivalent of the median annual rent for the area in just 35 days.

It also appears that, rather than being a peer-to-peer industry, a large proportion of Airbnbs are run professionally, with concierge services, professional cleaners, and property managers. This makes them closer to micro hotels rather than the original vision of such platforms.

Our research shows that 18.1% of Airbnb-listed properties are booked for more than 180 nights per year or more, indicating that their primary purpose is to produce an STR income. As such there are compelling arguments that, while we should protect the rights of individuals to let a room in their home or rent out their house when on holiday, the professional parts of the STR sector require regulatory systems that are more akin to hotel regulation than the current light touch approach.

We first outline the current regulatory frameworks which govern the STR sector in several states. At present, regulation is highly fragmented, mainly implemented at the local government level, and does not correspond to the scale and impact of the STR industry.

We then examine the structure and scale of Airbnb in six different regions: Melbourne, Sydney, the Northern Rivers, Mid-North Coast NSW, the Barossa Valley, and Barwon South. We show comparable data for each region before providing a more detailed examination of the density, distribution, price, utilisation rates, type of dwellings, different types of ownership and property availability in each region.

We then move on to an exploration of different international practices of STR regulation to inform options by which our current laissez-faire regulation might be made more effective. Using examples from several cities, we consider how Australian states might seek to reform STR regulation to encourage the best use of dwelling stock.

Short Term Rentals in Australia

While holiday house and apartment rentals have long been a feature of tourist towns and major cities, the growth of peer-to-peer holiday rentals, primarily through online platforms, has transformed the tourism industry worldwide.

Online peer-to-peer short-term renting is most commonly associated with the global online platform Airbnb, founded in 2007 by recent university graduates Brian Chesk and Joe Gebbia. The two created a website named 'air bed and breakfast', renting out an air mattress on the floor of their apartment to conference attendees looking for low-cost alternatives to hotel accommodation.⁸ The service was initially limited to rentals of rooms within residences, but later expanded to accommodate entire homes.⁹

Airbnb launched in Australia in 2011 and has rapidly expanded to all states and territories. Airbnb now dominates Australia's short-term rental market, accounting for around 75% of activity in the sector according to research by AirDNA.¹⁰

Airbnb and competitors with similar models have exploded in popularity, allowing for partial-home (also known as hosted) bookings, entire home bookings (often known as un-hosted bookings) and, notwithstanding local regulation, bookings of investment properties used permanently as short-term rentals.¹¹ In just four years gross revenues for Airbnb had reached \$441 million.¹² By 2023, quarterly revenue had reached \$2.8 billion, and profits had reached \$117 million.¹³

Between July 2016 and February 2019, 346,581 unique properties were listed at least once in Australia, growing by an average rate of 2.43% monthly during this period.¹⁴ The most recent estimate of the number of STR properties in Australia was 251,000 in September 2022.¹⁵ This number may have grown as the country recovers from the COVID-19 pandemic, with Airbnb's 2nd Quarter 2023 financial results reporting a global growth in active listings of 19% since the previous year.¹⁶

⁸ 'The Inside Story Behind the Unlikely Rise of Airbnb', *Knowledge at Wharton* (online, 26 April 2017) <<https://knowledge.wharton.upenn.edu/podcast/knowledge-at-wharton-podcast/the-inside-story-behind-the-unlikely-rise-of-AirBnB/>>.

⁹ Daniel Guttentag, 'Airbnb: Disruptive Innovation and the Rise of an Informal Tourism Accommodation Sector' (2015) 18(12) *Current Issues in Tourism* 1192 ('Airbnb').

¹⁰ Lucas Baird, 'Airbnb Wins the Battle for Australia's Short-Term Rental Market', *Australian Financial Review* (online, 10 April 2019) <<https://www.afr.com/property/residential/AirBnB-wins-the-battle-for-australia-s-short-term-rental-market-20190410-p51ctw>>.

¹¹ Nicole Gurran and Peter Phibbs, 'When Tourists Move In: How Should Urban Planners Respond to Airbnb?' (2017) 83(1) *Journal of the American Planning Association* 80 ('When Tourists Move In').

¹² <https://theaustralian.com.au/national-affairs/state-politics/AirBnB-wins-backing-in-battle-over-new-policy/news-story/feb5c473a5e21856b2f90e11c36fd7ed>

¹³ <https://news.airbnb.com/airbnb-q1-2023-financial-results/>

¹⁴ Thomas Sigler and Radoslaw Panczak, 'Ever Wondered How Many AirBnBs Australia Has and Where They All Are? We Have the Answers', *The Conversation* (online, 13 February 2020) <<https://theconversation.com/ever-wondered-how-many-AirBnBs-australia-has-and-where-they-all-are-we-have-the-answers-129003>>.

¹⁵ Cait Kelly, 'Rental Crisis: Airbnb and Holiday Home Owners Urged to Let out Properties to Long-Term Renters', *The Guardian* (online, 28 April 2023) <<https://www.theguardian.com/australia-news/2023/apr/17/rental-crisis-AirBnB-and-holiday-home-owners-urged-to-let-properties-out-to-long-term-renters>>.

¹⁶ Airbnb, 'Airbnb Q2 2023 Financial Results' (3 August 2023) <<https://news.AirBnB.com/AirBnB-q2-2023-financial-results/>>.

Airbnb, hotels and consumer preferences

The ability to occupy an entire property, rather than a single room, for a relatively low cost has been a key driver of Airbnb's popularity among tourists and travellers. Analysis of North American consumer motivations for choosing short-term rental properties over hotels found that Airbnb was chosen due to comparatively low cost for the provision of household amenities and a larger rentable space.¹⁷ Jang et al. (2019) note that platform-based short-term rentals generally provide kitchens, fridges, and clothes-washing facilities, providing convenience and potential cost-savings compared with dining out or using laundry services while staying in a traditional hotel.¹⁸

Airbnb is also praised for its flexible, informal model, granting tourists authentic experiences in lesser-known neighbourhoods compared with traditional hotel experiences.¹⁹ Guttentag et al. (2017) note that many visitors are not necessarily attracted by an Airbnb property itself, but by the prospect of staying in a neighbourhood outside the central tourist district.²⁰

As a consequence, local residents in many tourist hotspots have expressed unhappiness with the impact of STR rentals on local amenity, including safety concerns due to unfamiliar guests, waste management issues, disorderly behaviour and a loss of community due to the displacement of permanent residents.²¹ Safety concerns may also drive consumers to prefer hotel accommodation²², with the degree of risk inherent in the model of entering a home belonging to a stranger seen as unfavourable to some prospective customers.²³

Community benefits and costs

Airbnb and other platform-based short-term rentals' flexible model can decentralise tourist activity from traditional resort districts, aiding local businesses in hinterland regions.²⁴

Airbnb hosting is promoted as a flexible source of additional income to help households meet rent and mortgage payments or other cost-of-living pressures.²⁵ Airbnb hosting also grants local residents the

¹⁷ Guttentag (n 2).

¹⁸ Jichul Jang et al, 'Understanding U.S. Travellers' Motives to Choose Airbnb: A Comparison of Business and Leisure Travellers' (2019) 19(3) *International Journal of Tourism Sciences* 192 ('Understanding U.S. Travellers' Motives to Choose Airbnb').

¹⁹ Shirley Nieuwland and Rianne van Melik, 'Regulating Airbnb: How Cities Deal with Perceived Negative Externalities of Short-Term Rentals' (2020) 23(7) *Current Issues in Tourism* 811 ('Regulating Airbnb').

²⁰ Daniel Guttentag et al, 'Why Tourists Choose Airbnb: A Motivation-Based Segmentation Study' (2018) 57(3) *Journal of Travel Research* 342 ('Why Tourists Choose Airbnb').

²¹ Nieuwland and van Melik (n 7).

²² Manuel J Sánchez-Franco and Maria Elena Aramendia-Muneta, 'Why Do Guests Stay at Airbnb versus Hotels? An Empirical Analysis of Necessary and Sufficient Conditions' (2023) 8(3) *Journal of Innovation & Knowledge* 100380 ('Why Do Guests Stay at Airbnb versus Hotels?').

²³ Ka Yin Poon and Wei-Jue Huang, 'Past Experience, Traveler Personality and Tripographics on Intention to Use Airbnb' (2017) 29(9) *International Journal of Contemporary Hospitality Management* 2425.

²⁴ Gurrán and Phibbs (n 3).

²⁵ Ibid.

opportunity to recoup some of the community costs from an influx of tourism. Gurran et al. (2020) cite the example of Port Fairy, Victoria, in which residents lease their homes to patrons of the local Folk Music Festival to take advantage of the “cash cow” caused by sudden flows of visitors to the town during the festival weekend.²⁶

Airbnb and other short-term rentals are criticised for intensifying gentrification and housing unaffordability, with the growth of year-round, entire home listings reducing overall housing stock and driving affordability pressures for longer-term residents.²⁷ The higher market rates for short-stay accommodation compared with long-term rentals is said to create an “overwhelming incentive” for property owners to list dwellings on platforms such as Airbnb rather than renting to longer term tenants.²⁸ This has led to a global professionalisation of platform-based short-term rentals.²⁹

International research highlights the potential for short-term letting to enhance racial and economic disparities. Murray Cox’s 2017 study of (often illegal) Airbnb listings in New York City found that hosts in all the top 20 most popular predominately black neighbourhoods for Airbnb listings were white. Cox argues that this disparity grants white hosts the vast majority of economic benefits derived from the presence of Airbnbs, while the majority black population of these communities experience economic and social costs associated with gentrification.³⁰

Similarly, it has been noted that the pool of households that can profit from Airbnb hosting is likely limited. Households lacking digital literacy, living in less popular neighbourhoods and homes with less desirable physical appearances are unlikely to benefit from the growth of home-sharing.³¹

The effects of platform-based short-term rentals appear to vary by location. Analysis by Professor Nichole Gurran and her colleagues in 2020 found that the amenity and housing affordability effects of Airbnb vary based upon a location’s existing tourist sector.³² The authors note that the “touristification” effects of a growth in short-term rentals are weaker in areas where tourist flows are mostly limited to a single season, such as towns hosting festivals and other seasonal tourist drawcards. They also suggest that towns already operating as ‘resort towns’ with a high concentration of existing tourist facilities may be less likely to feel pressure from Airbnb.

In these cases, short-term-rentals diversify rather than overrun the tourist sector. However, Gurran et al. argue that Airbnb has become invasive in certain hotspots across Australia, leading to mass conversion of entire properties to short-term rentals. This narrative is reflected in the community concerns raised in

²⁶ Nicole Gurran, Yuting Zhang and Pranita Shrestha, “‘Pop-up’ Tourism or ‘Invasion’? Airbnb in Coastal Australia’ (2020) 81 *Annals of Tourism Research* 102845 (“Pop-up” Tourism or “Invasion”?).

²⁷ Gurran and Phibbs (n 3).

²⁸ Dayne Lee, ‘How Airbnb Short-Term Rentals Exacerbate Los Angeles’s Affordable Housing Crisis: Analysis and Policy Recommendations Student Notes’ (2016) 10(1) *Harvard Law & Policy Review* 229.

²⁹ Jelke R Bosma, ‘Platformed Professionalization: Labor, Assets, and Earning a Livelihood through Airbnb’ (2022) 54(4) *Environment and Planning A: Economy and Space* 595 (‘Platformed Professionalization’).

³⁰ Murray Cox, *Inside Airbnb: The Face of Airbnb, New York City- Airbnb as a Racial Discrimination Tool* (1 March 2017) <<http://insideAirBnB.com/reports/the-face-of-AirBnB-nyc.pdf>>.

³¹ Gurran and Phibbs (n 3).

³² Gurran, Zhang and Shrestha (n 14).

certain hotspots.³³ The authors suggest that invasion of Airbnb may be more likely in cases where supply of alternative tourist accommodation is low, with Airbnb becoming the primary accommodation option.³⁴

Evidence has been found of a link between a reduction of short-term rental listings and a growth in longer-term rental availability and affordability. In 2017, research into the effect of Airbnb on vacancy rates in Sydney found that the number of properties listed on Airbnb was equal to 144% of vacant long-term rental properties. This means that for every one property available for long-term renting there were 1.44 properties available for short-term renting on Airbnb alone.³⁵

In smaller markets, the effect of STRs has been shown to be potentially far more serious, with even very small shifts of dwellings from the long-term to the short-term market can have major consequences: research has shown that the removal of just 195 dwellings from Hobart's long-term rental market is enough to shift the vacancy rate from 2% (where rent prices do not grow), to 1% (where long-term rent prices will accelerate).³⁶

Examination of rental market trends during the COVID-19 pandemic in Sydney, Hobart and the NSW South Coast found that as tourist flows eased and halted during lockdowns and related COVID-19 restrictions, long-term rental prices fell. In Hobart, where Airbnb had a larger share of total dwellings, a decline in Airbnb use was attributed to over half of the share of rent decreases in Hobart during the pandemic.³⁷

Regulation of Short-Term Rentals in Australia

Most states and local councils in Australia have taken a more laissez-faire approach to regulating Airbnb and similar online short-term rental platforms. Much government action has targeted the social disruption caused by flows of guests into properties, including procedures for noise complaints, minimum parking requirements and guest codes of conduct, rather than addressing housing affordability and rental stock supply issues caused by STRs. This contrasts with more restrictive regulations such as caps on the number, location and size of short-term rentals which have been seen across many major tourist destinations worldwide.

However, in recent years, state and local governments have begun reviewing and introducing legislation aimed at addressing affordability pressures driven by the growth in short-term rentals.

³³Mostafa Rachwani, 'Short-Term Rentals Destroying "Social Fabric" of Region, Byron Bay Residents Tell Inquiry', *The Guardian* (online, 22 February 2023) <<https://www.theguardian.com/australia-news/2023/feb/21/byron-bay-faces-housing-crisis-as-short-term-rentals-such-as-AirBnB-surge-residents-say>>.

³⁴ Gurran, Zhang and Shrestha (n 14).

³⁵ <https://www.sydney.edu.au/news-opinion/news/2017/01/19/the-community-impact-of-AirBnB-calls-for-closer-scrutiny.html>

³⁶ Peter Phibbs and Julia Ely, MONITORING THE IMPACT OF SHORT-TERM RENTALS ON TASMANIAN HOUSING MARKETS. BASELINE REPORT - JUNE 2022 (Shelter Tasmania, 2022) <https://shelertas.org.au/wp-content/uploads/2022/01/STR-Baseline-Report-June-2022_FINAL-combined-files.pdf?fbclid=IwAR386MznlGCz3-vhtzY-wNQS4bJS24FbQPIex7dGN6wW79dMAI9oy4gILxY>.

³⁷Caitlin Buckle et al, *Marginal Housing during COVID-19* (Marginal housing during COVID-19, Australian Housing and Urban Research Institute Limited, 2020) <<https://www.ahuri.edu.au/research/final-reports/348>>.

This has included the passage of New South Wales's *State Environmental Planning Policy (Affordable Rental Housing) Amendment (Short-term Rental Accommodation) 2021*. This amendment aims to "[s]upport short-term rental accommodation as a home-sharing activity and contributor to local economies, while managing the social and environmental impacts from this use"³⁸ by limiting the number of days a property can be used as a non-hosted short-term rental, (in which the host does not reside on the premises at the same time as paying guests) to 180 days a year in areas nominated by local council, most notably including the Greater Sydney area.³⁹ The amendment followed a suite of other short-term rental regulations in New South Wales, including the introduction of a short-term rental registry and code of conduct.⁴⁰

Queensland is currently reviewing the impact of short-term rentals on the state's long-term rental market. Effects on housing affordability and availability, tourism, communities, and property owners are being explored as part of this review.⁴¹ Several councils, including Brisbane City Council, also require development permission for entire-home short-term rentals. Brisbane has recently increased council rates for entire-home short-term rental properties, with the aim of returning properties to the longer-term rental market.⁴² Hobart City Council is also enacting this change.⁴³

The Western Australian Government has begun developing a framework for short-term rental sector regulation, involving a proposed registration system and requiring short-term rental accommodation providers to register their property before operating and advertising. Under the proposal, short-term accommodation would require development approval if operating for more than 60 days a year. This would not include hosted accommodation. Local governments would retain regulatory discretion for short-term rental accommodation, based on local conditions and community sentiment. Relevant regulatory amendments are expected to be implemented throughout 2023.⁴⁴

Tasmania has implemented a rental permit system, requiring hosts to provide permit numbers and details of the location of their short-term rental dwelling to STR platforms.⁴⁵ However, for many councils implementing a permit system can be challenging under existing planning schemes, as there are very limited grounds for refusing an application.⁴⁶

³⁸ State Environmental Planning Policy (Housing) 2021 (NSW) s 109

³⁹ <https://www.planning.nsw.gov.au/policy-and-legislation/housing/short-term-rental-accommodation>

⁴⁰ Fair Trading NSW, 'Laws for Short-Term Rental Accommodation' <<https://www.fairtrading.nsw.gov.au/about-fair-trading/legislation-and-publications/changes-to-legislation/laws-for-short-term-rental-accommodation>>.

⁴¹ Steven Miles, 'State Government to Look at Short-Term Rental Impact on Housing', *The Queensland Cabinet and Ministerial Directory* <<https://statements.qld.gov.au/statements/96369>>.

⁴² Lucy Stone, 'Brisbane City Council to Hike Rates on Short-Stay Properties like Airbnb to Tackle Rental Crisis', *ABC News* (online, 15 June 2022) <<https://www.abc.net.au/news/2022-06-15/qld-brisbane-city-council-budget-rates-AirBnB-rental/101153020>>.

⁴³ Clancy Balen, 'Hobart City Council Doubles Rates for Short-Stay Properties in 8-3 Vote', *ABC News* (online, 20 June 2023) <<https://www.abc.net.au/news/2023-06-20/tas-hobart-council-doubles-rates-for-short-stay-properties/102495636>>.

⁴⁴ Government of Western Australia, 'Short Term Rental Accommodation' (14 December 2022) <<https://www.wa.gov.au/organisation/departments-of-planning-lands-and-heritage/short-term-rental-accommodation>>.

⁴⁵ *Short Stay Accommodation Act 2019 (TAS)*.

⁴⁶ Peter Phibbs and Julia Ely, *MONITORING THE IMPACT OF SHORT-TERM RENTALS ON TASMANIAN HOUSING MARKETS. BASELINE REPORT - JUNE 2022* (Shelter Tasmania, 2022) <https://shelertas.org.au/wp-content/uploads/2022/01/STR-Baseline-Report-June-2022_FINAL-combined-files.pdf?fbclid=IwAR386MznIGCz3-vhtzY-wNQs4bJS24FbQPIex7dGN6wW79dMAI9oy4gllXy>.

The Landscape of Short Term Rentals in Australia

To explore the landscape of short term rentals, the following section uses a snapshot of Airbnb, using the *Inside Airbnb* dataset.⁴⁷ This dataset scrapes all the available data about listings on Airbnb at a particular point in time. The majority of the data comes from scrapes carried out in mid-March 2023, with the exception of the Mid-North Coast dataset, which was undertaken in May 2023.

Because of the way that the *Inside Airbnb* data is arranged, and because the impact of STRs are so localised, we explore the impact of Airbnb at the regional level. We have focussed on several high impact areas, with some of the effects relating only to that area, and some effects more broadly applicable.

The regions we focus on in this analysis are:

1. Sydney
2. Melbourne
3. Byron
4. The Northern Rivers
5. The Mid-North Coast
6. Barossa Valley

Key Findings

- In the six regions studied for this report, there are over 86,693 properties listed on Airbnb alone. Airbnb represents an estimated 75% of the STR market.⁴⁸ This means that the total STR market in the six regions included in this paper is likely around 115,591.
- Previous research has estimated that around 251,000 dwellings are listed on STR platforms.⁴⁹ This is equal to 2.3% of all dwellings, and 7.6% of all rental dwellings. However, prior to the COVID19 pandemic the number of STR dwellings was closer to 400,000,⁵⁰ roughly equivalent to 2.7% of all dwellings and 12% of all rental dwellings.
- The potential effects of Airbnb on the residential rental market are highly localised. At the LGA and suburb level, there are significant differences in Airbnb density. For example, in Blairgowrie, nearly a third of all dwellings are listed on Airbnb, while neighbouring suburbs had far lower densities. This speaks to the need for regulation to be locally sensitive and data-driven in order to be effective.
- In all areas studied, the income from short-stay rental properties had the potential to exceed median annual rental yields from long-term residential tenancies in fewer than 100 nights booked

⁴⁷ <http://insideairbnb.com/>

⁴⁸ <https://www.afr.com/property/residential/airbnb-wins-the-battle-for-australia-s-short-term-rental-market-20190410-p51ctw>

⁴⁹ <https://www.abc.net.au/news/2022-12-29/influence-of-air-bnb-on-australian-rental-crisis/101809556>

⁵⁰ *ibid*

at the average price charged on Airbnb. Gaps between median residential rents and Airbnb listing prices were more severe in regional areas than in capital cities.

- A significant proportion of properties are not adhering to restrictions on short-term rental operations in New South Wales. Despite recent legislation restricting bookings to 180 nights within the relevant regions, 22.15% of listings in Sydney and 21.03% of listings in the Byron Shire Council exceeded 180 nights booked in the year preceding the data gathering conducted in March 2023.
- Despite the majority of active listings being available year-round, many listings are booked for a total of less than two months annually. 58% of listings in the Mornington Peninsula and 57% of listings in the Northern Rivers were booked for fewer than 60 nights a year. This indicates that a significant proportion of housing stock is effectively vacant for the majority of the year.
- A number of 'mega-hosts' managing dozens of properties were identified in each city. Extreme examples included a portfolio of 182 listings by a single host in Sydney. Properties managed by 'mega-hosts' included several informal hotels comprising clusters of listings by a single host in one location.

Extreme localisation of impact

The proportion of Airbnb dwellings is highly variable across regions, LGAs and neighbourhoods. For example, nearly 4.5% of all dwellings in the Northern Rivers are listed on Airbnb, compare to just 0.8% of dwellings in Melbourne.

Table 1
Airbnb Listings as a Share of All Dwellings (Region)

| Region | Airbnb listings | Total dwellings | Airbnb as a percentage of all dwellings |
|----------------------|-----------------|-----------------|---|
| Barossa Valley | 286 | 11,013 | 2.60% |
| Melbourne | 16,198 | 2,057,482 | 0.79% |
| Mid-North Coast | 4,389 | 110,738 | 3.96% |
| Mornington Peninsula | 4,583 | 152,273 | 3.01% |
| Northern Rivers | 6,090 | 137,447 | 4.43% |
| Sydney | 16,420 | 2,076,284 | 0.79% |

Within each region, the distribution of Airbnb dwellings across different localities is also highly variable, with nearly 16% of dwellings in Byron being listed, compared to 3.32% in Tweed.

Table 2
Airbnb Listings as a Share of All Dwellings (by locality)⁵¹

| <i>Locality</i> | <i>Airbnb listings</i> | <i>All Dwellings</i> | <i>Airbnbs as a percentage of all dwellings</i> |
|------------------------|------------------------|----------------------|---|
| <i>Byron</i> | 2,690 | 16,915 | 15.90% |
| <i>Tweed</i> | 1,479 | 44,576 | 3.32% |
| <i>Kyogle</i> | 35 | 4,672 | 0.75% |
| <i>Richmond Valley</i> | 88 | 10,671 | 0.82% |
| <i>Clarence Valley</i> | 860 | 20,065 | 4.29% |
| <i>Ballina</i> | 774 | 20,832 | 3.72% |
| <i>Lismore</i> | 164 | 19,716 | 0.83% |
| <i>Point Nepean</i> | 2197 | 20,509 | 10.71% |

However, the localisation of effects is better understood at the suburb level. For example, in the town of Blairgowrie on the Mornington Peninsula, nearly a third of dwellings are listed on Airbnb, far higher than some neighbouring suburbs. Similarly, slightly under a quarter of all dwellings in New Brighton are Airbnb listed, twice the proportion of homes in Brunswick Heads. This means that in New Brighton there are more than double the number of Airbnb dwellings as there are renter households, while in Brunswick Heads there are fewer than half.

This significant difference within local markets shows the need for a carefully and localised regulation. Costs and benefits will be highly sensitive to the local impact of increases in tourism revenue versus the loss of residential rental properties.

Table 3
Airbnb Listings as a Share of All Dwellings (Suburb/Town level)

| <i>Suburb</i> | <i>Airbnb listings</i> | <i>All Dwellings</i> | <i>Airbnb as a percentage of all dwellings</i> | <i>Total renter households</i> | <i>Airbnbs as a % of rental households</i> |
|------------------------|------------------------|----------------------|--|--------------------------------|--|
| <i>Blairgowrie</i> | 369 | 1,144 | 32.3% | 153 | 241% |
| <i>Brunswick Heads</i> | 138 | 1125 | 12.3% | 312 | 44% |
| <i>New Brighton</i> | 53 | 222 | 23.9% | 25 | 212% |

⁵¹ While Inside Airbnb datasets largely include breakdowns by LGA level, this information is not supplied for the Barossa Valley and Mornington Peninsula datasets, which are broken down by towns/suburbs (largely or entirely located within single LGAs). More information relating to datasets can be found at <https://www.kaggle.com/samibrahim/datasets>

Short-term and long-term rental yields

Table 4 summarises median rental prices for each region of study and the average Airbnb price. It shows that there is significant difference between average Airbnb yield and median annual rent yields. Yet despite this variability, an average Airbnb can out earn the median annual residential rental yield within 73 days. While this isn't a like-for-like comparison, as Airbnb dwellings tend to be larger than average rental dwellings and are frequently in more desirable locations, it nevertheless shows the scale of difference in potential STR earnings compared to the LTR alternative.

For Sydney and Melbourne, the average Airbnb yield did not match median annual residential rental yield. This may be due to a higher concentration of single room bookings in cities and more hosts renting their space occasionally while travelling compared to a higher ratio of professional hosts in high tourism areas.

Table 4
Median Long-Term Rents and Airbnb Income

| Location | Average nights booked on Airbnb | Average price per night on Airbnb | Average income on Airbnb | Median weekly rent ⁵² | Annual median rental yield | Average Airbnb yield compared to annual median rental yield | Airbnb nights to equal annual rental yield |
|----------------------|---------------------------------|-----------------------------------|--------------------------|----------------------------------|----------------------------|---|--|
| Barossa Valley | 93 | \$402 | \$28,094 | \$320.01 | \$15,975 | +\$12,119 | 39.7 |
| Melbourne | 69 | \$290 | \$16,833 | \$423.06 | \$21,119 | -\$4,286 | 72.8 |
| Mid-North Coast | 61 | \$339 | \$18,801 | \$357.97 | \$17,870 | +\$931 | 52.7 |
| Mornington Peninsula | 52 | \$563 | \$18,796 | \$391.60 | \$19,549 | -\$753 | 34.7 |
| Northern Rivers | 52 | \$544 | \$16,951 | \$271.19 | \$13,538 | +\$3,413 | 24.9 |
| Sydney | 49 | \$363 | \$13,154 | \$509.84 | \$25,451 | -\$12,297 | 70.1 |

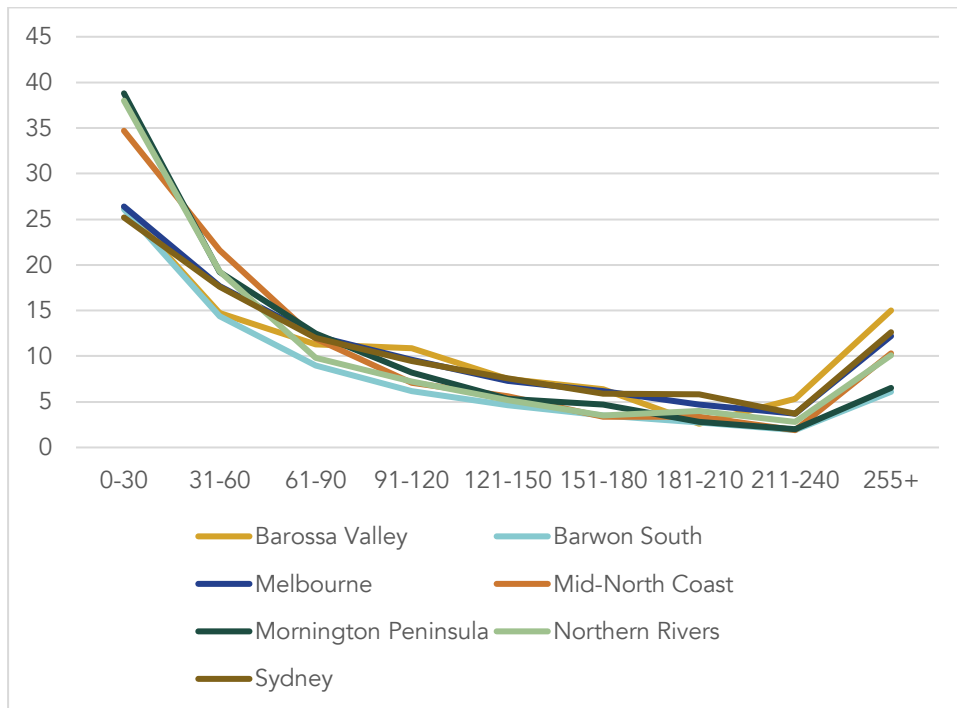
⁵² Rent prices taken from 2021 LGA census data and adjusted for subsequent CPI rental changes

Annual Bookings

The number of nights each listing was booked in the 12 months prior to the data analysis was also examined (see Figure 1).⁵³

In general, coastal and regional areas such as the Northern Rivers area, Mornington Peninsula and Mid-North Coast NSW tended to have higher concentrations of listings booked for fewer than 30 nights than did the major cities included in this analysis. An exception to this rule was the Barossa Valley.

Figure 1
Occupancy rates on Airbnb by Number of Days (%)



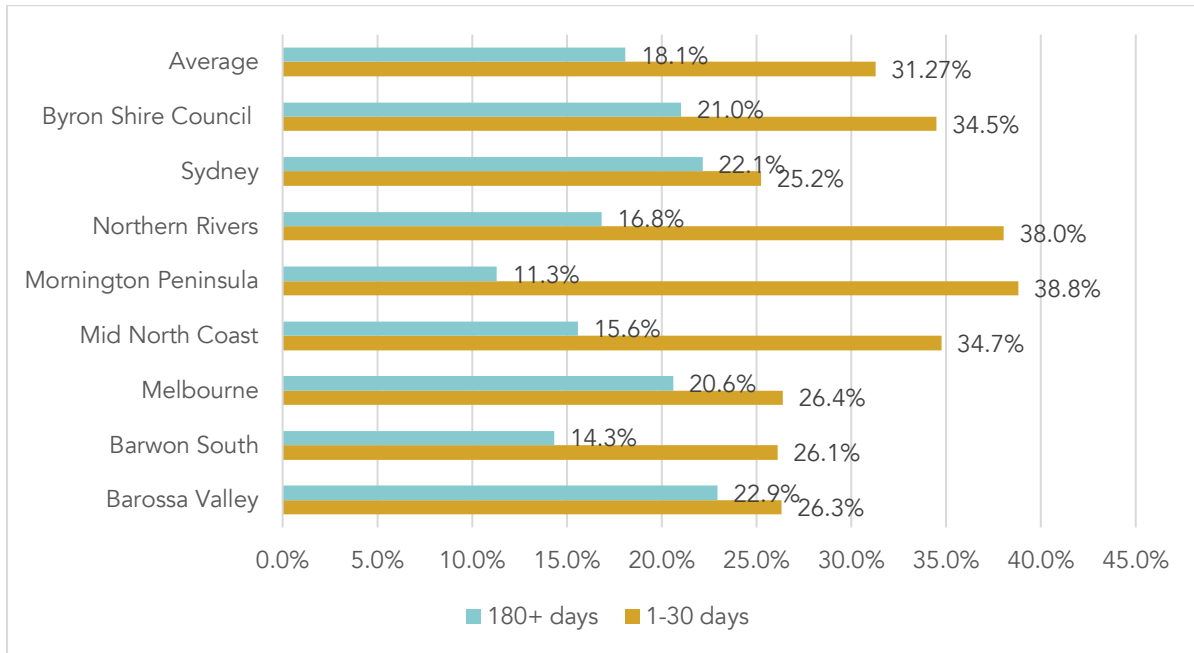
At least 10% of listings in all areas examined exceeded 180 nights booked in the past 12 months. The Barossa Valley was home to the highest proportion of listings booked for more than 180 nights at 22.93%, while bookings in the Mornington Peninsula were the least likely to exceed this number of nights.

Local tourist visitation flows influence the number of annual bookings. For example, beach towns in southern Australia may experience periods of low visitation in the colder months due to inclement weather, unlike cities with a larger range of attractions offered year-round.

⁵³ Bookings that were not booked for at least one night in 2022 were classified as “inactive” and excluded from this analysis.

Dates on which data scrapes were undertaken vary based on location. A list of corresponding dates can be found at <https://www.kaggle.com/samibrahim/datasets>

Figure 2
Occupancy: Share of Low- and High-Use Airbnbs

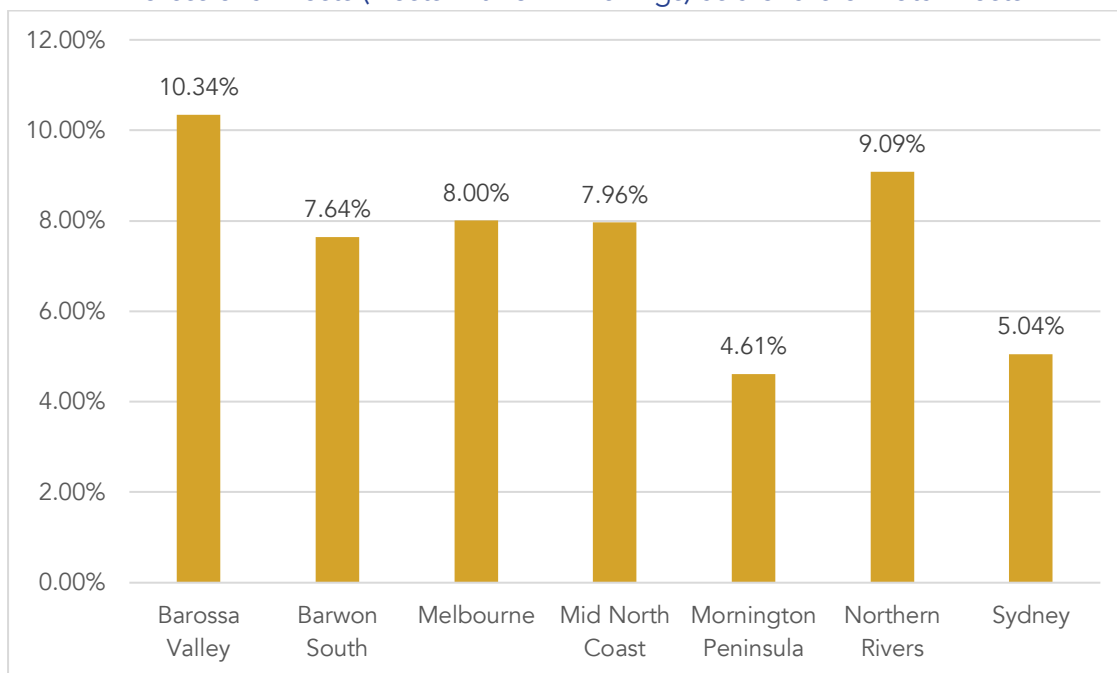


Professional hosts

For the purposes of this paper we define “professional hosts” as those with three or more Airbnb properties. Such hosts are more likely to host guests all year round, compared to non-professional hosts who may rent out a room in their home or use a second property as a holiday home. Professional hosts are also more likely to have engaged the services of property managers and professional cleaners to maintain the property year-round.

Based on our classification, we find that the share of professional hosts is between 4% and 10% of hosts in the regions studied (see Figure 3).

Figure 3
Professional Hosts (Hosts with 3+ Dwellings) as a Share of Total Hosts



Several different kinds of professional hosts were uncovered during the analysis.

Firstly, many hosts with multiple listings were real estate agents or property management companies whose profiles and websites invited homeowners to list their properties with the company. Certain property management companies specialise in short-stay accommodation, with some operating at a national scale.

A second class of professional hosts comprises incorporated owners of holiday rental companies. These companies tended to have a website external to their Airbnb profile and, unlike short stay property management companies, do not invite homeowners to list their properties with their company.

Finally, a number of individuals appeared to be managing a large property portfolio alone. These individuals appear to own the properties they manage, as they do not advertise property management services to other homeowners.

Case Studies

Barossa Valley

Long-Term Rental vacancies are extremely low within the Barossa Valley’s major towns and surrounding regions. The vacancy rate in Gawler on the edge of the Valley fell to as low as 0.1% in mid-2022, and was sitting at 0.3% in April 2023.⁵⁴ Vacancy rates in nearby Nuriootpa have been equally low, with less than 0.1% vacancy at multiple points in 2022, rising slightly to 0.4% by April 2023.⁵⁵

Regulation

Planning permission is required to use an existing residential dwelling as any form of visitor accommodation in the Barossa Valley. Operators of Airbnb or other forms of short-stay accommodation must also submit a “B&B food and pool questionnaire”, surveying compliance with standards for pool maintenance and disinfection, as well as notifying the Council or the role of hosts in food preparation.⁵⁶

Distribution

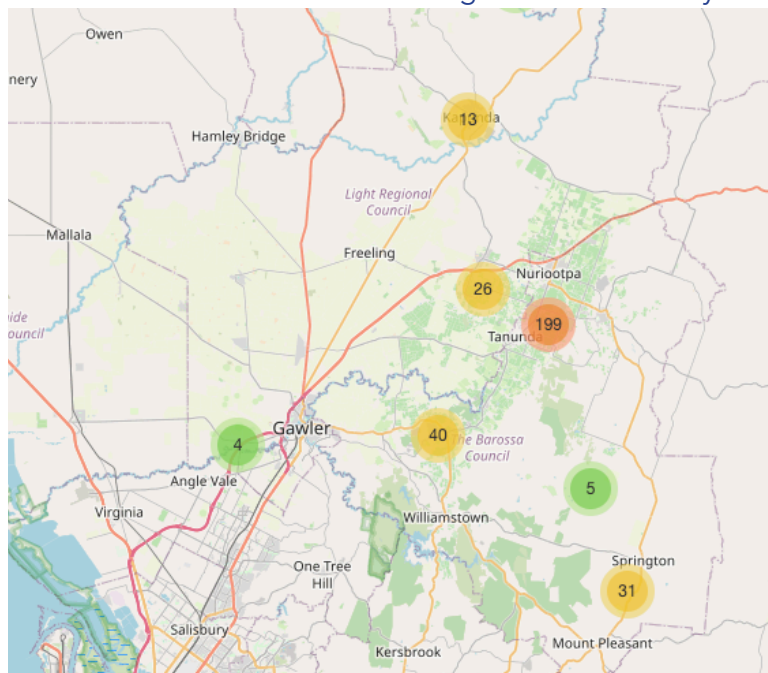
The Barossa Valley’s listings are clustered around the towns of Angaston and Tanunda, two towns which have long been tourist hotspots due to a high concentration of wineries, restaurants and heritage sites. Other hotspots, including Lyndoch and Kapunda, are small townships whose accommodation likely largely exists to serve surrounding wineries, many of which also function as wedding and events spaces.

⁵⁴ SQM Research, ‘RESIDENTIAL VACANCY RATES POSTCODE 5118’ (22 May 2023) <https://sqmresearch.com.au/graph_vacancy.php?postcode=5118&t=1>.

⁵⁵ SQM Research, ‘RESIDENTIAL VACANCY RATES POSTCODE 5355’ (22 May 2023) <https://sqmresearch.com.au/graph_vacancy.php?postcode=5355&t=1>.

⁵⁶ The Barossa Council, ‘Development and Business’ <<https://www.barossa.sa.gov.au/development-business/short-term-accommodation>>.

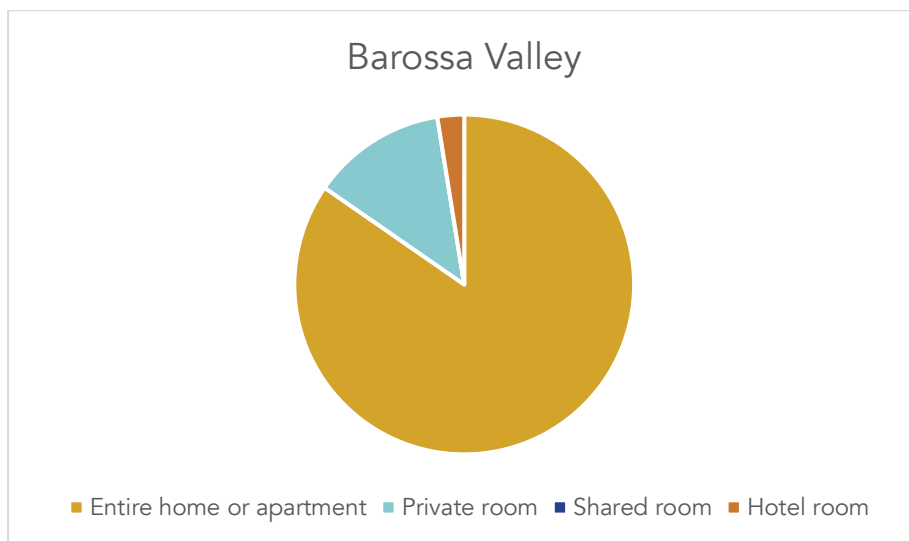
Figure 4
Distribution of Airbnb Dwellings in Barossa Valley



Types of Dwellings on Airbnb

87.7% of STR dwellings in the Barossa Valley are entire home dwellings, where there is a far smaller market for private room dwellings. However, these dwellings may form a part of larger ‘bed and breakfast’ establishments. Several listings are located in clusters with identical or similar listing names connected to identical co-ordinates. For example, nine listings in Mount Pleasant from the same hosts with shared co-ordinates are listed under the name “Kesehills Wines Shared Villa”. Upon a search of the Airbnb site, it became evident that all listings are located within a single winery.

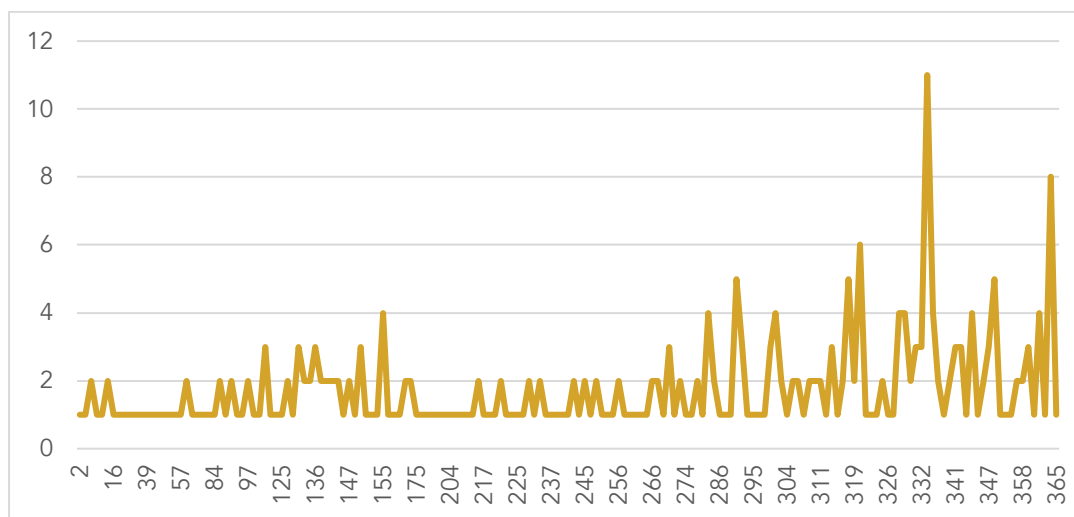
Figure 5
Share of whole dwelling/private rooms in Barossa Valley



Utilisation and Price

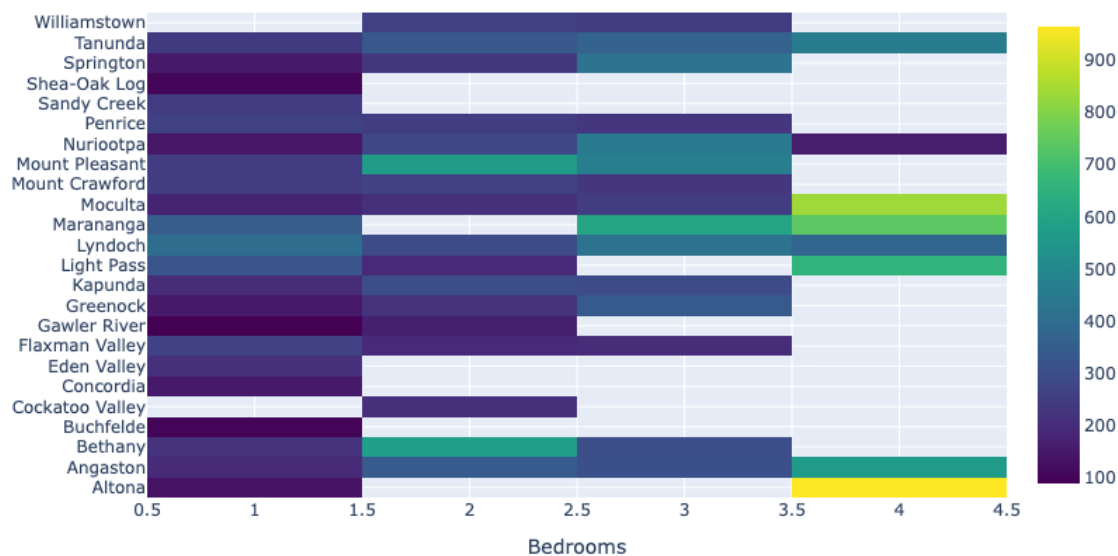
The Barossa Valley has a high proportion of dwellings utilised as short-term rentals year-round. 40 dwellings (15%) are available 255 days or more, indicating that they function entirely as holiday rentals, with hosts rarely or never occupying the premises as holiday rentals.

Figure 6
Distribution of Listing Availability in Barossa Valley



The average price for a two-bedroom STR in the region varied between LGAS, most of all between Gawler, where the average is \$165, and Bethany, where the average is \$582.

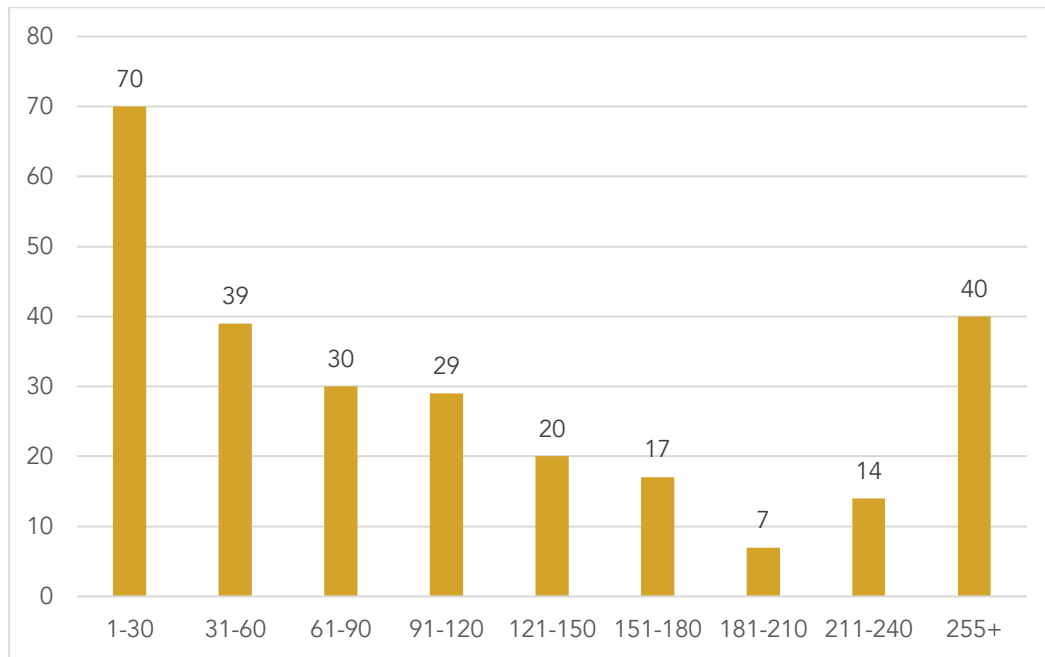
Figure 7
Average STR price by Neighbourhood and number of Bedrooms in Barossa Valley



Bookings

When compared to coastal holiday regions such as the Mid-North Coast, Northern Rivers and Mornington Peninsula, the Barossa Valley has fewer properties booked for less than a month (26.3%). The region also has the highest rate among all regions studied of listings booked for over 255 nights a year (15.0%). A possible explanation for this is that wineries and wedding venues tend to attract visitors year-round, unlike beach towns which are more susceptible to seasonal flows of guests. Additionally, the Barossa Valley was home to the fewest active listings overall, possibly increasing demand for a scarce number of properties.

Figure 8
Distribution of Airbnbs by Nights Booked in Barossa Valley



Melbourne

Melbourne’s bayside area, CBD, inner-city suburbs, and the Mornington Peninsula region have been identified as short-term rental hotspots.⁵⁷ Concentrations of short-term rentals as total housing stock reached 3 and 4 per cent in popular suburbs such as St Kilda, Collingwood, Fitzroy and Carlton as of mid-2022. These postcodes also had high proportions of unoccupied homes on Census night 2021, indicating many properties may be used for short-term letting.⁵⁸

Regulation

Regulation of short-stay accommodation is currently limited in Victoria. Many of the state’s existing regulations have originated at council level. Such regulations generally relate to the management of noise and disruptive behaviour by occupants, with many councils not requiring a use or development permit for short-term rentals. Some councils have also implemented a registration scheme and guidelines for the cancellation of short-term accommodation permits based on disruptive behaviour.^{59 60}

⁵⁷ Tawar Razagi, ‘“Hotspots” Reduce Long-Term Rentals in Sydney and Melbourne. New Research Finds’, *Domain* (online, 8 November 2018).

⁵⁸ Josh Nicholas, ‘Rent Is Skyrocketing in Australia. Is Airbnb Responsible for Driving up Prices?’, *The Guardian* (online, 12 September 2022).

⁵⁹ Josh Nicholas, *Ibid*

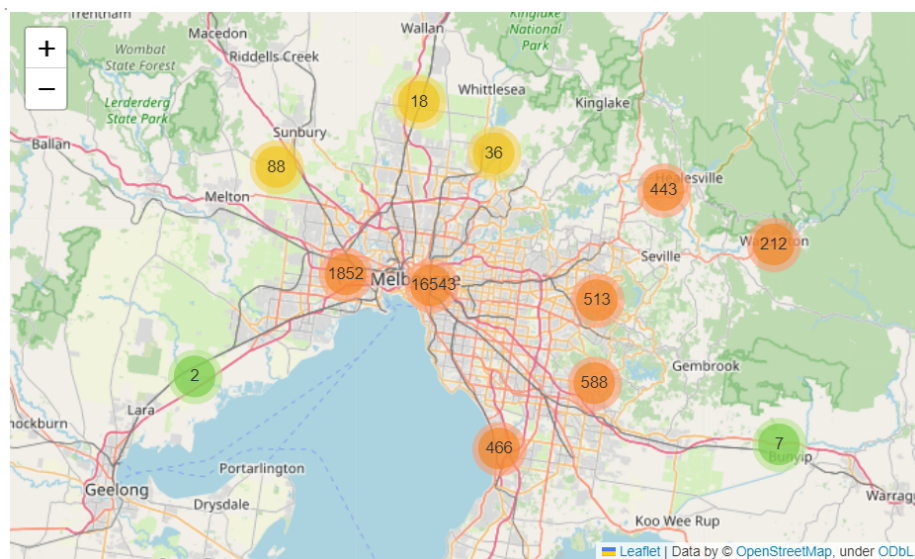
⁶⁰ Frankston City, ‘[Short Stay Rental Accommodation Registration](#)’.

Regulation at state level addressing the management of short-stay accommodation in buildings managed by a body corporate were introduced by the Owners Corporation Amendment (Short-Stay Accommodation) Act 2018. This change gives VCAT the power to manage disruptive behaviour within Airbnb, introducing joint liability for such behaviour.⁶¹

The role of short-term rentals in the rental market is currently being investigated by the City of Yarra, which intends to produce a report on possible options to regulate STRs, including the option of placing annual nightly limits on properties within the LGA.⁶²

Distribution

Figure 9
Distribution of Airbnb Dwellings in Melbourne



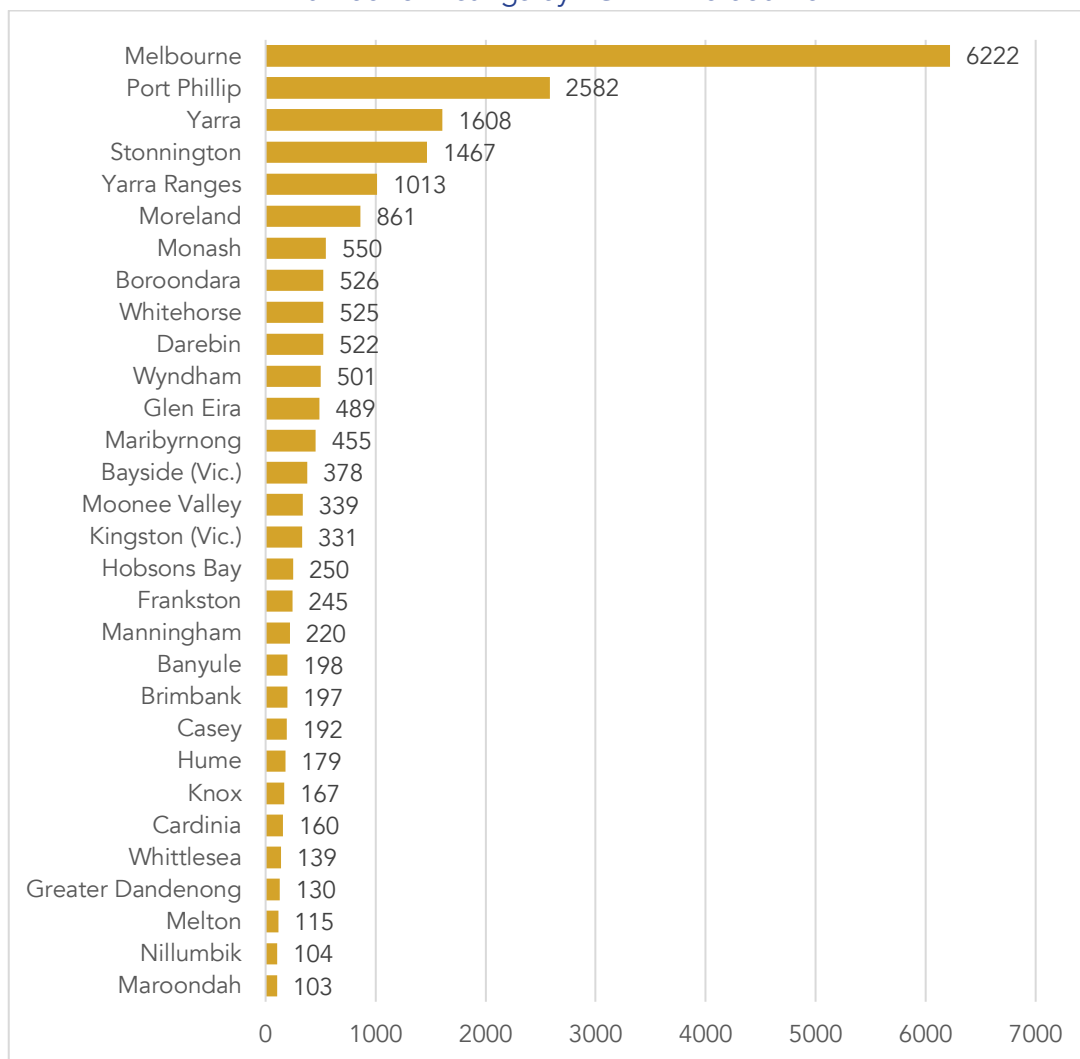
Within Greater Melbourne there are 20,768 Airbnb listings, which equates to around 1% of the total 2,057,482 private dwellings. This suggests that around 27,684 dwellings in greater Melbourne are listed as STRs across all platforms, around 1.3% of the total dwelling stock.

The city of Melbourne is by far the most popular Airbnb location, with well over 6,740 listings (see Figure 10).

⁶¹ Consumer Affairs Victoria, 'Short-Stay Accommodation - Owners Corporations' (12 November 2021).

⁶² 'Yarra Council to Probe Rules for Short-Stay Rentals', *Mirage News* (online, 18 May 2023).

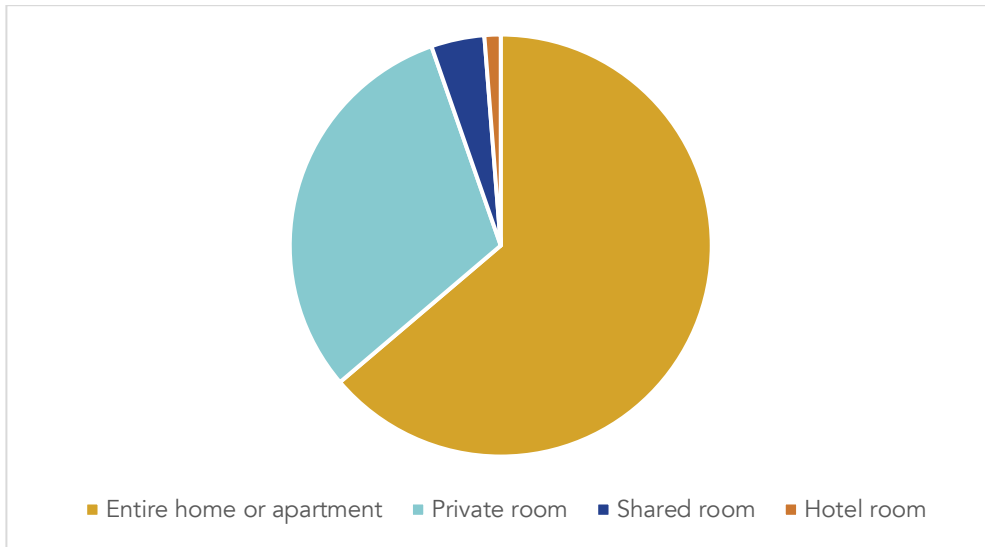
Figure 10
Number of Listings by LGA in Melbourne



Type of Dwellings on Airbnb

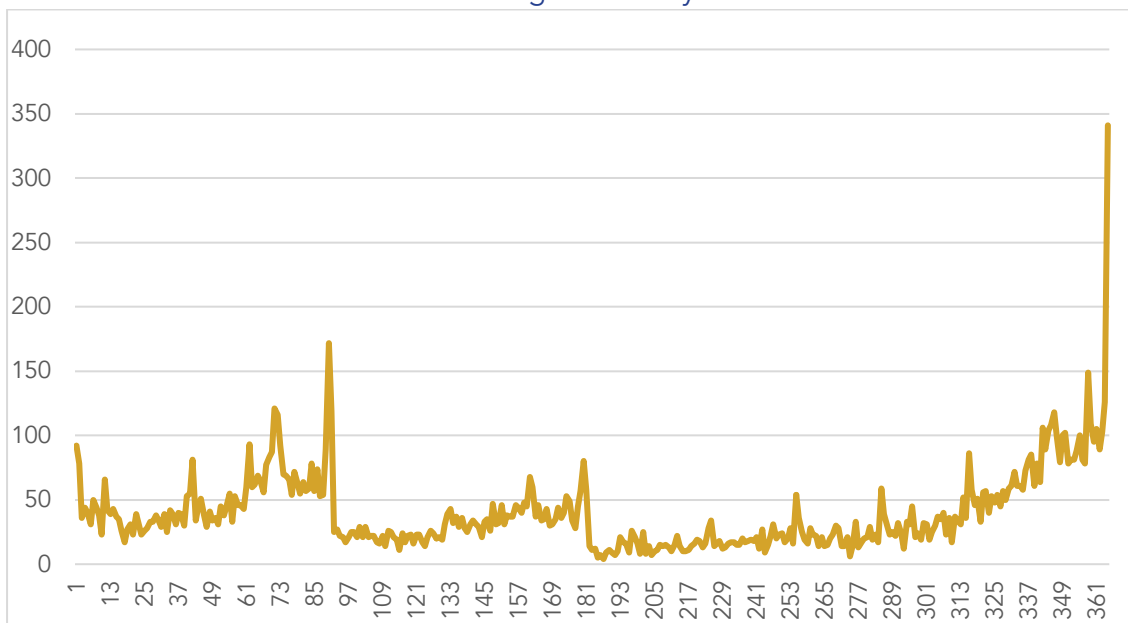
The vast majority of dwellings on Airbnb in Melbourne are whole dwellings (79.72%).

Figure 11
Share of whole dwelling/private rooms in Melbourne



In Melbourne, the most popular type of dwellings for Airbnb are those which accommodate two people, suggesting a single-bedroom apartment with a double bed. This is followed by two-room and three-room dwellings which accommodate four and six people respectively. This indicates that family homes with three or more bedrooms account for 17.42% of listings.

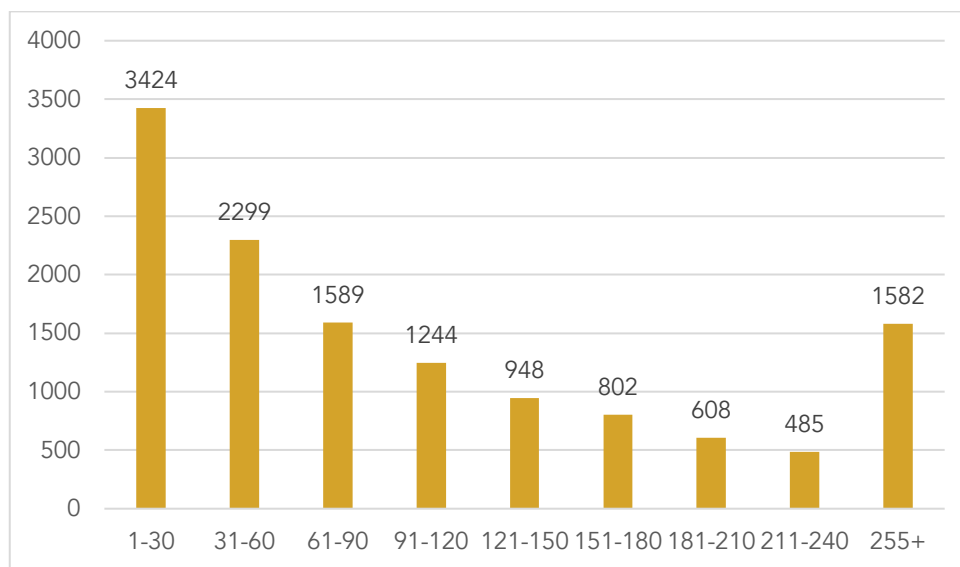
Figure 12
Distribution of Listing Availability in Melbourne



The availability of listings is spread over three clusters. By far the most popular availability of homes is 350+ nights per year, The other two clusters are at 90 nights and 180 nights availability.

Bookings

Figure 13
Nights booked annually per property in Melbourne



The most common usage pattern for Airbnbs in Melbourne was for shorter periods of time, indicating fewer professional hosts than in other regions. 44.1% of properties were booked for under 60 nights in the past 12 months, including 26.4% which were occupied for fewer than 30 days.

However, 20.61% of listings were booked for over 180 nights a year, with 12.2% booked for over 255 days. This represents a significant proportion of hosts who are seeking to occupy their properties with short-term tenants for the majority of the year, indicating a degree of professionalisation within the Airbnb sector in Melbourne.

Mega-Hosts

Several listings on Airbnb in Melbourne are hosted by a single entity. A host named “Valeria” had 290 listings on Airbnb at the time of the data analysis. Valeria, which appears to be a business rather than individual, provides a bio stating that “We specialise in offering a new and unique opportunity to...visitors... to gain superior inner Melbourne accommodation”. Other properties appear to be managed and owned by a single person, such as a group of 62 properties hosted by an individual named “Bruce” whose portfolio largely consists of units within larger apartment blocks in the CBD. This demonstrates the presence of professional AirBnB ownership and management within Melbourne.

A key question is how the STR income compares to long term rent prices. We have addressed this question in two different ways. Firstly, we compare Airbnb prices per night to weekly long term residential rents. We have used median residential rents from the 2021 census, adjusted by rent CPI up to 2023. We also compare Airbnb nightly prices with asking rents.

Table 5
Rental Yields- Short and Long Term Rentals (Popular LGAs) in Melbourne

| Location | Average nights booked on Airbnb | Average price per night on Airbnb | Average annual income on Airbnb | Median weekly LTR rent ⁶³ | Average annual income from LTR rent | Airbnb income compared to LTR rent income | Airbnb nights to equal annual average rent ⁶⁴ | Airbnb nights to equal new or "asking" annual rent ⁶⁵ |
|----------------------|---------------------------------|-----------------------------------|---------------------------------|--------------------------------------|-------------------------------------|---|--|--|
| Melbourne (All LGAs) | 69 | \$290 | \$16,833 | \$423.0 | \$ 21,119.00 | -\$4,286.00 | 72.81 | 90.37 |
| Darebin | 49 | \$223 | \$8,042 | \$413.3 | \$20,632 | \$1,029,938 | 92.52 | 109.69 |
| Port Phillip | 57 | \$322 | \$11,329 | \$455.6 | \$22,744 | \$1,135,364 | 70.63 | 89.92 |
| Yarra | 67 | \$288 | \$3,081 | \$489.2 | \$24,422 | \$1,219,165 | 84.80 | 112.66 |
| Melbourne | 85 | \$253 | \$17,542 | \$429.6 | \$21,444 | \$1,070,486 | 84.76 | 124.31 |
| Yarra Ranges | 103 | \$365 | \$31,894 | \$412.2 | \$20,578 | \$1,027,234 | 56.38 | 71.46 |

⁶³ 2021 Census data + CPI rent growth Sept21-Jun23

⁶⁴ 2021 Census data + CPI rent growth Sept21-Jun23

⁶⁵ CoreLogic asking rents

Mid-North Coast

The Mid-North Coast has a population of 285,220 people and consists of six Local Government Areas: Coffs Harbour, Bellingen, Nambucca, Kempsey, Port Macquarie Hastings, and MidCoast Council amalgamated LGA. Lord Howe Island Board is also included in the Mid-North Coast Region. The largest population centres are Coffs Harbour and Port Macquarie, with a variety of smaller coastal, inland and mountainous townships.⁶⁶

The Mid-North Coast's *Regional Plan* identifies a "tight" rental market in the area, noting that the median rent in the region has increased from \$260 per week in 2016 to \$330 per week in 2021. The Plan also notes that unoccupied homes remain a substantial proportion of housing stock in the region, with over 12,000 unoccupied residences and 81,000 spare bedrooms across the Mid-North Coast⁶⁷.

Regulation

No townships within the Mid-North Coast have opted in to the New South Wales 180 day non-hosted short-term rental limit. Under the *State Environmental Planning Policy (Housing) Act 2021*, non-hosted STRs may be considered 'exempt development' - not requiring planning approval for operation year-round.⁶⁸ Short-term rental hosts in the Mid-North Coast are required to register their properties annually in compliance with state-wide registration requirements.⁶⁹

Distribution

Airbnb listings within the Mid-North Coast are largely clustered around the Port Macquarie, Coffs Harbour and Forster areas.

⁶⁶ Regional Development Australia, *MNC Strategic Regional Plan 2023-2033* (May 2023) <https://rdamnc.org.au/wp-content/uploads/2023/05/RDA_Regional_Plan_P10.pdf>.

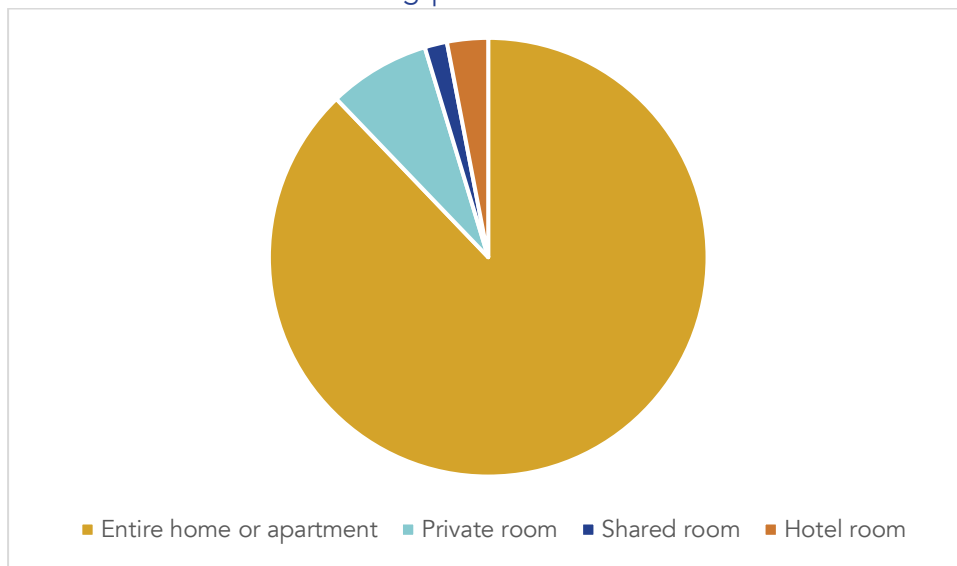
⁶⁷ Ibid.

⁶⁸ NSW Department of Planning and Environment, 'Frequently Asked Questions; Short Term Rental Accommodation (STRA)' (September 2022)

<<https://www.planningportal.nsw.gov.au/sites/default/files/documents/2022/FAQ%27s%20Rules%20for%20STRA%202022.pdf>>.

⁶⁹ Ibid.

Figure 14
Share of whole dwelling/private rooms in Mid-North Coast



Utilisations and Income

Figure 15
Distribution of Listing Availability in Mid-North Coast

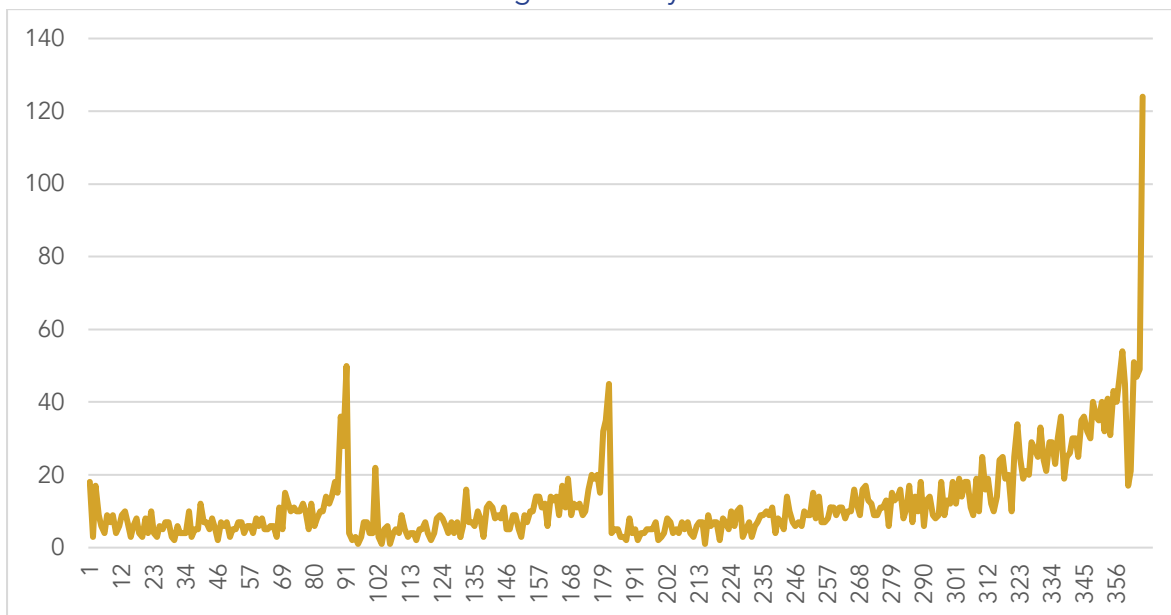


Figure 16
Number of listings available by date in Mid-North Coast



The above chart maps listing availability over time.

A noticeable dip in availability of dwellings can be seen in late December and early January. While 2609 dwellings were available to rent on the 17th of December 2022, this number dropped to 1505 by the 31st of December. This could be attributed to holiday-home owners using the property for their own families over the Christmas break. Other causes could be hosts' unwillingness to host groups over the new year periods due to fears of parties, or conflicting holiday plans of hosts unable to cater to the needs of guests at this time. If it is due to holiday home owners, that would indicate that around two-fifths of Airbnb listings in the Mid-North Coast are holiday homes.

Bookings

As in Melbourne, most properties listed on Airbnb in the Mid-North Coast were not booked for much of the year. 34.7% of properties (1,272) were booked for fewer than 30 nights, with an additional 791 booked for between one and two months. This could reflect a decline in demand over winter months, hosts' own utilisation of a property, or the use of other online booking sites such as Booking.com to secure bookings for a single listing.

However, 15.57% of properties were booked for more than 180 nights a year. Most of these properties were booked for more than 255 days in the year, suggesting that a portion of the market is seeking to use properties as short-term rentals year-round.

Figure 17

Average price by Neighbourhood and number of Bedrooms in Mid-North Coast

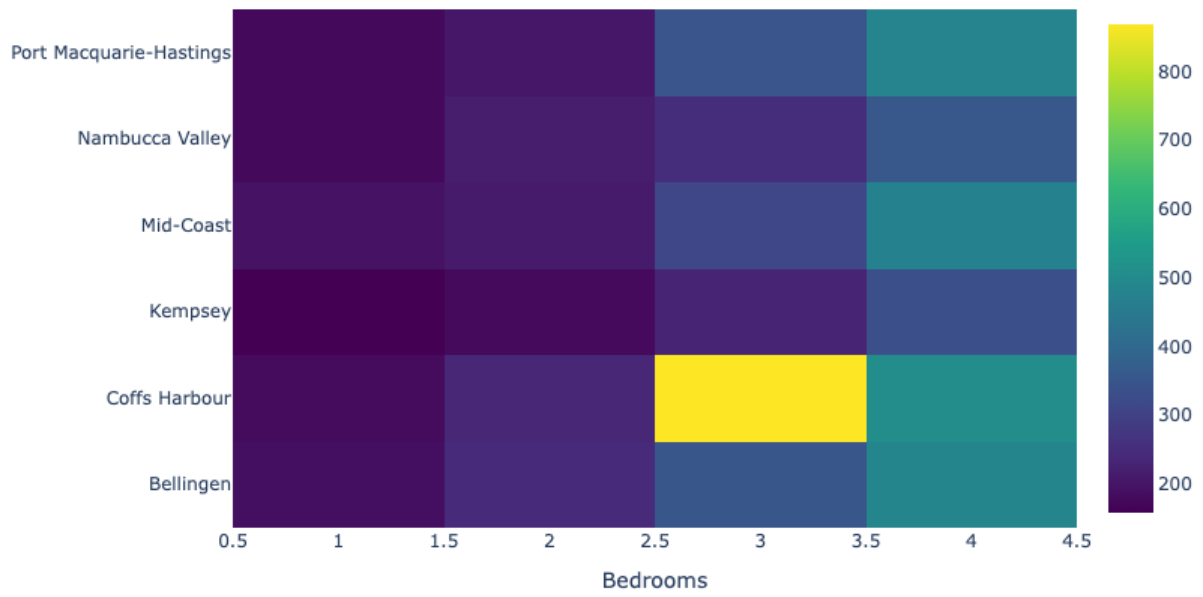
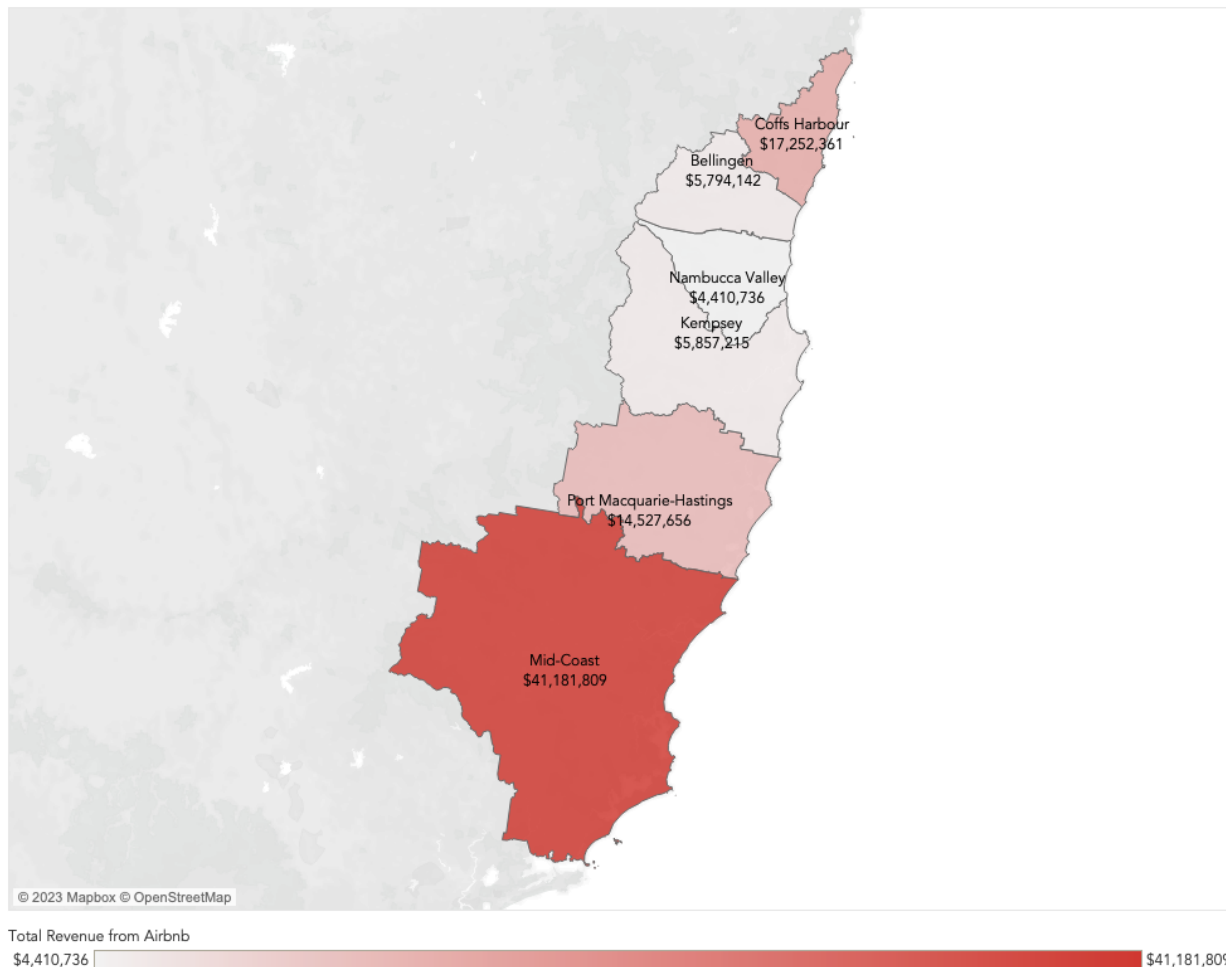


Figure 18
Total annual revenue from Airbnb bookings in Mid-North Coast



The majority of revenue from Airbnb in this region is clustered in the Mid-Coast LGA. In the 12 months prior to the scrape, \$41.2 million in revenue was made from all Airbnb bookings. This is followed by the Coffs Harbor area, with \$17.5 million in total annual revenue.

Mornington Peninsula

The Mornington Peninsula is home to some of the highest concentrations of short-term rental properties in Victoria.⁷⁰ The Peninsula is also experiencing a rental affordability crisis with extreme increases in rents occurring during the COVID-19 pandemic. Seven of the eight Victorian postcodes with the highest increases in rent prices between January 2020 and 2022 were located on the Mornington Peninsula.⁷¹

Regulation

Despite housing affordability concerns in the area, efforts to regulate Airbnb in the Mornington Peninsula have largely centred upon noise, parking and other negative effects on neighbourhood amenity. The Mornington Shire Council's *2018 Short Stay Accommodation Local Law* provides guidelines for the required standards for the occupation and operation of short-term rentals. The Law establishes that owners are responsible for the conduct of occupants and specifies that owners must apply to register their property, with a registration fee payable every 12 months.

Owners must also designate a contact person for their property. This contact person must respond to complaints from neighbour within two hours. The Council also sets out a code of conduct establishing acceptable behaviour within a short-term rental, prohibiting excessive noise and aggressive behaviour.⁷²

Distribution

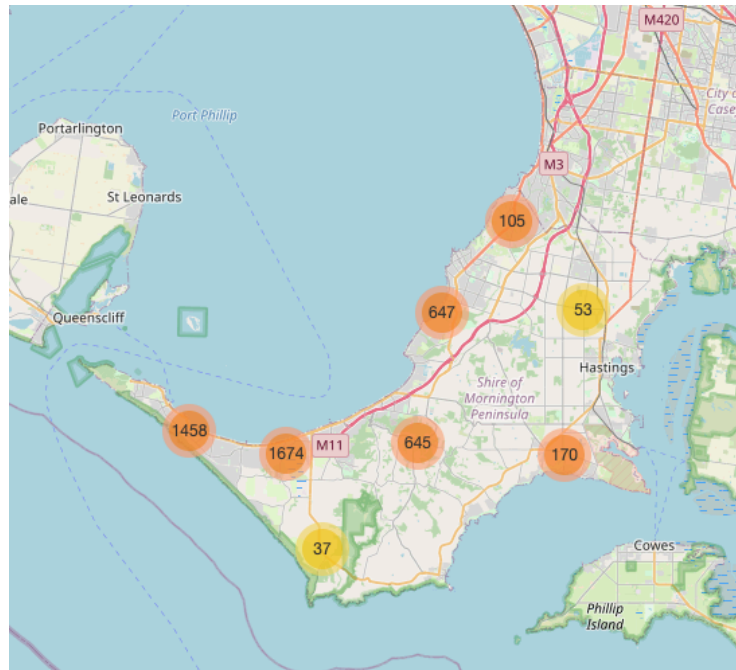
Airbnb properties are scattered across much of the Peninsula, with particularly high concentrations in the Point Nepean area.

⁷⁰ Nicholas (n 44).

⁷¹ Adeshola Ore, "'I'm Terrified": Residents of Victoria's Mornington Peninsula Hit Hard by Pandemic Rent Rises', *The Guardian* (online, 17 March 2022) <<https://www.theguardian.com/australia-news/2022/mar/17/im-terrified-residents-of-victorias-mornington-peninsula-hit-hard-by-pandemic-rent-rises>>.

⁷² Mornington Peninsula Shire, 'Short Stay Rental Accommodation Local Law' <<https://www.mornpen.vic.gov.au/Online-Forms-and-Services/Short-Stay-Rental-Accommodation-Local-Law>>.

Figure 19
Distribution of Airbnb Dwellings in the Mornington Peninsula



Types of Dwellings on Airbnb

Figure 20
Share of whole dwelling/private rooms in Mornington Peninsula

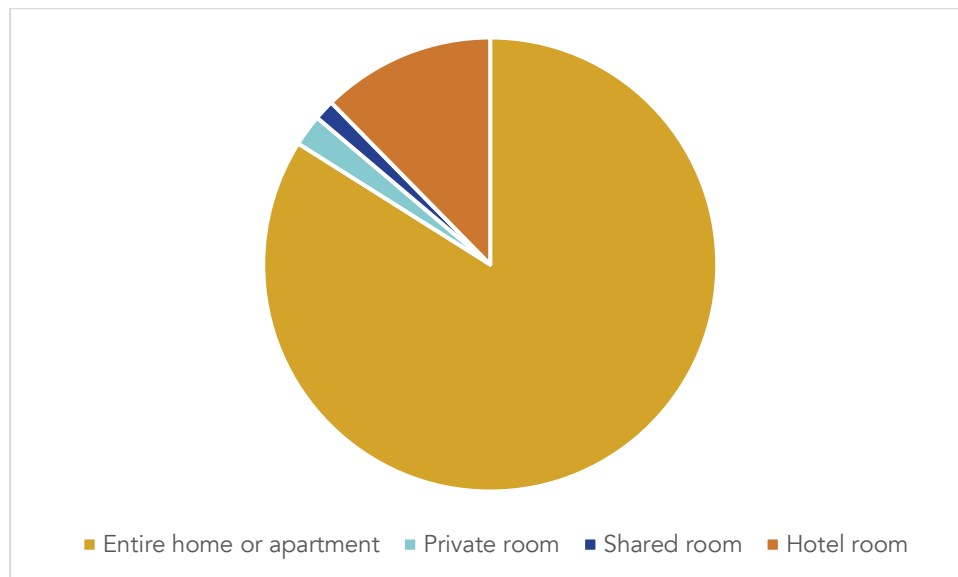
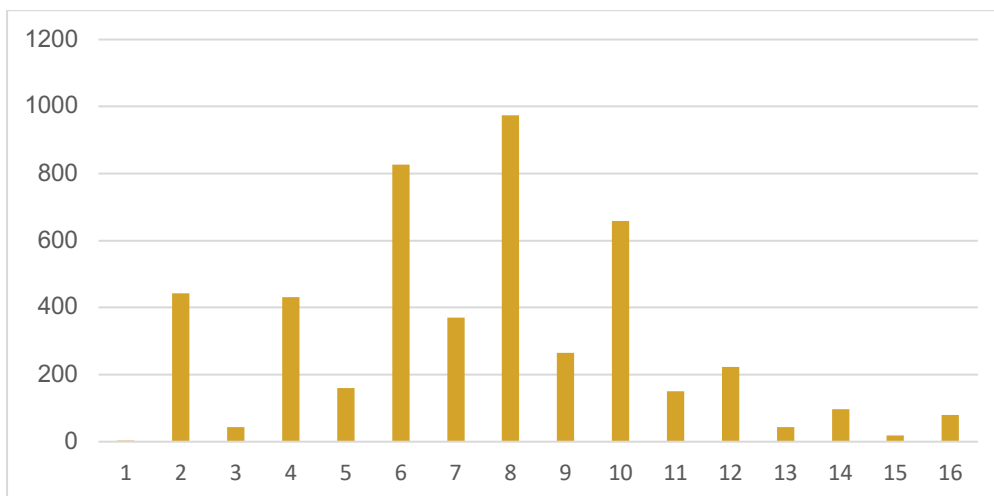


Figure 21
 Number of bookings by guests accommodated in Mornington Peninsula

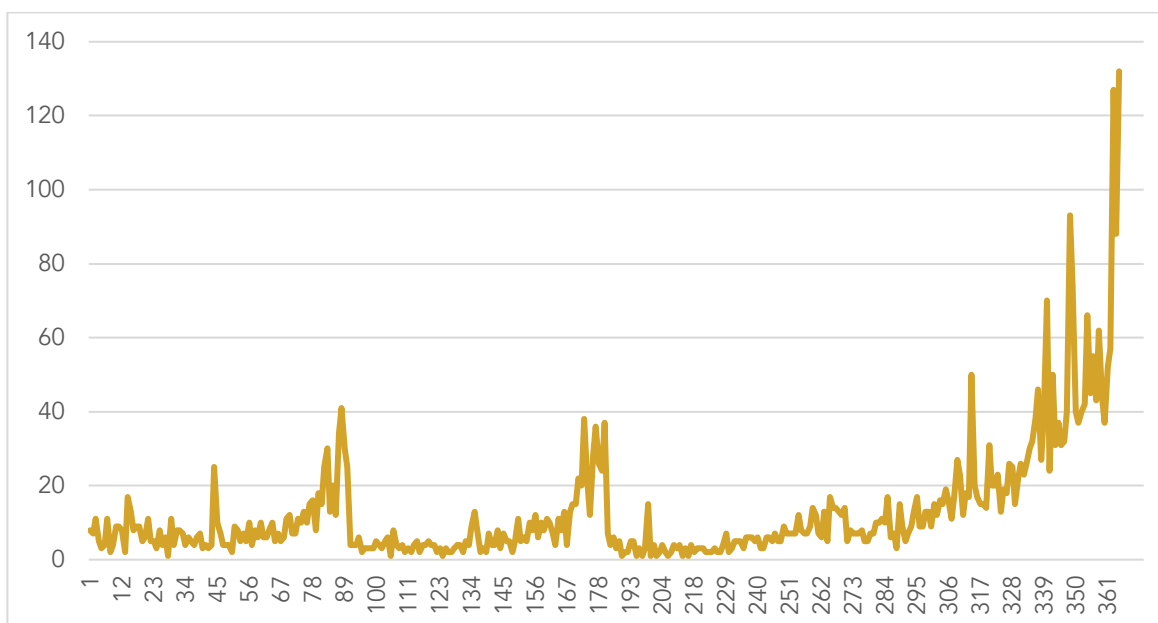


Large homes are popular Airbnb properties in the Peninsula, with the majority of properties sleeping more than two people and 52.43% sleeping eight or more people. Very few private rooms are available on the Mornington Peninsula.

Utilisations and Income

Nonwithstanding some spikes at the 90- and 180-day marks, the majority of Airbnb properties in the Mornington Peninsula are available year-round.

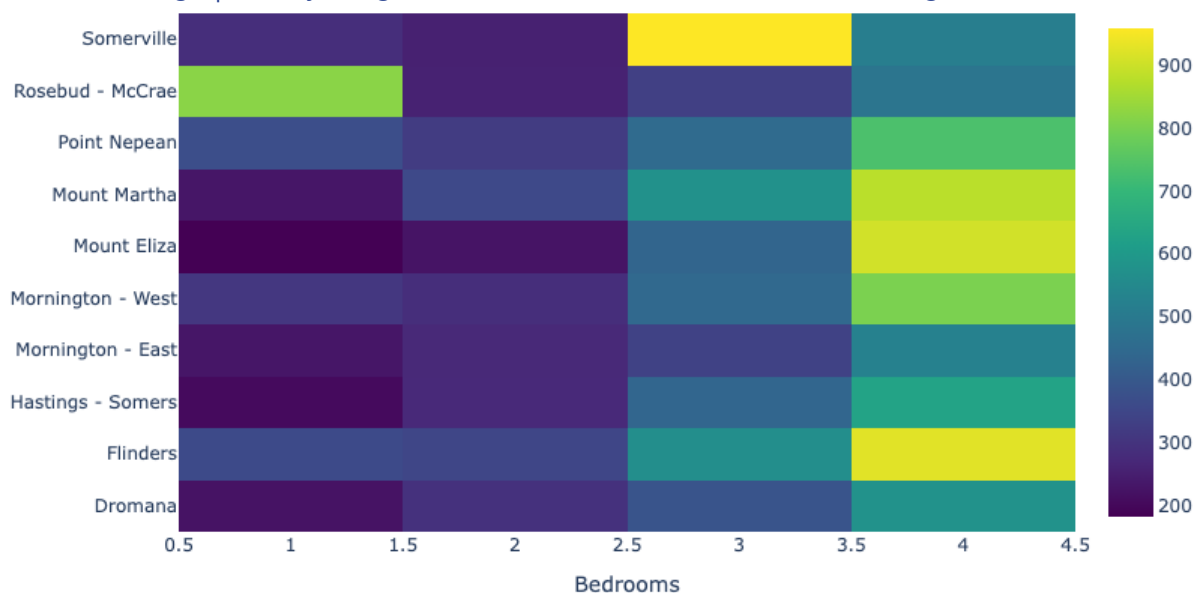
Figure 22
 Distribution of Listing Availability in Mornington Peninsula



Among the most expensive region for short-term rentals is the Rosebud/McCrae area, where a one-bedroom apartment will cost \$81.49 per night on average. This is concerning, given that Rosebud has already been identified as a site of wealth inequality within Mornington Peninsula region.⁷³ In particular, Rosebud West was identified as one of the state’s lowest-earning postcodes in 2017.⁷⁴

Figure 23

Average price by Neighbourhood and no. Bedrooms in Mornington Peninsula



Bookings

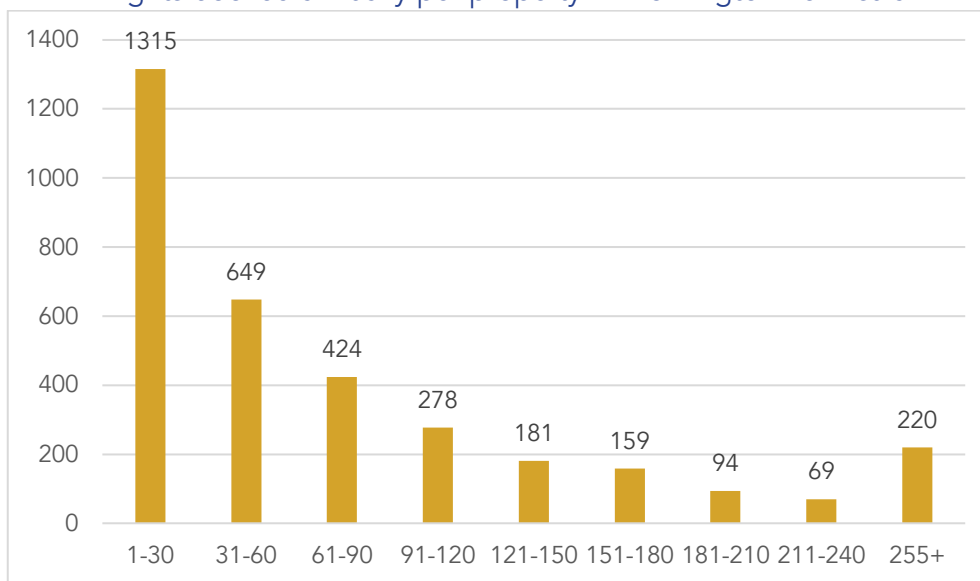
Among the regions studied, the Mornington Peninsula has the lowest rate of properties booked for 180 nights or more, at just 11.30% of total STR stock. 1315 properties were booked for fewer than 30 days a year, while an additional 791 were booked for between 30 to 60 nights a year. 220 properties were booked for more than 255 days. This may be in part due to Victoria’s comparatively colder winter temperatures, with some properties likely primarily catering to guests seeking a summer beach holiday. Additionally, many hosts may be renting out their own family holiday homes occasionally.

⁷³ Nathan Lambert, ‘Victoria’s Twenty Largest Clusters of Disadvantage’, *Medium* (18 March 2020) <<https://nathan7x.medium.com/victorias-twenty-largest-areas-of-disadvantage-332c5b4190d8>>.

⁷⁴ Andrew Morton and Craig Butt, ‘Income Gap between Melbourne’s Richest and Poorest Suburbs Is Widening’, *The Age* (online, 12 April 2017) <<https://www.theage.com.au/national/victoria/income-gap-between-melbournes-richest-and-poorest-suburbs-is-widening-20170412-gvjtt9.html>>.

Figure 24

Nights booked annually per property in Mornington Peninsula



Mega-Hosts

Despite comparatively low rates of year-round bookings, Mornington Peninsula is home to a variety of ‘mega-hosts’ with dozens of properties. Many of these are property management companies, such as the short-stay office of Jellis Craig Real Estate, which hosts 141 properties on the Peninsula. Short-stay accommodation is evidently a large enough market within the rental sector in this region to merit the establishment of separate offices of traditional Real Estate companies to manage these properties.

Other mega-hosts initially appear to be single entities, however upon interrogation are in fact short-stay management businesses. For example, a listing named “Dave” is linked to a larger management company with over 100 listings offering 20-40% more returns on short-term rental listings than on long-term listings.

Northern Rivers

Background

The Northern Rivers region of New South Wales consists of the Tweed, Byron, Ballina, Clarence Valley, Richmond Valley, Lismore and Kyogle Local Government Areas, with a population of approximately 310,857.⁷⁵ Tourism attributed approximately \$870.8 million to the Northern Rivers regional economy in 2021/22.

However, key areas such as Byron Bay have been identified as over-tourism hotspots, with the region's popularity driving overcrowding, upward pressure on house prices, excess traffic and strains on infrastructure.^{76,77} The Byron Shire's *Draft Sustainable Visitation Strategy 2020-2030* estimates as many as 3.83 million people could be visiting the Shire annually by 2030. The strategy also notes that the Byron Shire had more short-term rental listings than all but three Greater Sydney Local Government Areas.⁷⁸

The Greater Northern Rivers area is currently recovering from its worst flooding disaster on record, with an estimated 1,3000 people displaced by flooding in the region. This has created acute housing stress, with vacancy rates below 1% and rates of housing stress reaching 59% among rental households.⁷⁹

Regulation

The *State Environmental Planning Policy (Housing) Act 2021* regulation limits the number of days a property may be classed as 'exempt development' to 180 nights a year in Ballina, Byron Shire and certain parts of the Clarence Valley.

Hosted STRs may continue to operate 365 nights a year. As in all of New South Wales, hosted and unhosted dwellings must be registered on the New South Wales Short-term Rental Accommodation Register before they are advertised and rented out. Booking platforms must verify that premises are registered before advertising. Fees are also payable upon registration.⁸⁰

⁷⁵ Regional Development Australia, 'Northern Rivers', *Regional Development Australia Sydney* <<https://rdasydney.org.au/regions/northern-rivers/>>.

⁷⁶ Byron Shire Council, *Draft Byron Shire Sustainable Visitation Strategy 2020 - 2030* (No E2020/39638, 24 March 2020) <<https://www.byron.nsw.gov.au/files/assets/public/hptrim/economic-development-industries-development-tourist-strategies-sustainable-visitation-strategy-2019-2029/byron-shire-draft-sustainable-visitation-strategy-2020-2030-public-exhibition-version.pdf>>.

⁷⁷ Aslan Shand, 'Byron Bay Gets Noted in Europe – for Overtourism', *Byron Bay Echo* (online, 7 June 2019) <<https://www.echo.net.au/2019/06/byron-bay-gets-noted-europe-overtourism/>>.

⁷⁸ Byron Shire Council (n 35).

⁷⁹ Northern Rivers Community Foundation, *Housing and Homelessness in a Flood Recovery Final Report* (12 September 2022) <<https://nrcf.org.au/wp-content/uploads/2022/12/Housing-and-Homelessness-in-a-Flood-Recovery.pdf>>.

⁸⁰ NSW Department of Planning and Environment, 'Frequently Asked Questions; Short Term Rental Accommodation (STRA)' (September 2022) <<https://www.planningportal.nsw.gov.au/sites/default/files/documents/2022/FAQ%27s%20Rules%20for%20STRA%202022.pdf>>.

Byron Shire Council has prepared a proposal to further reduce non-hosted short-term rental accommodation in much of the Shire. This proposal would involve the insertion of a new clause into the *State Environmental Planning Policy (Housing) 2021* limiting non-hosted short-term rentals to 90 nights, removing the Byron Shire from a list of 'prescribed areas' in which the 180 day limit is in force.

The Proposal also includes amending the precincts in which short-term rentals would be permitted year-round. This includes regions in East and West Byron Bay and Brunswick Heads. According to the proposal, these areas have "already been taken up almost exclusively" by short-term rentals. The plan will therefore leave these areas as short-term rental-friendly areas, while "limiting the time dwellings may be used as [short-term rentals] in areas that currently have fewer non-hosted [short-term rental] dwellings".⁸¹

While a 15 December Council meeting led to the decision to progress the Proposal, in December 2022 the Minister for Planning withdrew Council's responsibility for the Planning Proposal. The decision will now be made by the Minister, who has requested a review of the Proposal by the Independent Planning Commission NSW.⁸²

The Independent Planning Commission's Panel released an advice report on the 24th of April 2023 noting that the Byron Shire's proposed 'hard' 90-day cap would not reach its stated objectives. The Panel noted that the 90-day cap was low enough to create adverse outcomes from a drop in visitors to the region, but not so low that it would lead to return a substantial number of properties to the long-term rental market. The Panel instead recommended that short-term rentals be subject to a 60-day exempt development cap, with non-hosted rentals being permissible with development consent.⁸³

Distribution

Airbnb properties in the Northern Rivers region are largely clustered in the Byron Shire, followed by the Tweed and Clarence Valley. Over 1000 Airbnb properties are clustered in the Byron Bay township, with over 100 on a single street in central Byron Bay.

⁸¹ <https://www.byron.nsw.gov.au/Your-Say-Byron-Shire/Short-term-rental-accommodation-Planning-Proposal>

⁸² Byron Shire Council, *Byron Shire Council Submission to Independent Planning Commission: Short Term Rental Accommodation Planning Proposal* (February 2023) <<https://www.byron.nsw.gov.au/Your-Say-Byron-Shire/Short-term-rental-accommodation-Planning-Proposal>>.

⁸³ Sheridan Coakes, Juliet Grant and Richard Mackay, *Byron Shire Short-Term Rental Accommodation Planning Proposal* (Advice Report).

Figure 25
Distribution of Airbnb Dwellings in the Northern Rivers

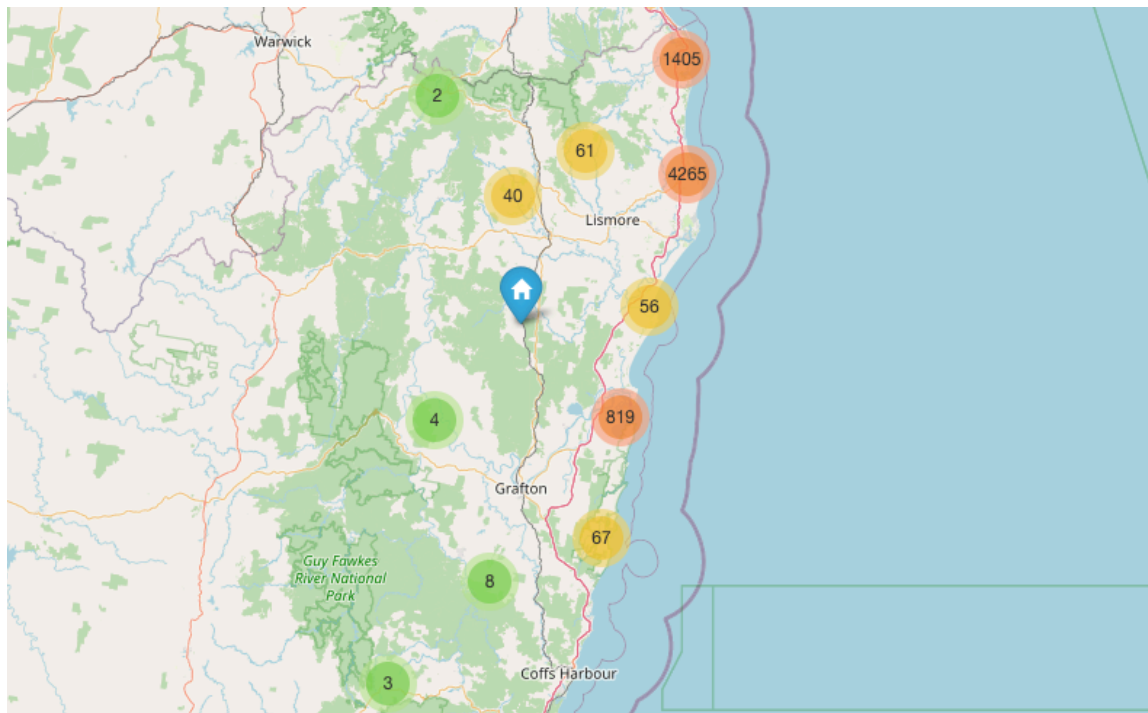
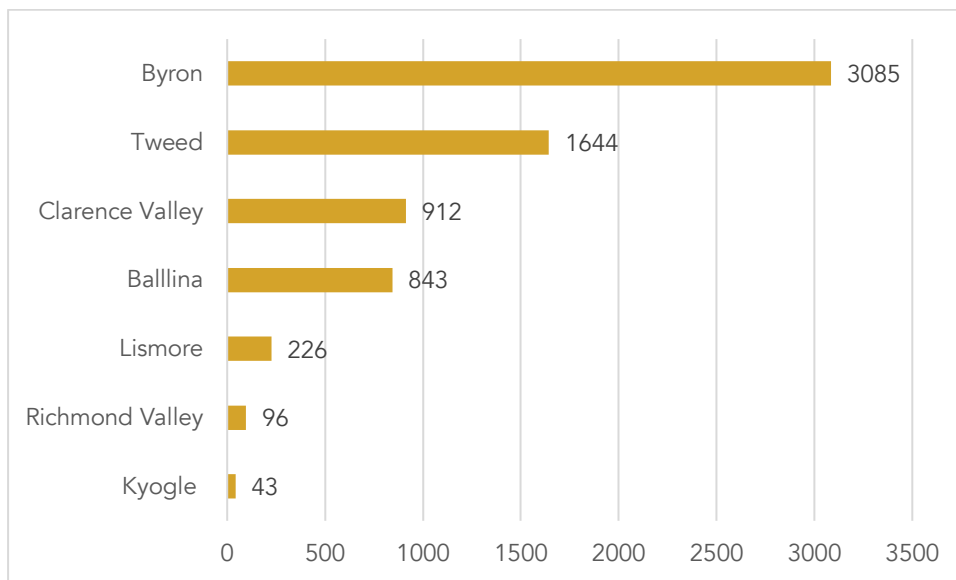


Figure 26
Number of Listings by LGA in Northern Rivers

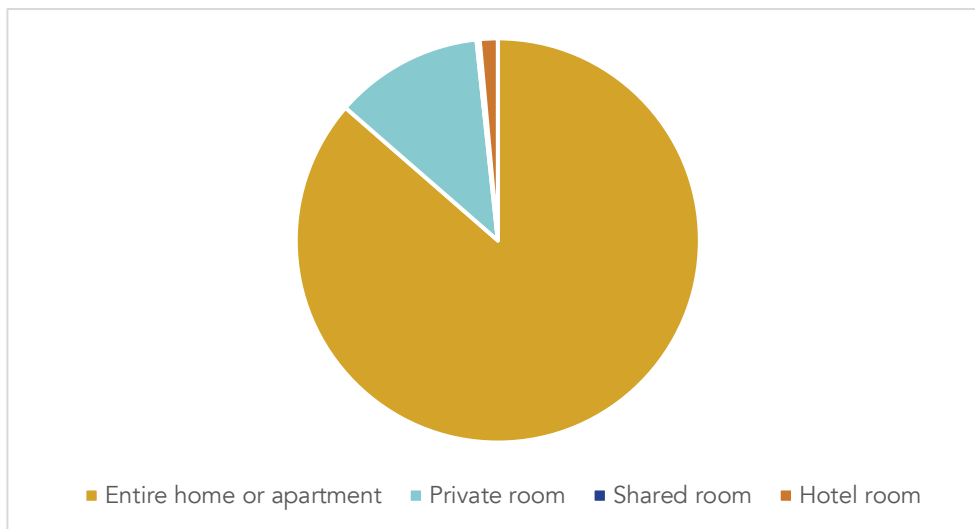


Types of Dwellings on Airbnb

Unlike the Mornington Peninsula, which has a high concentration of large properties sleeping four or more guests, many properties available in the Northern Rivers sleep between two and four guests. Many of

these properties exist within bigger accommodation complexes, some of which are owned by a single entity.

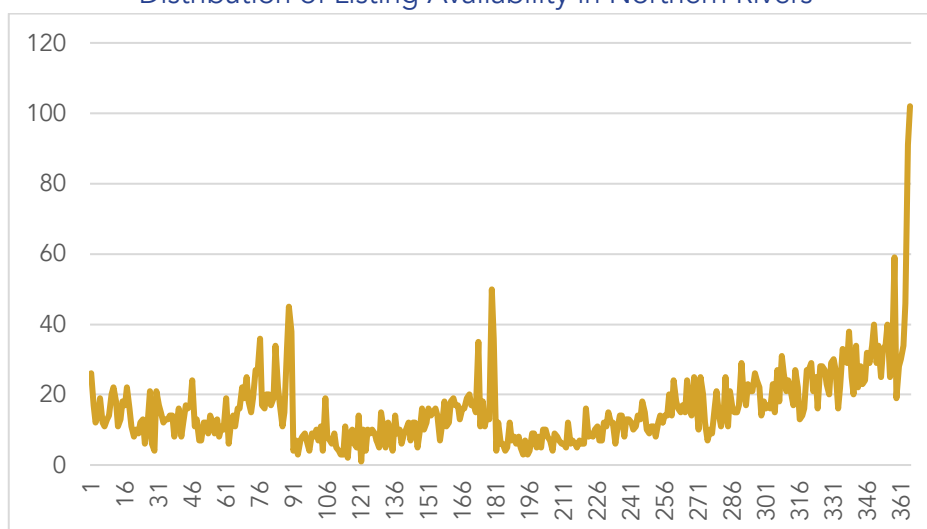
Figure 27
Share of whole dwelling/private rooms in Northern Rivers



Bookings and availability

While the highest proportion of properties (1695) were booked for less than 30 nights in a year, 749 (16.81%) were booked for more than 180 days a year. 10% of all properties were booked for more than 255 nights a year. This indicates a division between occasional hosts and those seeking to have their properties occupied by guests for much of the year.

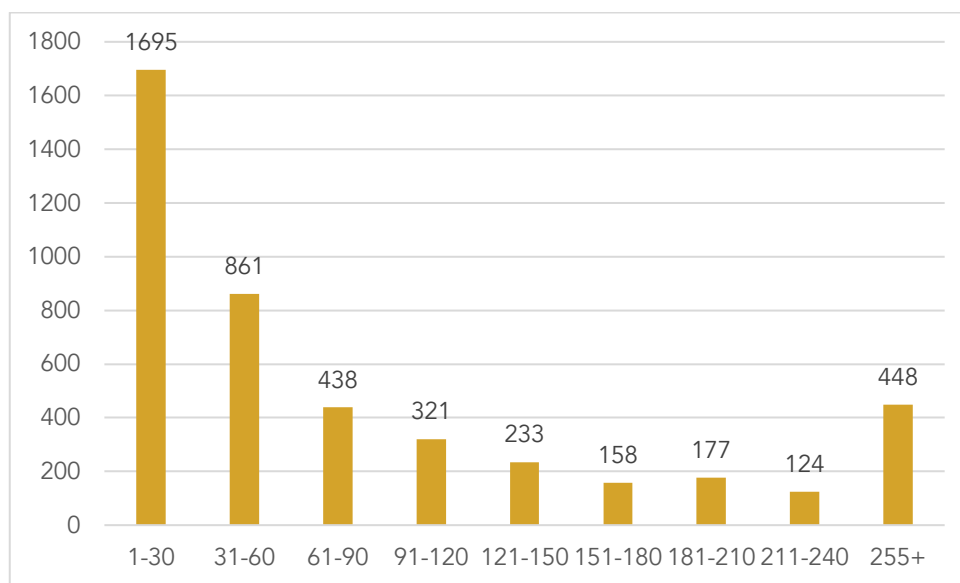
Figure 28
Distribution of Listing Availability in Northern Rivers



The distribution of annual bookings in the Byron Shire indicates a degree of circumvention of Bryon Bay’s 180-day cap on short-term rental operations.

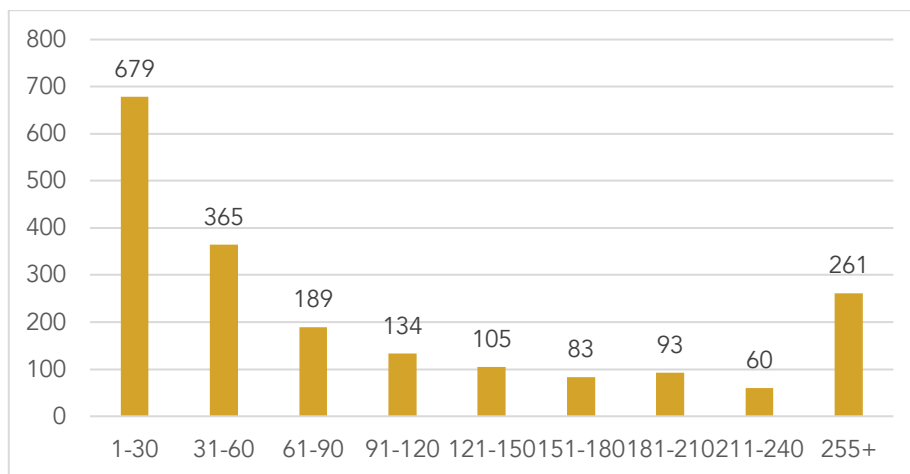
414 properties exceeded 180 nights booked in the past 12 months. This represents 22.15% of active listings in the Byron Shire and was surprisingly a higher proportion than the overall Northern Rivers region, despite a lack of regulation in the rest of the region (excluding the Clarence Valley area).

Figure 29
Nights booked annually per property in Northern Rivers



Many properties are also operating at a rate that would well exceed Byron Bay’s proposed new 90-day cap on short-term rental bookings. 37.38% of listings were booked for over 90 days in the past 12 months, indicating that many hosts would be required to significantly scale down operations should the proposed changes come into effect.

Figure 30
Nights booked annually per property in Byron Shire



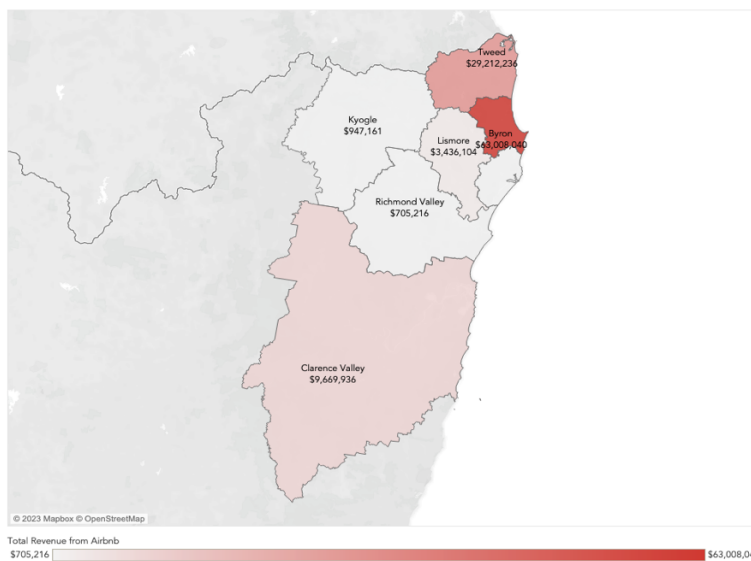
Utilisation and Income

Nightly STR returns in the Northern Rivers region are high. The average listing price in the Byron Shire was \$581/night. In comparison, the median weekly residential rent in the Byron Shire at the 2021 census was \$600. In this LGA, nightly returns are comparable to an entire week’s rent.

The disparity between short-term and long-term rental yield is even more stark in Tweed Heads, where the average nightly price for Airbnb listings is \$602. This compares with the region’s average weekly rent of \$403 a week (2021 census). Successful Airbnb hosts within these areas may, then, be able to recoup the equivalent of many months’ worth of rental income from long-term tenants through a handful of STR bookings annually.

Most annual revenue from Airbnb in the Northern Rivers region is concentrated in the Byron Shire. The cumulative yield from Airbnb bookings in the past 12 months has exceeded \$63 million. This is followed by \$29.2 million in Tweed Heads and \$9.7 million in Clarence Valley.

Figure 31
Total annual revenue from Airbnb bookings in Northern Rivers



Mega-Hosts

Several hosts within the Northern Rivers region manage dozens of listings. Many of these are well-known real estate agents as well as several boutique short-term rental property management agencies. These hosts are likely not owners of the properties but are managing listings on behalf of other parties.

We were able to isolate a number of listings described as ‘private rooms’ clustered among one another. For example, an entity titled *Surfing Australia* hosts a cluster of 13 private rooms in the Tweed Shire Council. The GPS co-ordinates attached to *Surfing Australia*’s properties are close to identical, indicating that all rooms are in the same building or plot of land. Such properties, also referred to as “ghost hotels”⁸⁴ exemplify the extent to which Airbnb has evolved past home sharing, with listings more closely resembling serviced apartment or hotel complexes.

⁸⁴Czesław Adamiak, ‘Current State and Development of Airbnb Accommodation Offer in 167 Countries’ (2022) 25(19) *Current Issues in Tourism* 3131.

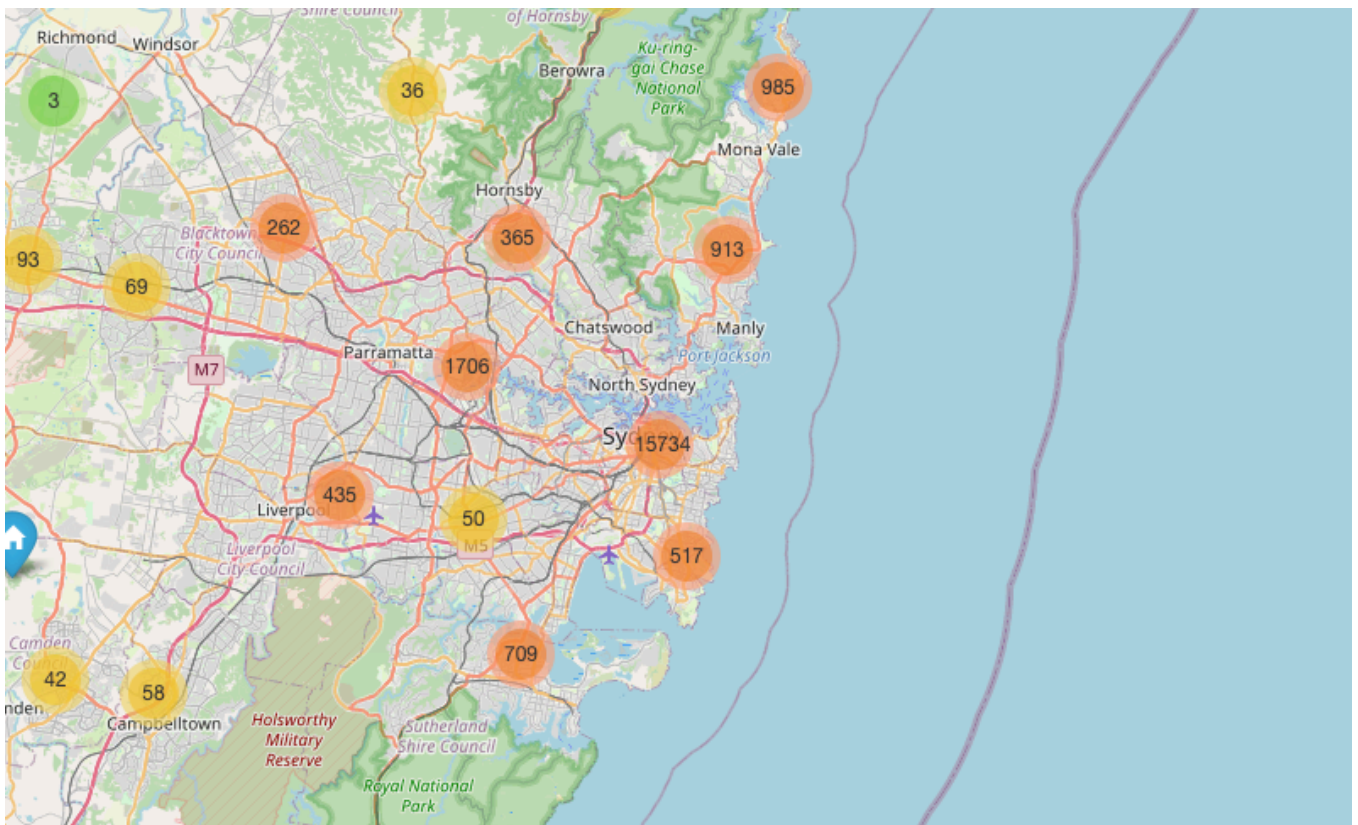
Sydney

Sydney is a key destination for both domestic and international tourists. The city was visited by over 20.7 million tourists in 2022, bringing with them \$7.6 billion in expenditure.⁸⁵ Sydneysiders were early adopters of Airbnb, while a number of inner-city councils were some of the first in Australia to raise the alarm about the over-saturation of short-term rentals in residential areas.⁸⁶

Sydney has the highest median rent of any Australian capital city, reaching \$778 per week for houses and \$688 per week for units in June 2023. The city experienced a 12.9% increase in median rental prices in the 2022-2023 financial year.⁸⁷

Un-hosted short term rentals are limited to 180 nights per year in the Greater Sydney region.

Figure 32
Distribution of Airbnb Dwellings in Sydney



⁸⁵ <https://www.destinationnsw.com.au/wp-content/uploads/2022/07/travel-to-sydney-ye-march-2022.pdf>

⁸⁶ Nicole Gurrán and Peter Phibbs, 'When Tourists Move In: How Should Urban Planners Respond to Airbnb?' (2017) 83(1) *Journal of the American Planning Association* 80 ('When Tourists Move In').

⁸⁷ Corelogic, *Quarterly Rental Review* (July 2023) <https://content.corelogic.com.au/l/994732/2023-07-05/z2tcd/994732/1688600749Ly8lv9wt/202306_CoreLogic_RentalReview_July_2023_FINAL.pdf>.

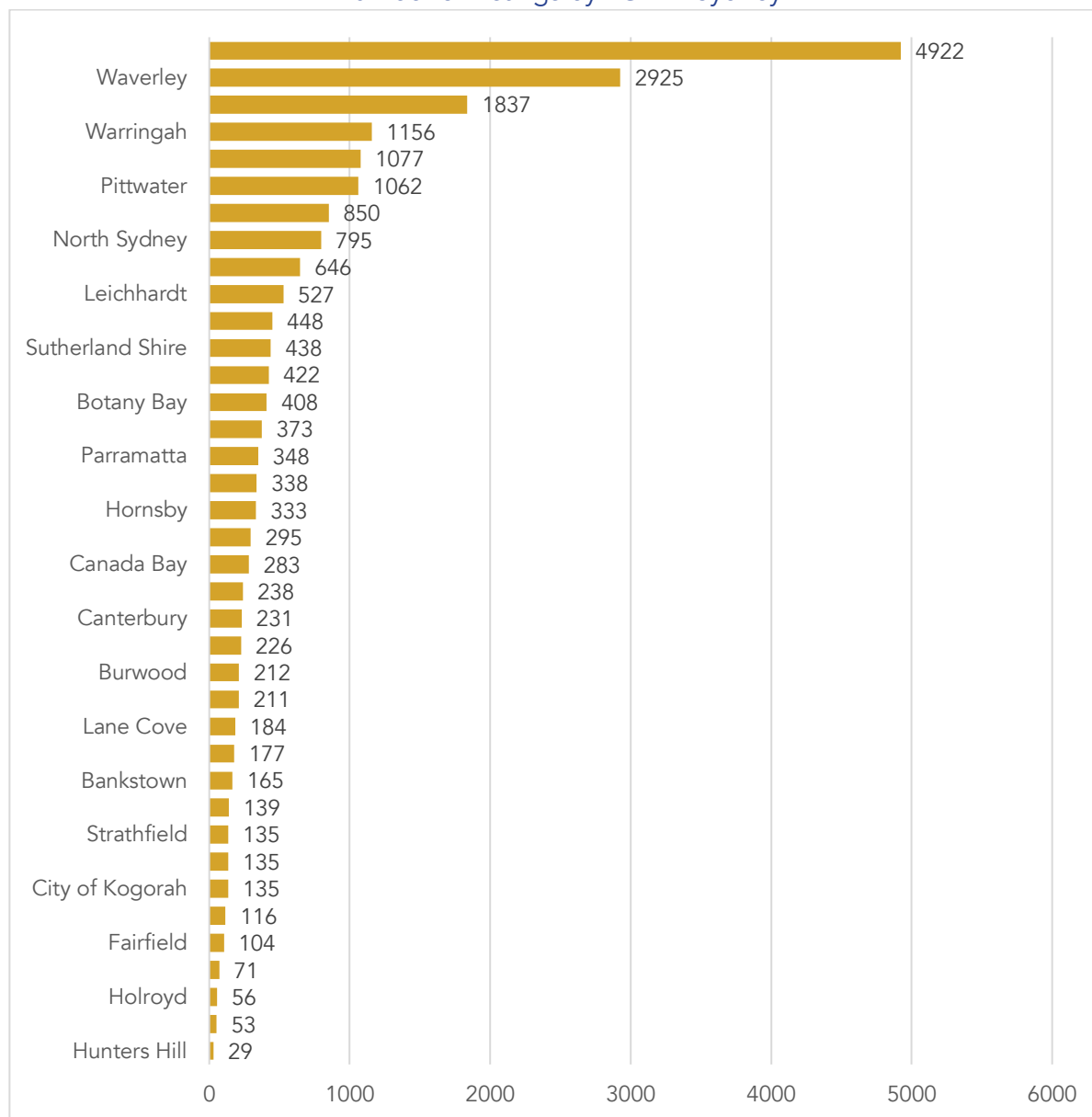
Distribution

While Airbnb properties are dispersed across much of the Greater Sydney area, hotspots within the CBD and Eastern Suburbs can be clearly identified. 5,162 listings can be found in the city of Sydney, comprising the Central Business District and inner suburbs such as Surrey Hills and Glebe. The city of Waverly, home to Bondi beach, is the second most popular destination with 2,974.

The domination of Airbnb in Sydney's central and Eastern postcodes has been identified in prior research by Troy et al. (2018), who estimated that Airbnb properties accounted for 14.7% of rental dwellings in the Bondi-North Bondi area. The authors note that the Bondi region has long been a short-term home to a high number of temporary residents such as backpackers and working holiday visa holders, and that such demand may be difficult to reverse in the shorter term.⁸⁸

⁸⁸ Laura Crommelin et al, 'Technological Disruption in Private Housing Markets: The Case of Airbnb' [2018] (305) *AHURI Final Report* <<https://www.ahuri.edu.au/research/final-reports/305>> ('Technological Disruption in Private Housing Markets').

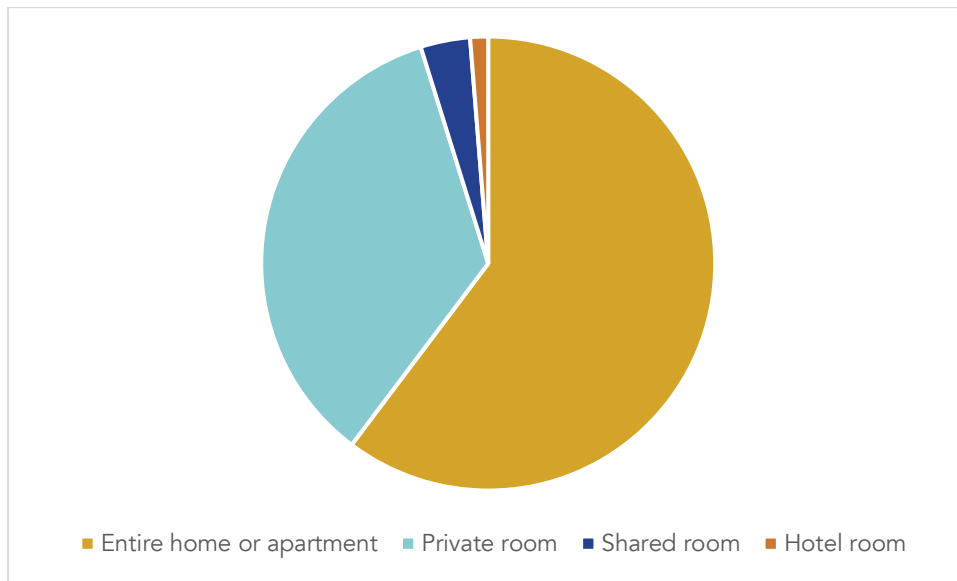
Figure 33
Number of Listings by LGA in Sydney



Types of Dwellings on Airbnb

While entire home bookings continue to dominate the Airbnb market in Sydney, a higher proportion of private room bookings can be found in Sydney compared with regional holiday destinations such as the Mid-North Coast and the Mornington Peninsula.

Figure 34
Share of whole dwelling/private rooms in Sydney



Smaller units also dominate the market in Sydney, with most listings accommodating a maximum of two people.

Utilisations and Income

Airbnb properties are listed at an average of \$289 per night in the City of Sydney. The median weekly rent at the 2021 census in Sydney was \$565. Differences in yields are not as severe as areas such as the Northern Rivers, but a short-term rental property may be able to exceed long-term rental yields if booked consistently.

Figure 35
Distribution of Listing Availability in Sydney

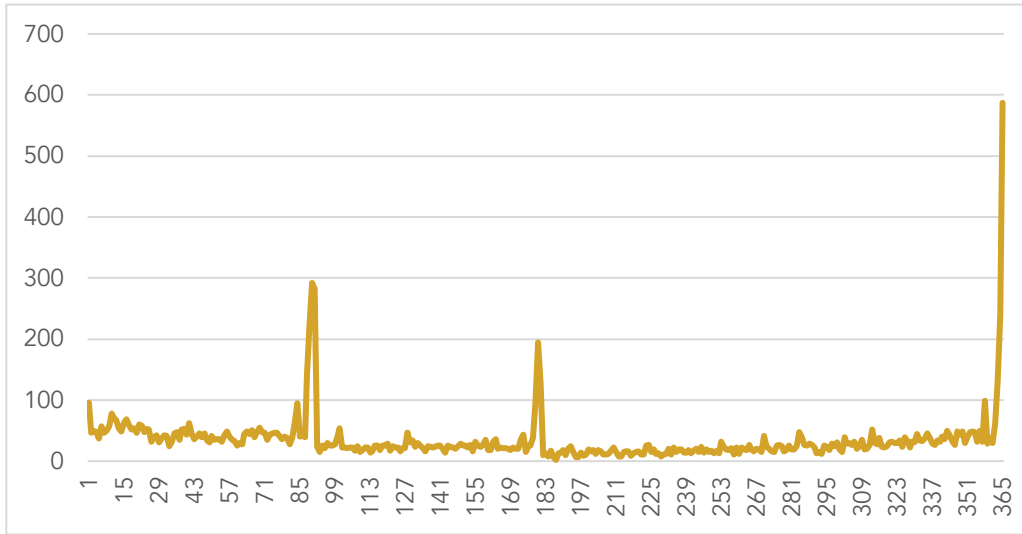
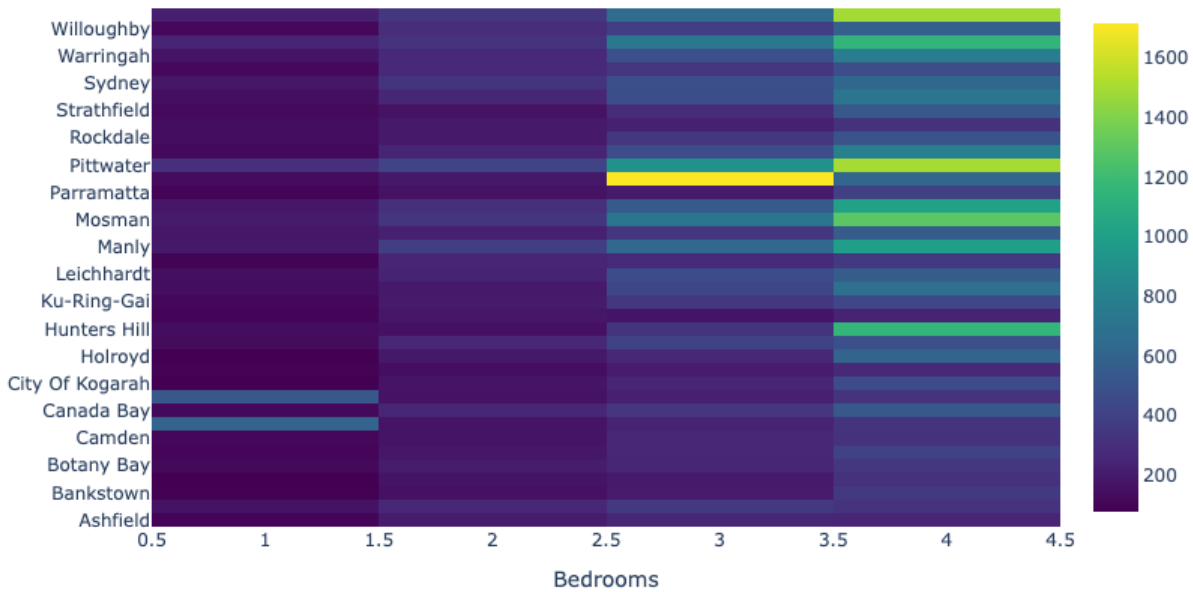


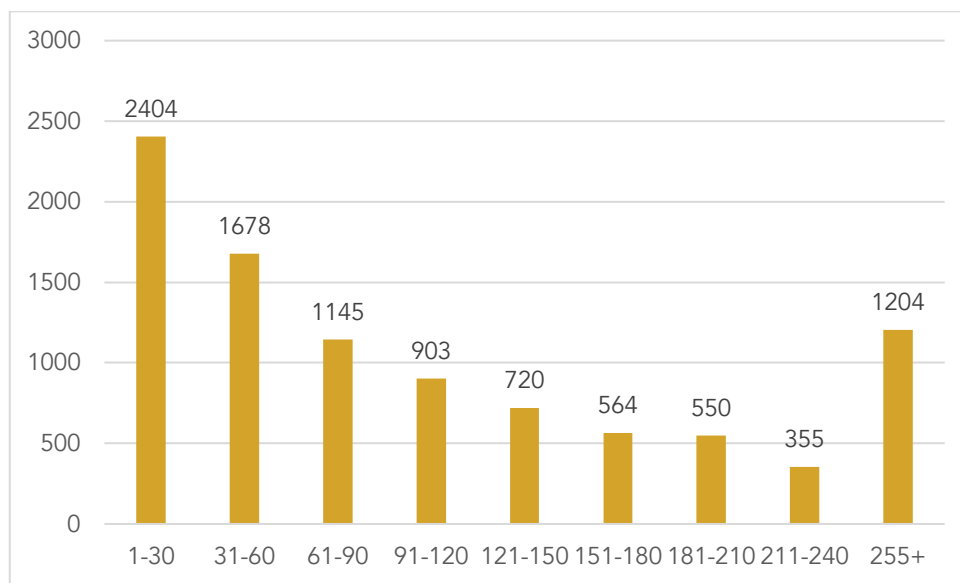
Figure 36
Average price by Neighbourhood and no. Bedrooms in Sydney



Bookings

Properties in Sydney were more likely to be booked for several months per year than were those in the other regions studied. 22.15% of properties in Sydney were booked for over 180 nights a year, the second-highest proportion of all regions. Additionally, 45.11% of properties were booked more than 90 nights a year.

Figure 37
Nights booked annually per property in Sydney



Just 25% (2404) of properties were booked for fewer than 30 nights a year, compared with greater proportions of under-utilised properties in regional hotspots such as the Northern Rivers (38.0%) and the Mornington Peninsula (38.8%). This indicates a lower rate of owner-utilisation of properties in Sydney, with owners rarely living or staying in their STR properties. Sydney, as a larger city with major events throughout the year, obviously has a year-round demand for tourist accommodation in a manner that is not present in coastal areas such as the Mornington Peninsula.

Mega-hosts

Several hosts had listed dozens of properties on Airbnb in then Sydney market, including a group of hosts with over 100 individual listings.

Among these mega-hosts was a number of short-term rental management groups, which do not own the properties that are listed on Airbnb but manage the listings in a similar way to traditional rental property managers. For example, the company Made Comfy, which lists 197 properties in Sydney, offers prospective clients a variety of services such as cleaning, guest management and dynamic pricing tools to “ensure optimal performance” of properties.

However, unlike the Northern Rivers, where property management groups dominated the mega host group, there were also a number of listings that appeared to be managed by a single individual. This included listings by a host named Ken, whose bio reads “Father of 4, I love real estate and accommodating guests!”. At the time of data collection, Ken’s portfolio consisted of 142 listings. Ken’s listings are located across much of the Greater Sydney area. Ken has listings located in Gordon (Upper North Shore), Bankstown (South West) and Kensington (Inner East). The listings range from three bedroom houses to small private rooms with single beds and a shared bathroom. Several of Ken’s listings

also appear to be located in a single complex, with data analysis finding near-identical co-ordinates for a group of private rooms in central Sydney.

Other mega-hosts include a host named Ween, with 38 properties clustered in the inner-Eastern suburbs of Sydney, and Ernest, who listed 20 properties at the time of the analysis.

Other individuals appear to be combining their portfolios with those of others. For example, the bio of host named Milan, with 29 properties at the time of the analysis, states “As a host I manage my own properties as well I manage many of the best properties in Sydney for others”.

These cases highlight the increased professionalisation of short-term rentals. Rather than acting as an informal home-sharing service or shifting existing holiday homes to an online platform, these portfolios appear to have removed hundreds of rooms and homes from the long-term rental market.

Policy Frameworks for Regulating the STR Market

As a platform, Airbnb has moved a long way from its original premise of the bed in a spare bedroom. \$1.5bn in revenue is generated by the platform annually in the few regions where data is available. Listings of entire homes have grown at a faster rate than have those for shared accommodation, indicating that people and property managers alike are increasingly leasing properties full-time.

It is also clear, though, that the platform has hotspots where it is far more popular than in other areas. For example, Byron and Lismore are LGAs that share a border, yet Airbnb generates \$63m in Byron and just \$3m in Lismore each year. Communities are affected differently by the platform's impact on living standards and house prices, so local governments will need to design different regulations to address the challenges affecting their constituents.

Regulatory approaches to STRs

Full prohibition approaches have been used in a few isolated cases. One example of a 'full prohibition' approach at a neighbourhood level has been New Orleans's Vieux Carré (French Quarter) and much of the city's Garden District.⁸⁹ Listings in these neighbourhoods must be removed by host sites, with certain street-level exceptions such as popular tourist attraction Bourbon Street.⁹⁰

A laissez-faire approach generally takes few concrete measures to regulate the spread and operation of short-term rentals but may include a level of negotiation with Airbnb and other prominent platforms over matters such as remittance of taxes. For example, in cities such as Amsterdam, Berlin and Paris, STR platforms must calculate tourist, hotel, VAT or other relevant taxes to be collected from guests at payment. Taxes are then sent through to tax authorities by the STR platforms.⁹¹

An additional set of policies aim to limit part of short-term rentals' operation while not banning short-term rentals outright. Of these regulations there are four key sub-types:⁹² quantitative restrictions, locational restrictions, density restrictions, and qualitative restrictions.

Quantitative restrictions contain the expansion of short-term rental operations by limiting the number of guests and restricting the number of bookings annually.

⁸⁹ Jeff Adelson, 'Stricter Limits Will Hit New Orleans Short-Term Rentals after Council Vote; Here's What to Know', *Nola.com* <[⁹⁰ Maxence Valentin, 'Regulating Short-term Rental Housing: Evidence from New Orleans' \(2021\) 49\(1\) *Real Estate Economics* 152 \('Regulating Short-term Rental Housing'\).](https://www.nola.com/news/stricter-limits-will-hit-new-orleans-short-term-rentals-after-council-vote-heres-what-to/article_c390da62-ba00-11e9-b876-237e289ed3ef.html#:~:text=No%20short%2Dterm%20rentals%20will,can%20have%20their%20licenses%20revoked.>.</p></div><div data-bbox=)

⁹¹ Airbnb, 'In What Areas Is Occupancy Tax Collection and Remittance by Airbnb Available?', *Airbnb Help Centre* <[⁹² Here we expand upon the framework of Shirley Nieuwland and Rianne van Melik, 'Regulating Airbnb: How Cities Deal with Perceived Negative Externalities of Short-Term Rentals' \(2020\) 23\(7\) *Current Issues in Tourism* 811 \('Regulating Airbnb'\).](https://www.AirBnB.com.au/help/article/2509?_set_bev_on_new_domain=1683508626_MmNjMTkxZGYwY2I1>.</p></div><div data-bbox=)

Locational restrictions confine short-term rentals to specific neighbourhoods or locations while prohibiting or strictly limiting their growth in other neighbourhoods. This may occur at a neighbourhood, district or street level and has been enforced through a permit system in cities including Barcelona, New Orleans, and San Francisco.

Density restrictions are regulations limiting the number of short-term rentals in a certain neighbourhood. These includes licence caps or a lottery system and often work in conjunction with locational restrictions. For example, new local legislation in New Orleans seeks to strictly limit density of short-term rentals by creating a lottery system allocating a single permit (with some exceptions) to each block within the city. Current operators must register for the lottery within a designated period to be considered for a year-long permit.⁹³

Qualitative restrictions limit the type of accommodation permitted as a STR. This includes limits on whole-home bookings or single-room bookings. For example, New York largely prohibits entire-home bookings, only allowing hosts to let out a section of their homes in most residential properties. Conversely, while Barcelona allows for entire-home bookings with relevant permits and in alignment with locational restrictions, single-room bookings are not permitted⁹⁴. Qualitative restrictions may also include restrictions on the letting of second homes, letting by tenants of private rental properties or social housing, or letting of structures that are not commonly used as permanent dwellings such as houseboats and caravans. Such restrictions are common internationally, seen in cities including San Francisco, Amsterdam, New York and Toronto.

These regulations are often combined with requirements for hosts to acquire a permit or licence to operate all or part of their property as a short-term rental.⁹⁵ This may include adding a property's name to a city-wide register⁹⁶ or acquiring development approval through local planning departments.⁹⁷

A further, albeit less widespread approach is a requirement for prospective short-term rental operators to compensate for the loss of longer-term rental stock caused by the operation of a short-term rental property. This policy is in place in Paris and may be applicable to certain permit applicants in Berlin. Under the Parisian model, owners of second homes must purchase an equivalent floorspace of current commercial property for conversion to a residential space.⁹⁸

⁹³ City of New Orleans, 'Short Term Rental Permit Lotteries (DSP Rule 23-01) Draft Rules and Regulations of Short Term Rental Permit Lotteries', *Nola.Gov* <<https://nola.gov/next/short-term-rental-administration/topics/short-term-rental-permit-lotteries/#heading2>>.

⁹⁴ Ajuntament de Barcelona, 'Airbnb Required to Remove over 4,100 Ads for Tourist Rooms', *ww.barcelona.cat* (23 July 2022) <https://www.barcelona.cat/infobarcelona/en/AirBnB-required-to-remove-over-4100-ads-for-tourist-rooms_1198277.html#:~:text=The%20tourist%20rental%20platform%20AirBnB,activity%20as%20tourist%20lets%20illegal.>.

⁹⁵ Nieuwland and van Melik (n 7).

⁹⁶ Ministry of Business and Labour, 'Tourism Companies Specialising in Accommodation and Intermediaries', *GenCat* (1 April 2022) <https://empresa.gencat.cat/en/treb_ambits_actuacio/turisme/emo_canal_intern/normativa/empreses-allotjament/>.

⁹⁷ Georgie Cosh, *Short-Term and Holiday Letting in London* (Greater London Authority, April 2020)

<https://www.london.gov.uk/sites/default/files/housing_research_note_4_-_short-term_and_holiday_letting_in_london.pdf>.

⁹⁸ Airbnb, 'Responsible Hosting in France', *Airbnb Help Centre*

<<https://www.AirBnB.com.au/help/article/1383#:~:text=You%20are%20allowed%20to%20rent,limit%2C%20365%20days%20per%20year.&text=A%20secondary%20residence%20is%20a,%C3%A0%2Dterres%20and%20holiday%20houses.>>.

A summary of these different types of regulations and where they are in effect can be seen in Figure 38.

Figure 38
STR regulatory approaches



Registration and planning approvals

One of most common approaches to moderating the impact of STRs is to require registration of STRs at the local or state level. This provides a baseline for monitoring of the sector. The proposed European Union (EU) model is perhaps the most far reaching, in which every dwelling or room listed in the EU would be required to have a registration number linking a dwelling to a host's information. This would provide governments with more cohesive, detailed and reliable data about the impact of the STR market. Requiring a valid registration number from a centralised registry would also help governments to identify cases of fraud, more efficient taxation and non-compliance.

Currently in Australia, STR registration is currently carried out on an ad-hoc basis, with the majority of STR registration occurring at a local government level, with differing fees and processes required between LGAs. New South Wales is the only exception, with a state-wide scheme.

Another foundational option is to require council development or planning approval for dwellings to be used as STRs. Different types of regulations are used in various jurisdictions, from New York, to Amsterdam, to Catalonia. Such schemes are already in place in some part of Australia. For example, the Brisbane City Plan, requires development approval only for entire-home short-term rentals. Applications in central and higher density residential areas are not subject to notice requirements, streamlining the process. However, other jurisdictions focus on all types of STRs.

It should be noted that Some councils may wish to manage STR numbers through planning approvals. However, there are very limited grounds to refuse an application in most planning schemes. This means that councils will be required to amend their planning scheme to provide a functioning STR planning process.⁹⁹ The NSW Government has the most developed state wide legislative tools for the implementation of STR regulation. Through the Short-Term Rental Accommodation (STRA) Planning Policy Framework, the state government provides local councils with:

- “a definition for STRA, hosted STRA and non-hosted STRA;
- an exempt development pathway for hosted and non-hosted STRA, including an annual 180-day limit for non-hosted STRA based on location;
- an exemption of bookings of 21 consecutive days or more from the day limits for non-hosted STRA;
- fire safety standards for dwellings used for STRA and associated penalty notice offences for non-compliance; and
- a government-run STRA Register that will ensure compliance with the new fire safety standards, as well as tracking day limits of each STRA dwelling and provide details to assist local councils with monitoring STRA in their local government areas (LGA).”¹⁰⁰

⁹⁹ Peter Phibbs and Julia Ely, *MONITORING THE IMPACT OF SHORT-TERM RENTALS ON TASMANIAN HOUSING MARKETS. BASELINE REPORT - JUNE 2022* (Shelter Tasmania, 2022)

¹⁰⁰ <https://www.planning.nsw.gov.au/policy-and-legislation/housing/short-term-rental-accommodation#stra-compliance>

Having a statewide set of criteria, definitions and limitations would facilitate the implementation of council level STR regulations and ensure conformity between different LGAs.

Taxation of STRs

Many jurisdictions around the world treat STR properties differently through the tax system. In the UK, hosted STRs are treated favourably within the tax system, with significant tax-free STR income thresholds to encourage higher use of empty rooms. However, professional STRs are treated as “Furnished Holiday Let” and liable for business council rates instead of domestic rates once they hit certain criteria. In Wales, any STR that is rented for at least 70 days per year is subject to business rates, while in England and Scotland that figure climbs to 140 days. Additionally, when an individuals’ STR income reaches £85,000 they are also liable for the 20% VAT.

In Berlin, the Overnight Stay Tax applies to all tourist accommodation including STRs for up to 21 consecutive nights. This 5% tax is payable by the business – so in the case of STRs, the platform pays the tax office rather than the host, with that cost being added in automatically to transactions. New Jersey has also added hotel taxes onto STR transactions in a bid to contain the extent of STRs in desirable coastal areas, equalling nearly 12% of each transaction.¹⁰¹

In Massachusetts, a statewide 5.7% Room Occupancy Excise Tax is applied to all non-hosted STRs including some hotels and bed and breakfasts. However, the Massachusetts state government has taken the taxation of STRs one step further than most other jurisdictions: beginning in 2019, “for short-term rentals only, cities and towns are permitted to charge an additional community impact fee up to 3% if an operator has more than one property in that locality or is renting an owner-occupied 2 or 3 family house on a short-term rental basis.”¹⁰²

Brisbane and Hobart have also recently initiated reforms of council rates. For example, Brisbane City Council introduced new rating categories in 2022-23 which mean that STR property owners pay 50 per cent higher rates than standard residential rates.

Non-Compliance with STR regulations

However, even where STR regulations are implemented, compliance with even the most basic regulations is often low.

Cities with permit, or registration and permit systems generally have extremely low compliance rates. For example, despite Paris’s requirement that all Airbnb properties display a registration number on listings being in place since 2017, with heavy fines payable for failures to comply, 60% of listings in 2020 did not

¹⁰¹ <https://why.org/articles/n-j-renters-relax-after-murphy-signs-bill-amending-the-airbnb-tax/>

¹⁰² <https://www.mass.gov/info-details/room-occupancy-excise-tax#definitions->

display such a number. This number rises to approximately 80% in Berlin.¹⁰³ This speaks to the need for sufficient investment in enforcement for any regulatory system implemented.

Strict regulations do not always prevent the professionalisation of Airbnb locally. In Berlin, the total number of Airbnb listings decreased after the introduction of strict regulation on the conversion of living space into short-term rental properties. However, during this time the portfolios of multiple-property hosts grew, leading to suggestions that large operators may in fact have an advantage in stricter regulatory settings as they better understand how to bypass requirements and/or find loopholes within regulation.¹⁰⁴

Moreover, location-based restrictions can lead to a growth in listings outside a neighbourhood where short-term rentals are banned or restricted. For example, while a ban on short-term rentals in much of New Orleans's French Quarter led to a fall in listings in this neighbourhood, the number of listings grew significantly in the city's Central Business District. This may simply shift housing pressures and related neighbourhood amenity effects across a city.¹⁰⁵ It is notable that New Orleans has recently expanded STR restrictions across the city through its one-permit-per-block lottery system¹⁰⁶, a policy which may work to remedy this outcome of locational restrictions.

Successful monitoring and enforcement of STR regulations is a near-universal struggle for tourist destinations.¹⁰⁷ Listings often provide little information about hosts, frequently just a first name and approximate address. This creates difficulties in determining if listings are compliant with local regulations and in locating the property and its host if a breach is suspected or determined.¹⁰⁸

Identifying breaches of regulations often relies on a variety of data and information sources. This includes tip offs from neighbours, inspections of listed properties or cross-referencing of platform data with other administrative data. Collaboration between a variety of government agencies is often necessary, requiring a significant amount of human resources.¹⁰⁹ Enforcement capabilities vary across local government areas,

¹⁰³ Murray Cox and Kenneth Haar, *Platform Failures How Short-Term Rental Platforms like Airbnb Fail to Cooperate with Cities and the Need for Strong Regulations to Protect Housing*. (GUE/NGL Group, European Parliament, 9 December 2020) <<https://left.eu/issues/publications/platform-failures-how-short-term-rental-platforms-like-AirBnB-fail-to-cooperate-with-cities-and-the-need-for-strong-regulations-to-protect-housing/>>.

¹⁰⁴ Marcus Hübscher and Till Kallert, 'Taming Airbnb Locally: Analysing Regulations in Amsterdam, Berlin and London' (2023) 114(1) *Tijdschrift voor Economische en Sociale Geografie* 6 ('Taming Airbnb Locally').

¹⁰⁵ Eric Joseph Van Holm, 'Evaluating the Impact of Short-Term Rental Regulations on Airbnb in New Orleans' (2020) 104 *Cities* 102803.

¹⁰⁶ Jerry DiColo, 'Want to Operate a Short-Term Rental in New Orleans? Here's the Info on the City's Permit Lottery.', *Nola.com* (online, 9 May 2023) <https://www.nola.com/news/politics/new-orleans-short-term-rental-lottery-is-august-14/article_39c69c64-ee85-11ed-8167-b3de769e00d9.html>.

Adelson (n 69).

¹⁰⁷ 'FactFind: How Have Other Countries Regulated Airbnb and What Happened When They Did?', *The Journal* (online, 20 June 2022) <FactFind: How have other countries regulated Airbnb and what happened when they did?>.

¹⁰⁸ Murray Cox and Kenneth Haar, *Platform Failures How Short-Term Rental Platforms like Airbnb Fail to Cooperate with Cities and the Need for Strong Regulations to Protect Housing*. (GUE/NGL Group, European Parliament, 9 December 2020) <<https://left.eu/issues/publications/platform-failures-how-short-term-rental-platforms-like-AirBnB-fail-to-cooperate-with-cities-and-the-need-for-strong-regulations-to-protect-housing/>>.

¹⁰⁹ Claire Colomb and Tatiana Moreira De Souza, 'Illegal Short-Term Rentals, Regulatory Enforcement and Informal Practices in the Age of Digital Platforms' [2023] *European Urban and Regional Studies* 096977642311553.

with under-resourced authorities struggling to access and understand data in order to determine potential breaches of regulations.¹¹⁰

Challenges arise in determining the identity of hosts to identify illegal multiple listings or listings exceeding any nightly booking limits. Hosts are known to create multiple accounts and multiple listings within single platforms to avoid detection, allowing listings to quickly disappear and re-appear from sites.¹¹¹ Additional booking services other than Airbnb such as Booking.com are also used to circumvent any night limits enforced by the Airbnb app. Gionanni et al. (2021) note that a growth in bookings across multiple platforms indicates the need to regulate at a host-level, rather than targeting the more prominent platforms.¹¹²

Private technology platforms have emerged which offer STR compliance monitoring services. Brisbane City Council has entered into a year-long contract with real estate data analytics firm Deckard Technologies to track STR properties using machine learning, data analytics and statistical modelling.¹¹³ Deckard Technologies has been responsible for locating the majority of short-term rental properties not complying with the city's new short-term rental rates category.¹¹⁴

Measures targeting host non-compliance

Many different types of measures have been taken around the world to enforce compliance through STR platforms. These include legal obligations for hosts to register STR properties. For example, in Ireland, hosts that list properties without registration with the governing body *Fáilte Ireland* face up to a 5000 Euro fine, and up to 6 months in jail.¹¹⁵ platforms being responsible for ensuring that hosts to include registration or permit numbers when listing their properties¹¹⁶, the automatic blocking of calendars once an annual booking limit is reached¹¹⁷, or verifying listings with city registers of legal STR hosts.¹¹⁸

¹¹⁰ Cosh (n 76).

¹¹¹ Cox (n 18).

¹¹² Sauveur Giannoni et al, 'Multichannel Distribution Strategy of Airbnb Hosts' (2021) 2(1) *Annals of Tourism Research Empirical Insights* 100017.

¹¹³ Matt Dennien, 'Brisbane Enlists Big Data and AI in Crackdown on Airbnb-Style Rentals', *Brisbane Times* (18 October 2022).

¹¹⁴ Matt Dennien, 'Brisbane Enlists Big Data and AI in Crackdown on Airbnb-Style Rentals', *Brisbane Times* (online, 18 October 2022) <<https://www.brisbanetimes.com.au/national/queensland/brisbane-enlists-big-data-and-ai-in-crackdown-on-AirBnB-style-rentals-20221018-p5bqpy.html>>.

¹¹⁵ independent.ie/regional/5k-fine-or-six-months-jail-for-breaking-new-airbnb-rules/38268182.html

¹¹⁶ Airbnb, 'Berlin'

<[¹¹⁷ Airbnb, 'Amsterdam', *Airbnb Help Centre*](https://www.AirBnB.com.au/help/article/854#:~:text=Entire%20residence%20rentals,is%20attached%20to%20your%20permit.>.</p></div><div data-bbox=)

<https://www.AirBnB.com.au/help/article/860?_set_beve_on_new_domain=1683508626_MmNjMTkxZGYwY2I1>.

¹¹⁸ <https://codelibrary.amlegal.com/codes/newyorkcity/latest/NYCAadmin/0-0-0-133488>

Enforcement mechanisms against hosts by local authorities have included fines for hosts in the form of on-the-spot fines or notices of planning infringement from enforcement officers.^{119 120} In some regions facing a severe rental crisis, most notably in Ireland’s Rent Pressure Zones, imprisonment has been threatened.¹²¹

Prior research has suggested that regulations were most effective when enforcement measures included a punitive financial cost upon hosts.¹²² However, the difficulties faced by cities in identifying breaches as well as legal and administrative backlogs have limited the imposition of penalties in many cities.^{123 124}

Despite public commitments to self-regulation, platforms have, on many occasions, failed to live up to them, continuing to list illegal or unverified listings or failing to provide up-to-date and verified data for enforcement when required. A 2020 report by Murray Cox and Kenneth Haar for the European Parliament’s IMCO Committee estimates that, within listing data provided by Airbnb to authorities in Barcelona, 60-70% of addresses were missing or incorrect, stymying authorities’ enforcement efforts.¹²⁵

Measures targeting platforms

Authorities have also sought to enforce regulations through litigation and penalisation of platforms. This has included legal proceedings against platforms which refuse to remove unregistered listings and the imposition of fines for hosting unlicensed listings and failing to remit required taxes.¹²⁶

In Ireland, both hosts and STR platforms are the target of fines, in the event of unregistered properties being listed. Alongside host penalties discussed above, recent legislation has targeted platforms with up to a 5000 Euro fine per instance of listing unregistered dwellings.

However, many platforms aggressively push back against regulation. Airbnb has involved itself in numerous legal challenges worldwide, often challenging regulations or fines in court. Cities may be reluctant to introduce new regulations due to the threat of legal action by platforms. Airbnb had a legal

¹¹⁹ Cosh (n 76).

¹²⁰ Lara Major, ‘There’s No Place like (Your) Home: Evaluating Existing Models and Proposing Solutions for Room-Sharing Regulation’ (2016) 53 *San Diego L. Rev.* 469.

¹²¹ Valesca Lima, ‘Towards an Understanding of the Regional Impact of Airbnb in Ireland’ (2019) 6(1) *Regional Studies, Regional Science* 78.

¹²² AirDNA, ‘Airbnb Regulation: How Is Legislation Impacting the Growth of Short-Term Rentals?’ (10 April 2017) <<https://www.airdna.co/blog/effects-AirBnB-regulation>>.

¹²³ Sarah Ravtis, ‘It Looks like New Orleans Is Finally Starting to Enforce Short-Term Rental Rules’, *Gambit* (online, 12 December 2022) <https://www.nola.com/gambit/news/the_latest/it-looks-like-new-orleans-is-finally-starting-to-enforce-short-term-rental-rules/article_16fcb540-7a5b-11ed-93e7-1770aebbbe6.html>.

¹²⁴ Cosh (n 76).

¹²⁵ Murray Cox and Kenneth Haar, *Platform Failures How Short-Term Rental Platforms like Airbnb Fail to Cooperate with Cities and the Need for Strong Regulations to Protect Housing*. (GUE/NGL Group, European Parliament, 9 December 2020) <<https://left.eu/issues/publications/platform-failures-how-short-term-rental-platforms-like-AirBnB-fail-to-cooperate-with-cities-and-the-need-for-strong-regulations-to-protect-housing/>>.

¹²⁶ ‘Barcelona Fines Homesharing Sites Airbnb and Homeaway’ <<https://www.reuters.com/article/us-spain-AirBnB-idUSKBN13J1ZD>>.

budget of approximately \$60 million in 2018, creating a clear power imbalance with smaller cities in the ability of both parties to sustain extended litigation.¹²⁷

In a recent example, New York City was forced to delay enforcement of new Short-term Rental Registration requirements due to a lawsuit filed by Airbnb against the City. The City agreed to the enforcement delay in order to “fully brief the issues before the court”.¹²⁸

This suggests that major measures targeting STR platforms in Australia should take place at the state level, to allow all regions to benefit from the far higher negotiating position held by state governments compared to local councils.

Data-sharing arrangements

STR property data is regarded as a prerequisite for any understanding of the impact of the STR sector and its regulation. Data on STR properties assist governments in identifying STR hotspots and develop further regulation where necessary. The current ad-hoc system in Australia leaves little space for inter-governmental data-sharing and co-ordination of regulatory responses.

Many jurisdictions have used data sharing as the foundation for further regulation of the sector. In Amsterdam, Airbnb signed a Memorandum of Understanding with the city, in which both parties agreed to real-time, two-way data sharing.¹²⁹ One of the most significant data-sharing initiatives has been the 2020 launch of Airbnb’s City Portal pilot program, which aims to provide authorities with “more efficient access to data about listings”, including potential breaches of local regulations. Initially providing data on 18 ‘partner’ cities, the Portal now provides data on over 300 cities.¹³⁰

However, accessing data can also become extremely litigious and challenging. Over several years, New York City has attempted to force Airbnb into sharing more information about hosts in order to crack down on illegal hosting, resulting in a protracted lawsuit brought by Airbnb. In 2020, after extensive negotiations, Airbnb dropped its lawsuit and NYC lawmakers amended their new framework for the City’s local law that requires short-term rental platforms to share information about their listings.

¹²⁷ Murray Cox and Kenneth Haar, *Platform Failures How Short-Term Rental Platforms like Airbnb Fail to Cooperate with Cities and the Need for Strong Regulations to Protect Housing*. (GUE/NGL Group, European Parliament, 9 December 2020) <<https://left.eu/issues/publications/platform-failures-how-short-term-rental-platforms-like-AirBnB-fail-to-cooperate-with-cities-and-the-need-for-strong-regulations-to-protect-housing/>>.

¹²⁸ Doyinsola Oladipo, ‘New York City to Delay Enforcing Law against Airbnb Hosts’, *Reuters* (online, 13 June 2023) <[¹²⁹ Yanwei Li and Genea Canelles, ‘Governing Airbnb in Amsterdam and Singapore: A Comparative Study on Governance Strategies and Styles’ \(2021\) 11\(4\) *SAGE Open* 215824402110522 \(‘Governing Airbnb in Amsterdam and Singapore’\).](https://au.finance.yahoo.com/news/york-city-delay-enforcing-law-175717290.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAGd70xHyuLMNphzly69npNCLWcHcUZ0fY0fSmnE1vt9i2keIF96AEJeUcelfDfs6tzyIxsqQYqYX_YPNblemv2dEkBvtL_gLNdnKPRHbY2bbnMs1JFBjy cmGGVYIVJXMm9tHoan-OOG70sYAZFm3P4qodfyVg_mOfsuur_cYeB7>.</p></div><div data-bbox=)

¹³⁰ Airbnb, ‘Two Years Later: The City Portal’, *Airbnb News* (19 October 2022) <<https://news.AirBnB.com/two-years-later-the-city-portal/>>.

Under the revised law, Airbnb selectively provides quarterly information on all listings that generate five or more nights of bookings per quarter, so long as the listing offers an entire home or allows three or more guests to stay at one time. Information will not be provided for private or shared room listings with capacity for two or fewer guests; for listings that are rented for less than five nights per quarter; or for listings that are in qualifying traditional hospitality locations, based on a list the City will publish.

For all eligible listings, reports provided to the City would be required to include the:

- Physical address of the listing;
- Host information (name, physical address, phone number, and e-mail address);
- Name, number and URL of the listing;
- Whether the short-term rental is for an entire unit or part of a unit;
- Total number of days booked;

Very few cities are thought to rely solely on data provided by STRs for regulatory purposes. It has been suggested that this is due to a history of the platform having provided incomplete or incorrect data to cities in the past,¹³¹ which has been described as “essentially useless” due to a lack of disaggregation and verification.¹³² This means that authorities may be required to use third party real estate analytics firms, as Brisbane City Council has recently done.

EU STR regulation in development

Ongoing changes to European Union (EU) law could become some of the most wide-reaching to date.¹³³ In their next sitting the European Parliament discuss implementing new regulations for short-term rentals, that have been agreed upon by member state competition ministers. These measures aim to promote transparency of regulatory structures, reduce fraud and ensure compliance with relevant laws. Most importantly, they would provide regulators with the data they need to regulate and enforce STR regulations.

If agreed to, new regulations would include:

1. Single Digital Entry Point: EU countries will set up a single digital entry point for data transmission between short-term rental platforms like Airbnb and public authorities. Online platforms would have to carry out random checks on whether hosts register their units, as well as share data about rented nights and numbers of guests with public authorities once a month, in an automated way. This will simplify the process of providing the information necessary to effectively regulate the industry.

¹³¹ Dorine von Briel and Sara Dolnicar, ‘The Evolution of Airbnb Regulation - An International Longitudinal Investigation 2008–2020’ (2021) 87 *Annals of Tourism Research* 102983.

¹³² Cox and Kenneth Haar (n 78).

¹³³ [https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739334/EPRS_BRI\(2023\)739334_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739334/EPRS_BRI(2023)739334_EN.pdf)

2. **Mandatory Registration Numbers:** All STR dwellings will have a registration number, which online platforms will use to perform random checks to ensure accurate information. Data handling must comply with European data protection rules.
3. **Simplified Processes:** The implementation of a single digital entry point and mandatory registration numbers for STRs will enable a simplification of regulatory processes for hosts and STR platforms. This will enable them to provide the necessary information to public authorities in a more streamlined manner, making it easier to regulate the industry. By ensuring compliance with relevant laws, these regulations promote fair competition between short-term rentals and hotels, creating a level playing field. Additionally, by requiring accurate information from hosts and performing random checks, the new regulations aim to reduce fraud within the industry.
4. **Clear Information on Registration Procedures:** To ensure compliance with new regulations, member states will provide clear and concise information on registration procedures and requirements for short-term rental services within their respective territories. This will help hosts, citizens, platforms, and authorities understand relevant laws and promote transparency within the industry.

Other considerations

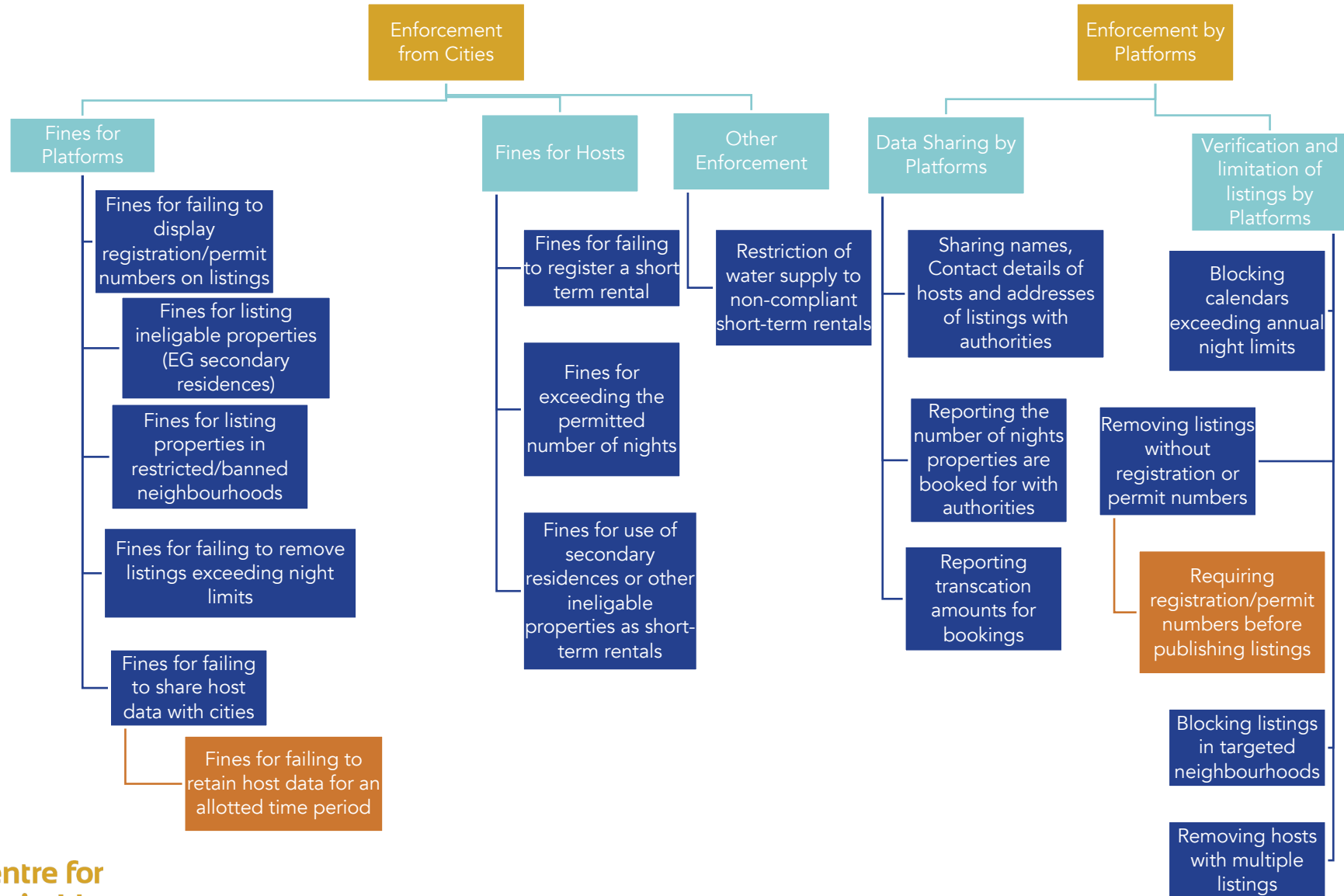
As climate change-related natural disasters increase in severity and frequency, there is a case to be made for using STR regulations to support survivors seeking temporary refuge. Voluntary schemes already exist, such as the scheme used by Airbnb to open homes to refugees fleeing the Russian invasion of Ukraine¹³⁴

However, there is a case to be made for considering all empty STR for open to use as emergency shelter during declared emergencies. Provisions exist in state emergency powers acts that allow for such usage. For example, under the Victorian Emergency Management Act 1986, “in a state of disaster the Minister may... take possession and make use of any person's property as the Minister considers necessary or desirable for responding to the disaster”.¹³⁵

¹³⁴ <https://www.AirBnB.org/help-ukraine>

¹³⁵ S. 24(2)(c) amended by No. 56/2011s. 7(1).

Figure 39
Enforcement options for Airbnb Regulations



Policy Directions for Australia

Platform-based short-term rentals have clearly expanded beyond Airbnb's original vision of occasional home-sharing to encompass a multi-billion dollar industry, with Australia representing the most highly penetrated market as well as one of the most lightly regulated.

We put forward the following policy recommendations, having drawn on international proposed and enacted legislation, and keeping in mind the differences existing within and between local government areas.

Recommendation 1: Short-term rental registries in each state and territory

Each state and territory to establish a short-term rental registry to provide a foundation for further STR reforms. A model similar to the proposed EU model, in which every dwelling or room listed in the European Union would be required to have a registration number linking a dwelling to a host's information, would provide governments with more cohesive, detailed and reliable data, and help with compliance and fraud detection.

Recommendation 2: Data sharing requirements for STR platforms

Federal or state and territory governments should negotiate access to listings data from STR platforms to enable state and local governments to be able to monitor and assess trends in the STR sector.

Given that small towns are often the most affected by high Airbnb density, their ability to negotiate data access may be limited. For this reason, it would be preferable for state/territory or federal governments to negotiate collectively with STR platforms, under a standardised framework of data criteria.

Recommendation 3: State/territory STRA regulatory frameworks

State governments should amend their state planning provisions to provide a standardised set of criteria, definitions, limitations, fire safety and other requirements for STR hosts, such as has been carried out by the NSW government. State planning provisions should also be amended to facilitate council decisions to reject planning approvals for STR applications.

Recommendation 4: Statutory planning tools

Councils should amend their planning schemes to require entire-home listings to apply for planning permission in order to operate as STRs. This would only apply to listings exceeding a certain nightly limit, which should be set by individual councils or through state STRA frameworks.

Recommendation 5: Council rate increases

Local governments should increase council rates for STR properties. Criteria may differ between locations, but for unhosted STRs, available for most of the year, and in use as an STR for over a particular threshold, rates should significantly exceed residential rates.

Recommendation 6: Enforcement mechanisms

In the absence of broad data collection, spot fines should be utilised by councils to improve compliance. For example, where a person lists their property on an STR platform without appropriate council permission, or for more nights than is legally permitted, fines should be sufficiently high, and publicised broadly enough to put off law-breaking. As a point of reference, the 5000 Euro fine in Ireland for the listing of unregistered STR dwellings equates to \$8420.

Where landlords repeatedly flout STR regulations, they should be temporarily or permanently disbarred from future STR planning applications.

Recommendation 7: Emergency use requirements

As climate-change related natural disasters become more common it would be prudent to build in an element of responsiveness from the STR sector. In the event of a natural disaster such as flooding or bushfires, empty STRs should be utilised by state emergency services to provide temporary shelter to survivors, with the state paying a reasonable rate of compensation.

Conclusion

Short term rental platforms have revolutionised the way we holiday in Australia and around the world. With such fundamental changes to the use of our critical housing infrastructure, it is vital that we develop regulations to match the scale and impact of such changes.

There are many positives to the STR market, both for hosts and guests. However, the current laissez-faire approach means that the costs and benefits are unfairly distributed: too many of the benefits accrue to individuals, and too many of the costs are hit communities.

The current public and political interest in improving the rental system must include regulation of the STR sector. As we have pointed out in other work, improving regulation of long-term rentals for the benefit of renters may, absent adequate STR regulation, mean that landlords simply shift their property use to the STR sector. As such, regulating STRs is a critical component of broader rental regulation reform.

Given the high use of platforms like Airbnb, Australians clearly enjoy and value this sector. It is certainly not beyond our collective capacity to rebalance regulations to ensure that individual gains do not create so many social problems.

Appendix 1: International Regulations Summary

| | Annual Night Booking Limit per property (Quantitative Restriction) | Host Registration/ Licencing | Licence Cap (Density Restriction) | Limit by Building/Residence Type (Qualitative Restriction) | Limit by location (Locational Restriction) | Compensation for lost residential stock | Tourist Taxes | Guest Limits (Quantitative Restriction) |
|-----------|---|---|--|---|--|---|--|--|
| Amsterdam | 30 nights annually ¹³⁶ | Mandatory permit for all holiday rentals ¹³⁷ | | Short-term renting of boats and summer houses prohibited. Short-term renting of properties rented from housing corporations prohibited ¹³⁸ | Attempted ban of holiday renting in central city locations (overturned) ¹³⁹ | | Tourist tax of 10% of the listing price ¹⁴⁰ | 4 guest limit ¹⁴¹ |
| Barcelona | Letting of spare rooms for under 31 nights prohibited. | Licences required for all tourist | No new short-term rental licences | | New short-term rental licenses banned in central zones. New licences may be granted in | | Nightly tourist tax of EUR 4.00 ¹⁴⁶ | |

¹³⁶ City of Amsterdam, 'Apply for a Permit' <<https://www.amsterdam.nl/en/housing/holiday-rentals/applying-permit/>>.

¹³⁷ Ibid.

¹³⁸ Ibid.

¹³⁹ Hübscher and Kallert (n 79).

¹⁴⁰ Airbnb, 'Amsterdam', *Airbnb Help Centre* <https://www.AirBnB.com.au/help/article/860?_set_bev_on_new_domain=1683508626_MmNjMTkxZGYWY2I1>.

¹⁴¹ City of Amsterdam (n 105).

¹⁴⁶ Rebecca Ann Hughs, 'Barcelona Is Increasing Its Tourist Tax - Here's How Much You'll Have to Pay in 2023', *Euronews.travel* (online, 9 January 2023)

<[**Centre for
Equitable
Housing**](https://www.euronews.com/travel/2023/01/09/barcelona-is-increasing-its-tourist-tax-heres-how-much-youll-have-to-pay-in-2023#:~:text=Visitors%20to%20Barcelona%20have%20to,tax%20rises%20to%20%E2%82%AC3.50.>.</p>
</div>
<div data-bbox=)

| | | | | | | | | |
|--------|---|---|--|--|--|--|--|--|
| | | accommodation ¹⁴² | permitted in central zones ¹⁴³ . Recent invalidation of hosted (room rental) short-term rentals ¹⁴⁴ | | outer districts upon cessation of a licence in central zones (considering density ratios) ¹⁴⁵ . | | | |
| Berlin | 90 day cap for renting a secondary residence ¹⁴⁷ | Permit required for entire residence short-term rentals and private room rentals exceeding 50% of a residences' total size ¹⁴⁸ . | | | While restrictions based on location are not strictly specified, the "public interest" in using a property as a short-term rental is considered by individual councils, possibly influencing spatial distribution of properties ¹⁴⁹ | <i>Approval of permits may be granted in "exceptional circumstances" if the loss in residential living space is offset by the "creation of appropriate replacement housing"</i> ¹⁵⁰ | An 'Overnight' or 'City Tax' payable by tourists at 5% of the listing price ¹⁵¹ | |

¹⁴² Thomas Aguilera, Francesca Artioli and Claire Colomb, 'Explaining the Diversity of Policy Responses to Platform-Mediated Short-Term Rentals in European Cities: A Comparison of Barcelona, Paris and Milan' (2021) 53(7) *Environment and Planning A: Economy and Space* 1689 ('Explaining the Diversity of Policy Responses to Platform-Mediated Short-Term Rentals in European Cities').

¹⁴³ Ajuntament de Barcelona, 'PEUAT SPECIAL TOURIST ACCOMMODATION PLAN', www.barcelona.cat (26 January 2022) <<https://ajuntament.barcelona.cat/pla-allotjaments-turistic/en>>.

¹⁴⁴ Paige McCalanahan, 'Barcelona Takes on Airbnb', *The New York Times* (online, 26 October 2021) <<https://www.nytimes.com/2021/09/22/travel/barcelona-AirBnB.html>>.

¹⁴⁵ Ajuntament de Barcelona (n 112).

¹⁴⁷ Hübscher and Kallert (n 79).

¹⁴⁸ Airbnb, *Berlin* (n 97).

¹⁴⁹ Berlin, 'Vacation Rentals - Apply for Temporary Rental of the Berlin Main Residence or Secondary Residence', *Service Portal Berlin* <<https://service.berlin.de/dienstleistung/328146/>>.

¹⁵⁰ Ibid.

¹⁵¹ Visit Berlin, 'City Tax Berlin' <[**Centre for
Equitable
Housing**](https://www.visitberlin.de/en/city-tax-berlin#:~:text=The%20City%20Tax%20will%20equal,Berlin%20Senate%20(in%20German).>>.</p>
</div>
<div data-bbox=)

| | | | | | | | | |
|----------------|---|---|--|---|---|--|--|--|
| Dublin/Ireland | | Planning permission required for homeowners in Rent Pressure Zones seeking operate as an entire-unit STR for more than 90 days annually, or let out a second property for short-term lets. ¹⁵² | Determinations of planning permit rent pressure zones will be based upon current housing demand, supply and volume of applications. ¹⁵³ | Applications for planning permission required for second homes in rent pressure zones. ¹⁵⁴ | Rent pressure zones are determined based on annual rent inflation and average rents in relation to national average rents. ¹⁵⁵ | | | |
| London | 90 nights annually if planning permission is not obtained (entire home only) ¹⁵⁶ | Planning permission required if letting for over 90 nights a year ¹⁵⁷ . | | | | | | |

¹⁵² Citizen Information Board, 'Renting Your Property for Short-Term Lets' <<https://www.citizensinformation.ie/en/housing/owning-a-home/home-owners/renting-your-property-for-shortterm-lets/>>.

¹⁵³ Ibid.

¹⁵⁴ Ibid.

¹⁵⁵ Residential Tenancies Board, 'Rent Pressure Zones' <<https://www.rtb.ie/rent-pressure-zones>>.

¹⁵⁶ Mayor of London, 'Short Term and Holiday Lets in London' <<https://www.london.gov.uk/programmes-strategies/housing-and-land/improving-private-rented-sector/short-term-and-holiday-lets-london>>.

¹⁵⁷ Airbnb, 'Responsible Hosting in France', *Airbnb Help Centre* <<https://www.AirBnB.com.au/help/article/1383#:~:text=You%20are%20allowed%20to%20rent,limit%2C%20365%20days%20per%20year.&text=A%20secondary%20residence%20is%20a,%C3%A0%2Dterres%20and%20holiday%20houses.>>>.

| | | | | | | | | |
|---------------|--|---|--|--|--|--|--|---|
| New Orleans | | <p>Dwelling Units in the Orleans Parish must possess a short-term rental owner and operator permit, with a limit of one permit per person.</p> <p>Differing licences exist for residential (whereby a host lives in a property) and commercial short-term rentals¹⁵⁸</p> | <p><i>Limits to short-term rental permits issued within each city block (generally one per block with some exemptions)</i>¹⁵⁹ enforced by a lottery system¹⁶⁰.</p> | | <p>Listings in key heritage and tourist neighbourhoods such as the French Quarter and Garden District are not permitted¹⁶¹.</p> <p>Exemptions to block permit limits may be granted based on neighbourhood land use and characteristics¹⁶²</p> | | <p>A 4% Hotel Occupancy tax is payable in central parishes¹⁶³</p> | <p>Generally a 6 guest per dwelling limit with some variations based on Zoning ordinances¹⁶⁴</p> |
| New York City | | Mandatory registration of | | Entire Unit short-term rentals not permitted | | | | 2 Guest limit |

¹⁵⁸

¹⁵⁹ City of New Orleans, 'Overview of Short Term Rentals in New Orleans', *Nola.Gov* <<https://nola.gov/next/short-term-rental-administration/topics/overview-of-short-term-rentals-in-new-orleans/#heading0>>.

¹⁶⁰ Berlin Carly, 'New Orleans Short-Term Rentals Limited to 1 per Square Block, but Council Also Passes Exceptions', *New Orleans Public Radio* (23 March 2023) <<https://www.wvno.org/news/2023-03-23/new-orleans-short-term-rentals-limited-to-1-per-square-block-but-council-also-passes-exceptions>>.

¹⁶¹ Airbnb, 'New Orleans, LA', *Airbnb Help Centre* <<https://www.AirBnB.com.au/help/article/867>>.

¹⁶² City of New Orleans, *Overview of Short Term Rentals in New Orleans* (n 128).

¹⁶³ Airbnb, 'Occupancy Tax Collection and Remittance by Airbnb in Louisiana', *Airbnb Help Centre* <<https://www.AirBnB.com.au/help/article/867>>.

¹⁶⁴ City of New Orleans, *Overview of Short Term Rentals in New Orleans* (n 128).

| | | | | | | | | |
|-------|--|--|---|--|--|---|---|--|
| | | eligible short-term rental hosts (hosted rentals only) ¹⁶⁵ | | in dwellings intended for permanent residence purposes ¹⁶⁶ . Short-term letting of rent controlled properties prohibited ¹⁶⁷ . | | | | |
| Paris | 120 nights for entire primary home listings. | Registration for short-term rentals required for unhosted renting of primary residences for less than 120 days a year. No registration required for hosted rentals ¹⁶⁸ . | Registration of inner-city secondary homes as short-term rentals is dependent on the replacement of lost residential stock through a compensation scheme ¹⁷⁰ . | Short-term renting not permitted by tenants of social housing ¹⁷¹ . | | <i>In inner-city neighbourhoods, applicants seeking to change the use of secondary residences to vacation residences must purchase an equivalent area of commercial space to be converted into a residential space¹⁷².</i> | A tourist tax of between 1% and 5% of nightly fee based on luxury rating of accommodation | |

¹⁶⁵ NYC Office of Special Enforcement, 'Registration for Hosts' (3 February 2023) <<https://www.nyc.gov/site/specialeenforcement/registration-law/registration-for-hosts.page>>.

¹⁶⁶ Max Cilendorf, Gleb Zaslavsky and Rika Khurdayan, 'Is It Legal Listing a Townhouse for Rent in NYC on Airbnb?', *Dilendorf Law Firm* (11 January 2017) <https://www.dilendorf.com/resources/is-it-legal-listing-a-new-york-city-townhouse-on-AirBnB.html#_ftn2>.

¹⁶⁷ NYC Office of Special Enforcement (n 134).

¹⁶⁸ City of Paris, 'La Déclaration Des Meublés de Tourisme' <<https://meubles-tourisme.paris.fr/meubles-tourisme/jsp/site/Portal.jsp?page=accueil>>.

¹⁷⁰ City of Paris, 'Comment exercer une activité dans un logement' (18 May 2022) <<https://www.paris.fr/pages/exercer-une-activite-dans-un-logement-172/>>.

¹⁷¹ (n 77).

¹⁷² Ibid.

| | | | | | | | | |
|---------------|---|---|--|---|--|--|---|---|
| | | A 'Change of use' authorisation is required for the conversion of a secondary residence into a short-term rental ¹⁶⁹ | | | | | | |
| San Francisco | A limit of 90 unhosted nights annually ¹⁷³ | Registration is required. Hosts must require a Business Registration Certificate for the property, and receive a certificate from the Office of Short-term rentals. | | Income-restricted affordable housing, public housing buildings with eviction controls, sleeping quarters in outdoor areas (such as treehouses) and accessory dwellings (such as 'granny flats) are not eligible to be used as short-term rentals ¹⁷⁶ | Short-term rentals cannot be located in the Presidio, Treasure Island or Fort Mason districts ¹⁷⁷ . | | A transient occupancy tax of 14% is charged on hotel or short-term rental stays of under 30 days ¹⁷⁸ | If the host is staying in the unit, they may not host more than "four simultaneous distinct renters" in the same unit. Couples sharing a bedroom are counted as a |

¹⁶⁹ Ibid.

¹⁷³ San Francisco Planning, 'FAQs on Short-Term Rentals' <<https://sfplanning.org/str/faqs-short-term-rentals>>.

¹⁷⁶ San Francisco Planning (n 142).

¹⁷⁷ San Francisco Planning (n 144).

¹⁷⁸ Treasurer & Tax Collector: City and County of San Francisco, 'Transient Occupancy Tax (TOT)' <[**Centre for
Equitable
Housing**
A Per Capita initiative](https://sftreasurer.org/business/taxes-fees/transient-occupancy-tax-tot#:~:text=San%20Francisco%20imposes%20a%2014,and%20remitted%20to%20the%20City.>>.</p>
</div>
<div data-bbox=)

| | | | | | | | | |
|--|--|---|--|--|--|--|--|---|
| | | <p>Registration is only available for primary residences (where the host resides for at least 275 nights a year)¹⁷⁴</p> <p>Prospective hosts living in single-family zoned neighbourhoods must notify all property owners and residential tenants within 300 feet of the unit of their intention to commence hosting.</p> <p>Property liability insurance of 500,000 USD</p> | | | | | | single distinct renter ¹⁷⁹ . |
|--|--|---|--|--|--|--|--|---|

¹⁷⁴ Ibid.

¹⁷⁹ San Francisco Planning (n 144).

| | | | | | | | | |
|---------|---|---|--|--|--|--|---|--|
| | | or more must be held by hosts ¹⁷⁵ | | | | | | |
| Toronto | Entire home rentals are limited to 180 nights per year ¹⁸⁰ . | Registration required for short-term rentals. Primary residences may only be registered as short-term rentals ¹⁸¹ . Short-term rental companies must also obtain a licence to operate in Toronto ¹⁸² | | | | | A 6% Municipal Accommodation Tax is payable for guests of short-term rentals ¹⁸³ . | |

¹⁷⁵ San Francisco Planning, 'Become a Certified Host' <<https://sfplanning.org/str/become-certified-host>>.

¹⁸⁰ City of Toronto, 'Short-Term Rental Operators/Hosts' <<https://www.toronto.ca/community-people/housing-shelter/short-term-rentals/short-term-rental-operators-hosts/>>.

¹⁸¹ Ibid.

¹⁸² Ibid.

¹⁸³ City of Toronto, 'Guests' <[**Centre for
Equitable
Housing**](https://www.toronto.ca/services-payments/property-taxes-utilities/municipal-accommodation-tax/guests/#:~:text=Short%2Dterm%20Rental&text=Individuals%20booking%20short%2Dterm%20rentals,Municipal%20Accommodation%20Tax%20(MAT).>.>.</p>
</div>
<div data-bbox=)

Appendix 2: International Enforcement Summary

| City | Fines for Hosts | Fines for platforms | Data-sharing by platforms | Enforcement by platforms |
|-----------|---|--|---|--|
| Amsterdam | <p>A fine of up to 8,700 EUR is payable for failing to advertise with a registration number.</p> <p>A fine of up to 8,700 EUR also exists for failing to report the number of nights of a holiday rental before it begins¹⁸⁴.</p> <p>Fines are capped at EUR 21,750.</p> | | | <p>The City of Amsterdam may request that Airbnb will block booking calendars for listings exceed the nightly limit. During this process, hosts receive an email stating that they have reached the legal limit, with no further bookings permitted through the website¹⁸⁵.</p> |
| Barcelona | <p>Fines for illegal tourist accommodation ranges from 3,001 EUR to 600,000 EUR¹⁸⁶. 8,100 fines were issued between 2016 and 2022¹⁸⁷.</p> | <p>Airbnb has faced fines for listing unlicensed rentals, as well as fines for recidivism¹⁸⁸. This has included a 600,000 EUR fine in 2016 which applied to both Airbnb and a shared accommodation hosting site Homestay¹⁸⁹.</p> <p>The City Council has previously sent orders to platforms requiring that they remove non-compliant listings. Fines have been applied if this request is not adhered to¹⁹⁰.</p> | <p>Airbnb provides personal details of hosts with authorities to permit Airbnb to verify legality of listings. Hosts who do not consent to data sharing cannot list on the website¹⁹¹.</p> | |

¹⁸⁴ City of Amsterdam (n 105).

¹⁸⁵ Airbnb, *Amsterdam* (n 109).

¹⁸⁶ Generalitat de Catalunya, 'Preguntes Més Freqüents', *GenCat*

<https://empresa.gencat.cat/ca/treb_ambits_actuacio/turisme/professionals_turisme/emo_empreses_establiments_turistics/emo_empreses_turistiques_allotjament/emo_habitatges_us_turistic/faq/#faq-per-que-conve-legalitzar-l-habitatge-d-us-turistic->.

¹⁸⁷ Ajuntament de Barcelona (n 73).

¹⁸⁸ 'Barcelona Gives Airbnb 15 Days to Remove 4,100 Unlicensed Tourist Rentals from Platform', *Catalan News* (online, 23 July 2023) <<https://www.catalannews.com/business/item/barcelona-gives-AirBnB-15-days-to-remove-4100-unlicensed-tourist-rentals-from-platform>>.

¹⁸⁹ Hospitality Europe, *Position Paper on EU-Wide Regulation of Short-Term Rentals (Full Report)* (July 2022) <<https://www.hotrec.eu/wp-content/customer-area/storage/8086fb0898d771b564773a81471d8d4e/HOTREC-position-paper-on-EU-wide-regulation-of-Short-Term-Rentals-FULL.pdf>>.

¹⁹⁰ Ajuntament de Barcelona (n 73).

¹⁹¹ Airbnb, 'Catalonia's Tourist Accommodations Registration Process: Frequently Asked Questions', *Airbnb Help Centre* (8 April 2021) <<https://www.AirBnB.com.au/help/article/2265/>>.

| | | | | |
|---------------|---|--|--|---|
| <p>Berlin</p> | <p>Fines of up to 500,000 EUR exist for 'misappropriation of living space' (including renting residential space as a holiday home without a permit)¹⁹².</p> | | | <p>Airbnb requires residential listings to add a valid registration number to allow short-term stays in Berlin. Airbnb's 'help centre' states that hosts who do not have a permit must change their minimum length of stay to 92 days or longer¹⁹³.</p> |
| <p>London</p> | <p>Planning Contravention notices may be served to hosts who operate for more than 90 nights. Failure to comply with this notice may be classified as an offence, resulting in a fine. However, few successful prosecutions have occurred¹⁹⁴</p> | | | <p>Airbnb has introduced an annual night cap on its website, making listings unavailable when 90 nights have been booked. Additional platforms (including TripAdvisor) have followed this action¹⁹⁵.</p> <p>Platforms do not co-ordinate to monitor or report hosts using multiple booking systems, nor are they required to report duplicate listings or other breaches¹⁹⁶</p> |

¹⁹² <https://gesetze.berlin.de/bsbe/document/jlr-WoZwEntfrGBErahmen>

¹⁹³ Airbnb, *Berlin* (n 97).

¹⁹⁴ Cosh (n 76).

¹⁹⁵ Ibid.

¹⁹⁶ Ibid.

| | | | | |
|--------------------|--|--|--|--|
| <p>New Orleans</p> | <p>Fines for violation of STR regulations are set at 500 USD for each violation (the maximum permitted under Louisiana state law)¹⁹⁷.</p> <p>The City may shut off water supply in cases of extreme non-compliance whereby fines have not been sufficient¹⁹⁸.</p> <p>The New Orleans Short-term Rental Office first informs responsible parties of violations, granting parties an opportunity to correct these violations before proceedings are brought against any hosts¹⁹⁹.</p> <p>Enforcement of hosts has historically been slow and limited, however the introduction of Short-term Rental tracking software has led to an increase in fines over the past year²⁰⁰.</p> | | <p>New Orleans currently shares the names and addresses of hosts to Airbnb to assist with enforcement efforts²⁰¹. It is unclear whether information-sharing occurs between other booking platforms and New Orleans.</p> | <p>Airbnb currently does not allow listings in the French Quarter and other banned districts. Airbnb Licences must be provided to Airbnb to complete registration with the platform²⁰².</p> |
|--------------------|--|--|--|--|

¹⁹⁷ City of New Orleans, *Short Term Rental Handbook* (2 December 2019) <<https://nola.gov/nola/media/Safety-and-Permits/str/STR-Handbook-version-20191203.pdf>>.

¹⁹⁸ Jeff Adelson, 'New Orleans Begins Roll out of Short-Term Rental Law Enforcement', *The Advocate* (online, 14 May 2017) <https://www.theadvocate.com/new_orleans/news/politics/article_5b428d14-38e0-11e7-8ae2-7b5409eacfab.html>.

¹⁹⁹ City of New Orleans, 'Short Term Rental Handbook' (n 166).

²⁰⁰ Ravtis (n 92).

²⁰¹ Valentin (n 70).

²⁰² Airbnb, *New Orleans, LA* (n 130).

| | | | | |
|-----------------|---|---|--|--|
| <p>New York</p> | <p>Violations of new Short-Term Rental registration and advertising requirements are liable for a maximum civil penalty if the lesser of 5,000 USD or triple the revenue generated by the Short-Term Rental by the violation.</p> <p>Violation of additional regulation of short-term rentals in force before 2023 (such as limits on building types which may be used as short-term rentals) are liable for an additional fine of up to USD 5,000 per violation²⁰³.</p> | <p>Hosts have been described as bearing “the brunt of non-compliance” in New York²⁰⁴.</p> <p>However, New York City’s Administrative Code states that booking services which receive fees from listings in violation of registration requirements will be liable for the lesser of 1,500 USD per non-compliant listing or no more than three times the fee collected by the booking platform.</p> <p>Booking platforms which fail to provide verification numbers and host details for listings to New York also face a fine of 1500 USD²⁰⁵</p> | <p>Booking platforms such as Airbnb are required to disclose host data and listing information to the City of New York. This includes names, addresses and the number of nights a property has been booked for²⁰⁶.</p> <p>Confirmation of registration from the City’s verification system must be reported monthly by platforms to the City²⁰⁷.</p> | <p>Airbnb removes non-compliant listings, such as entire-home listings and listings by corporate hosts²⁰⁸</p> <p>Platforms must also verify that short-term rentals have been registered with the City using an electronic verification system²⁰⁹.</p> |
|-----------------|---|---|--|--|

²⁰³ <https://codelibrary.amlegal.com/codes/newyorkcity/latest/NYAdmin/0-0-0-133488>

²⁰⁴ Andrea Lazarow, ‘Airbnb in New York City: Law and Policy Challenges’ (2015) 2(3) *International Journal of Knowledge and Innovation in Business* 24.

²⁰⁵ https://codelibrary.amlegal.com/codes/newyorkcity/latest/NYAdmin/0-0-0-137348#JD_26-3202

²⁰⁶ Airbnb, ‘New York, NY’, *Airbnb Help Centre* <<https://www.AirBnB.com.au/help/article/868>>.

²⁰⁷ <https://codelibrary.amlegal.com/codes/newyorkcity/latest/NYCAadmin/0-0-0-133488>

²⁰⁸ Emma Hinchliffe, 'Airbnb Has Removed 2,570 Illegal Listings from NYC, but Housing Advocates Say It's Not Enough', *Mashable* (23 September 2023) <<https://mashable.com/article/AirBnB-nyc-data-august>>.

²⁰⁹ <https://codelibrary.amlegal.com/codes/newyorkcity/latest/NYCAadmin/0-0-0-133488>

| | | | | |
|--------------|--|--|--|---|
| <p>Paris</p> | <p>Fines of up to 5,000 EUR apply to hosts who do not register their properties with the City.</p> <p>Owners of secondary residence who do not comply with "change of use" regulations are liable to a fine of 50,000 EUR per dwelling, and a penalty payment of 1,000 EUR per day and per square metre of floor space until the issue is remedied.</p> <p>Moreover, criminal penalties may occur if a host falsely declares, conceals or attempts to declare premises not authorised to change their use²¹⁰.</p> | <p>In 2022 Paris Newspaper Le Monde estimated that the City had collected more than 14M EUR in fines from rental companies and platforms advertising illegal short-term rentals.</p> <p>This has included a 2021 decision by the Judiciary Tribunal of Paris which ruled that Airbnb must pay 8.08M EUR for hosting listings without a valid registration number²¹¹.</p> <p>Platforms which do not publish a registration number may receive a fine of up to 12,500 EUR per non-compliant listing.</p> <p>Platforms which allow for listings of over 120 days a year may also receive a maximum civil fine of EUR 50,000 per advertisement²¹².</p> | | <p>Airbnb states that it enforces a nightly cap for entire-unit listings in Paris "in co-ordination with the French Government"²¹³.</p> <p>Airbnb also announced in 2021 that it would be blocking listings that did not provide a registration number²¹⁴</p> |
|--------------|--|--|--|---|

²¹⁰ City of Paris, 'Meublés Touristiques : Les Démarches à Suivre Pour Louer Sur Une Courte Durée Votre Bien' (18 May 2022) <<https://www.paris.fr/pages/meubles-touristiques-3637#foire-aux-questions>>.

²¹¹ City of Paris, 'Le Tribunal Judiciaire de Paris Condamne Airbnb à Verser Une Amende de 8 Millions d'euros à La Ville de Paris, Une Première En France', *Paris: Presse* <<https://presse.paris.fr/pages/19789>>.

²¹² City of Paris, *Meublés Touristiques : Les Démarches à Suivre Pour Louer Sur Une Courte Durée Votre Bien* (n 179).

²¹³ (n 77).r

²¹⁴ 'Airbnb Fined 8 Million Euros over Unregistered Paris Rentals' (2 July 2021) *RFI* <<https://www.rfi.fr/en/france/20210702-AirBnB-fined-8-million-euros-over-unregistered-paris-rentals-tourism>>.

| | | | | |
|----------------------|--|---|---|--|
| <p>San Francisco</p> | <p>Renting unregistered properties, exceeding unhosted night limits and other violations of the San Francisco Administrative Code’s Residential Unit Conversion and Demolition regulations may be convicted of a misdemeanour offence. This offence may result in a fine of up to 1,000 USD or a County Jail sentence of up to six months, or both²¹⁵</p> | <p>Platforms may also be fined up to 1,000 for each listing violating the San Francisco Administrative Code²¹⁶.</p> | <p>Hosting Platforms must maintain records of each transaction made through the service, including names and addresses of hosts, addresses of units, and registration numbers of the unit²¹⁷.</p> | <p>Hosts must enter registration numbers on their Airbnb listings. Registration numbers and their expiration dates are remitted to the San Francisco Office of Short-term Rentals²¹⁸</p> |
| <p>Toronto</p> | <p>Failing to register a short-term rental incurs a fine of 1000 CAD. Additional fines include renting an entire unit which is not a principal residence (1000 CAD), renting an entire unit for more than 180 days (700 CAD), and failing to provide evidence of principle residence (700 CAD)²¹⁹</p> | <p>Fines of 1000 CAD apply for “advertising, facilitating or brokering an unregistered short-term rental”, failing to remove unregistered listings, and failing to keep records of transactions on the platforms for three years²²⁰.</p> | <p>Platforms must record and transmit data to the City including names, addresses and registration numbers of hosts, prices charged b by hosts, and annual numbers of nights properties are rented²²¹.</p> | <p>In order to obtain a licence to operate in Toronto, short-term rental companies must provide a process for the removal of listings without valid registration numbers²²².</p> |

²¹⁵ https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-27955

²¹⁶ https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-27955

²¹⁷ https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-27955

²¹⁸ Airbnb, 'San Francisco, CA', *Airbnb Help Centre*.

²¹⁹ City of Toronto, *Short-Term Rental Operators/Hosts* (n 149).

²²⁰ *Ibid.*

²²¹ City of Toronto, 'Short-Term Rental Companies/Platforms' <<https://www.toronto.ca/community-people/housing-shelter/short-term-rentals/short-term-rental-companies/>>.

²²² *Ibid.*