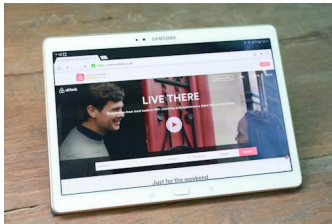


## Australian governments are treading lightly around Airbnb

Written by The Conversation

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Despite a huge apartment boom in inner Sydney, Airbnb may make house affordability worse. [Sydney hutterstock](#)

Australia, and particularly Sydney, are gripped by a housing affordability crisis. So the NSW government's omission of any concrete commitment to monitor the conversion of permanent rental housing to holiday accommodation, [like Airbnb](#) and [Stayz](#), is concerning. It would seem regulators in NSW and many other states in Australia are out of sync with their international counterparts, who have made a clear distinction between home sharing and the loss of rental supply in their property markets.

Rising complaints about tourists in residential apartments and homes prompted a [NSW Parliamentary inquiry into the adequacy of regulation of short term holiday letting](#). Since the inquiry concluded in mid 2016, Sydney's Airbnb listings alone have [grown from around 15,648](#) to reach a total of [24,038 homes by April 2017](#).

Over approximately the same time, [24,469 new apartments were completed](#) in Sydney. These figures are not connected but highlight the changing ways that homes are being designed, financed and used in high density urban and suburban settings.

Online holiday rentals in particular have not been planned for, and the legality of a range of "home-sharing" practices now enabled by online platforms such as Airbnb remains unclear.

But rather than launch a [New York style crack down](#), the NSW government has opted to tread lightly for now. The NSW government's long awaited response to the inquiry has promised "broad consultation" involving industry and the community.

This consultation is supported by an "options paper" to identify "appropriate regulations". It

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appears the “options” will involve amendments to planning laws to clarify that residences can be rented for up to a specified number of days without the need for further planning approval.

Short-term letting of rooms where hosts remain present will probably also be permitted. Short-term letting of empty houses (ie. homes which would otherwise be vacant) may be subject to “impact thresholds” - likely around number of guests.

The NSW Government’s default position appears to rely on existing local government powers to act in relation to noise or other complaints, while potentially empowering apartment owner corporations to set and enforce their own rules.

### How the NSW government’s response compares

The conversion of permanent rental housing supply to short-term accommodation has been endemic in New York, [London](#) , [Berlin](#) , [Barcelona](#) , and [San Francisco](#) . In these cities governments have cracked down heavily on Airbnb and other online platforms to prevent affordable and rent controlled units in particular from being used for holiday accommodation.

The cautious approach by the NSW government may reflect the fact that internationally, attempts to regulate online holiday rentals have had limited success. Despite New York’s ban on short term holiday rentals, which now extends to the advertisement of these properties, Airbnb listings in that city [have continued to grow](#) .

However, in some cities, and usually following legal action, Airbnb has agreed to help implement local rules. For example, by [collecting and remitting applicable tourist taxes](#) , or by blocking bookings [once a threshold is reached](#) .

Such an arrangement has been introduced in London, where [Airbnb has established a “day counter”](#) which automatically restricts bookings beyond a 90 day calendar year threshold, unless the host has obtained planning permission to operate a holiday rental property.

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It's too early to know whether this action will curb London's growing conversion of permanent rental accommodation to tourist accommodation or simply result in landlords turning to other online platforms. But this intervention represents an important first step, and NSW might do well to follow suit.

The NSW inquiry and government response certainly anticipate greater use of voluntary and industry codes of practice, as well as market based forms of regulation (for instance, where users rate each other). [Airbnb itself is piloting a Friendly Building Program](#) in the US, where owners' corporations are able to take a percentage of income from Airbnb bookings and set specific policies (such as blackout dates).

Market based regulations and voluntary codes may be feasible in a sector which is highly conscious of branding and public image. However, these individualised and market-based approaches may undermine strategic planning strategies designed to cluster tourist accommodation near facilities, services, and attractions.

### Airbnb and housing affordability

Nor do such approaches address the potential impacts of short-term rentals on the availability and cost of permanent rental housing. The NSW Government hasn't said much about housing affordability.

[Our own analysis](#) shows that general pressure on already tight rental vacancy rates in high-demand suburbs of inner Sydney will be exacerbated if online holiday listings of whole homes continue to grow.

Our study found that in central Sydney, frequently available Airbnb homes amount to around one and a half times the rental vacancy rate. This rate is the proportion of rentals available for local households to rent at any one time. It was also nearly four times the number of rental vacancies in the inner suburb of Waverley.

Echoing concerns from [high density cities of Europe](#) and [North America](#), [residents complain that](#) tourists generate increased noise, rubbish, traffic and parking congestion and are prone to loud and

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drunken behaviour.

There is also wider disquiet about the increasing presence of visitors, an intangible transformation of local neighbourhoods. This impalpable change – is [described by some scholars](#) as tourist driven gentrification. This arises when permanent homes are converted and residents displaced by holiday accommodation.

Online accommodation platforms within the wider so called “collaborative economy” open new opportunities for cities but also present new risks.

In “treading lightly” around Airbnb and other new short term accommodation providers, let’s hope the the NSW Government is able to broker real solutions which allow hosts and visitors to enjoy “home-sharing” without undermining local neighbourhoods and housing supply.

*Nicole Gurrán receives funding from the Australian Housing and Urban Research Institute.*

*Peter Phibbs receives funding from the Australian Housing and Urban Research Institute*

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