

TUNSW SUBMISSION

Short-term Rental Accommodation Planning Framework

The Tenants' Union of NSW is the peak non-government organisation representing the interests of tenants in New South Wales. We are a Community Legal Centre specialising in housing and tenancy law. We are the resourcing body for a state wide network of Tenants' Advice and Advocacy Services. Collectively these organisations assist more than 25,000 tenants each year.

As an organisation representing only the interests of occupants of residential rental housing, we have a unique and long-standing interest in understanding and advising on the interaction between short-term holiday lettings and a fair rental system. We have previously published our own research examining the impact of Airbnb on rent levels and supply in NSW.¹

We are pleased to offer these brief comments on the proposed Short-term Rental Accommodation (STRA) Planning framework.

Key Recommendations

1. The STRA Planning framework should allow every local council to determine the number of days before which the use of STRA does not require development consent. In the absence of a locally made decision, this number of days should be 60 per year.
2. That the Department of Planning and Environment (DPE) should work to ensure a robust approach to data collection is implemented as soon as possible, and the produced data is then used to enable the future assessment of the framework and allow NSW to be a world leader in this regard.

¹ Tenants Union of NSW (2017) [TUNSW] *Airbnb and renting in Sydney*, March 2017, <https://files.tenants.org.au/policy/2017-Airbnb-in-Sydney.pdf>

Comments

We support the aims of the framework, namely to

- clarify the permissibility of STRA
- provide consistency and certainty for the industry and community
- enable STRA to occur in appropriate locations
- provide for the safety of those using STRA
- strike a balance between the availability of properties for long-term and the short-term rental market in metropolitan areas
- enable councils in regional areas to respond to local needs and
- mitigate impacts of STRA on communities.

We are concerned that the proposed STRA planning framework will not achieve a number of its stated aims. It does not appear to us that councils in regional areas will be given the tools necessary to respond to local needs. This will:

have a detrimental impact on the ability of the framework to mitigate the impacts of STRA; and, potentially allow STRA to occur in inappropriate locations.

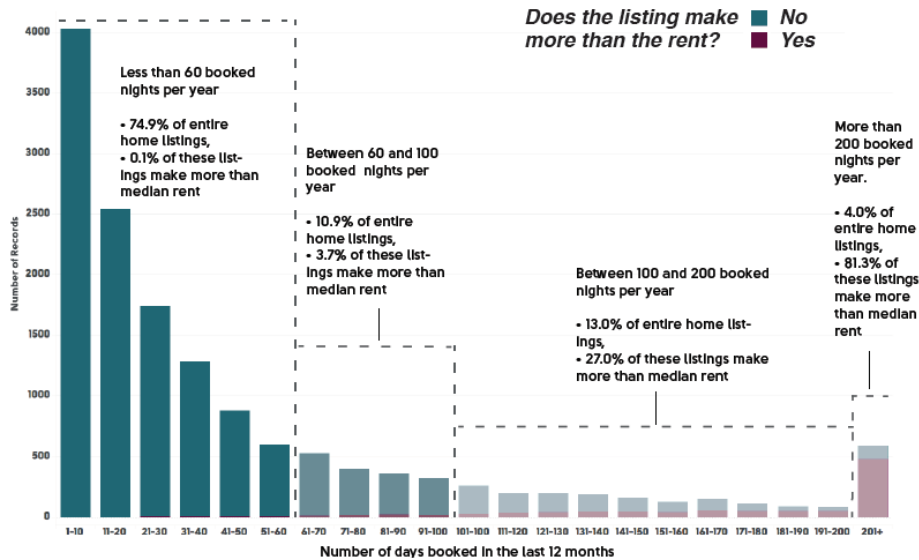
While we note that it was not an intention to enable councils in metropolitan areas to respond to local needs, we also recommend this should be a consideration. Removing the ability for metropolitan councils to make local decisions hampers the framework's ability to strike a balance in availability of properties for longer term and shorter term rentals. We assert that there are no properties outside the social housing system which can be relied upon to provide long-term rental accommodation.

The limits placed on all councils ability to determine the appropriate number of days per year before short-term holiday letting requires development consent appears to us to be too restrictive to be effective. The international and Australian experience suggests a much lower yearly limit may be more appropriate in particular regions.

This point is well-explored in the recently published AHURI publication *Technological disruption in private housing markets: the case of Airbnb*². The relevant policy recommendation made was to allow for locally set limits. In the Australian context this means the local council. We commend its general findings to the Department.

In the absence of a locally set limit on dwellings, we recommend a yearly limit of 60 days. This is in line with both international experiences explored in the AHURI publication, as well as our own analysis of the use of Airbnb in Sydney which suggested that non-commercial use of the platform was almost entirely under 60 days a year.

² Crommelin, L., Troy, L., Martin, C. and Parkinson, S. (2018) *Technological disruption in private housing markets: the case of Airbnb*, AHURI Final Report No. 305, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/305>, doi:10.18408/ahuri-711520



Analysis of Sydney data from September 2015 to September 2016 showed above 60 days per year as the point at which more commercial use of entire homes begins.³

Whether the framework is modified in line with our recommendations or not, it appears to us that there is a responsibility on the Department to set in place now the instruments and methodology to assess the policy at a future date.

It will be crucial to ascertain the efficacy of the framework that sufficient data is collected. We encourage a whole of government approach to this issue. While the STRA Planning Framework is implemented by the DPE the impact document makes note that data can be collected through the Code of Conduct and the Department of Finance, Services and Innovation (DFSI) leads the process of developing that code. We suggest it is vital that DPE strongly support the collection of data in the DFSI Code of Conduct.

DFSI also controls management of the land titles through its relationship with Land Registry Services. DPE and DFSI should explore linking the land titles dataset to those rental addresses held in the Rental Bond Board, and those collected through the STL Code of Conduct. This would also give DPE the ability to more effectively assess the efficacy of the STL Planning Framework, particularly in the interaction between longer term and shorter term rental accommodation. Another benefit of this process would be to allow a much deeper understanding of the extent to which new supply of housing translates into residential housing.

For more information, please contact:

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³ Tenants Union of NSW (2017) [TUNSW] *Airbnb and renting in Sydney*, March 2017, <https://files.tenants.org.au/policy/2017-Airbnb-in-Sydney.pdf>