

Short Term Rental Accommodation Planning Proposal



Independent Planning Commission
Short Term Rental Accommodation Public Hearing
21 February 2023



Jingi Walla Acknowledgement of Country



About us

Population – 36,000

Dwellings – 16,919

Dwellings unoccupied or visitor occupied - 24% (compared to NSW at 13.6%)

Biggest employer – Health Care & Social Assistance - 2,492 jobs

Median household income - \$1,602/wk (compared to NSW at \$1,829)

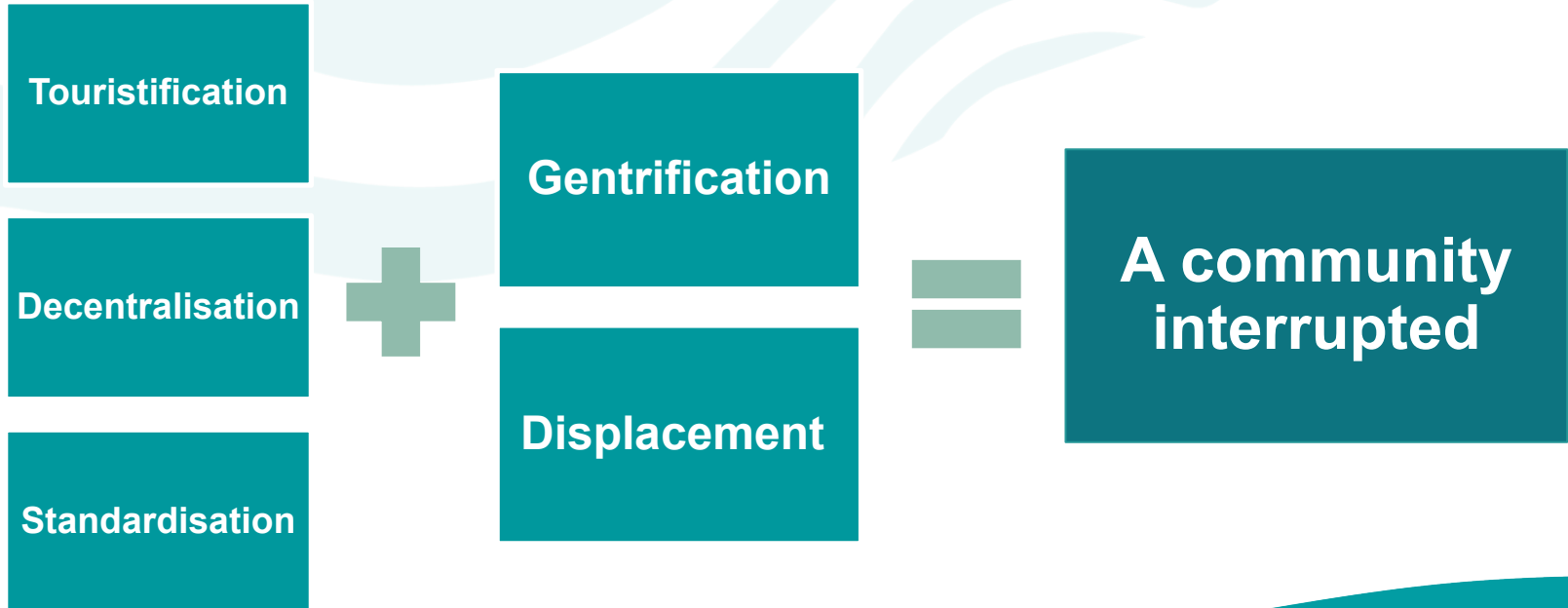
Median rent - \$520/wk (compared to NSW at \$420/wk)

Community Housing – 70

Social Housing – 200

Rough Sleepers - 221 (compared to City Sydney at 225)

Our situation



Our Perfect Storm

- Politics and activism
- Celebrity presence and Instagram
- Sea – tree – re changers
- COVID pandemic and 2022 flood events



Byron lifts development ban

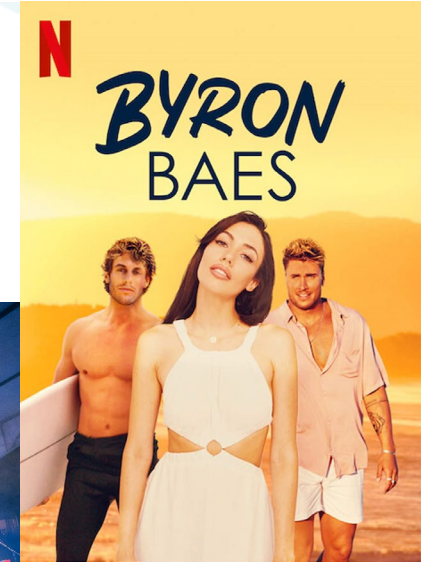
Regional tourism growth sees rise in Airbnb listings, but it's leaving renting families high and dry



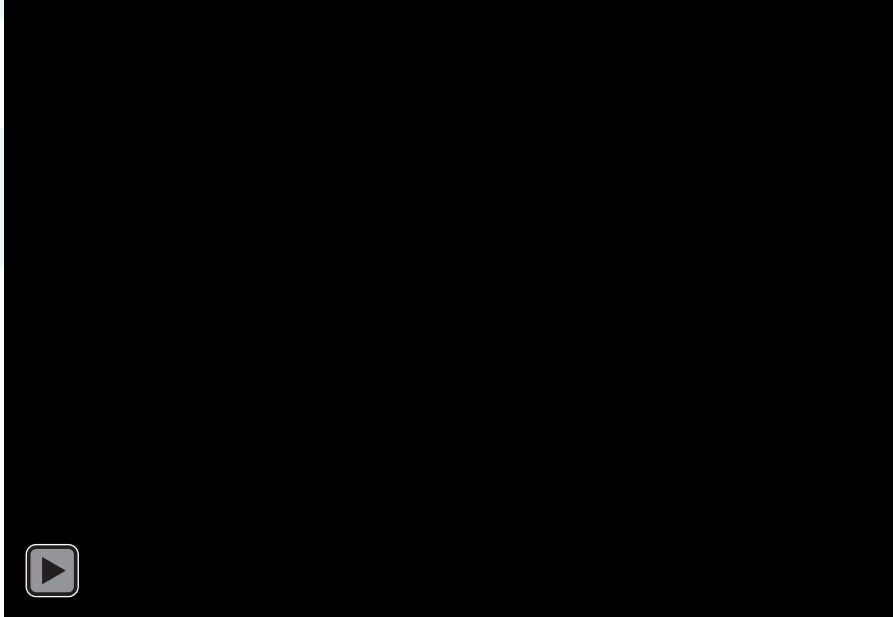
Hollywood stars hunker down in Australia's Byron Bay, where COVID-19 spurs film boom



Ocean What you see



00 What you don't



221 Rough Sleepers, Sydney has 225



"I decided to go the lone ranger and fend for myself,"
Roger said.

"It's a really good life,
I play a bit of music
and do various other
things to entertain
myself."

Women over 50 at risk of homelessness

“Sharing the lives of an eclectic group of women throughout Australia, the documentary shines a light on a devastating reality - women over 50 being the fastest growing cohort experiencing homelessness in Australia”

(Undercover, The Backlot Films)

“I’m not homeless. I’ve got a home – it’s Byron.

I just don’t have a house.”

Anonymous, Community Breakfast, Byron Bay



Key worker housing

Healthcare and Social Assistance is the Shire's largest employer providing 2,492 jobs and is the Shire's most productive industry

Research by the AHURI shows that workers in the Health Care and Social Assistance sector benefit from having an acceptable stock of housing option close to places of work:

'Unlike many professional level jobs, key worker jobs require physical presence. Their work cannot be performed remotely. Therefore, they do not have the option of compensating for long commute times by periodically working from home'

Top 10 Employing Industries:

No.	Industry
1.	Healthcare & Social Assistance
2.	Accommodation and Food Service
3.	Tourism and Hospitality*
4.	Retail Trade
5.	Education and Training
6.	Construction
7.	Professional, Scientific and Technical Services
8.	Manufacturing
9.	Administrative and Support Services
10.	Other Services <ul style="list-style-type: none">• Repair and Maintenance• Personal and Other Services• Private Households Employing Staff and Undifferentiated Goods

* Comprises data from many different standard industries

Businesses can't attract or retain staff when there is no place to live

18% of businesses did not have sufficient staff in April 2022

"We've got staff who've been pushed out of their current accommodation and are living in vans or on couches, trying to make do"

(Michael Skinner, Elements of Byron Resort)

"In our region the global issue of staff and skill shortages has been amplified with lockdowns, lack of affordable housing for workers, and the impacts of the floods"

(Let's Talk: Staff Shortage Solutions — Byron Magazine)

Available rents exceed more than 30% of household income

Housing Stress is defined as paying more than 30% of your income on rent

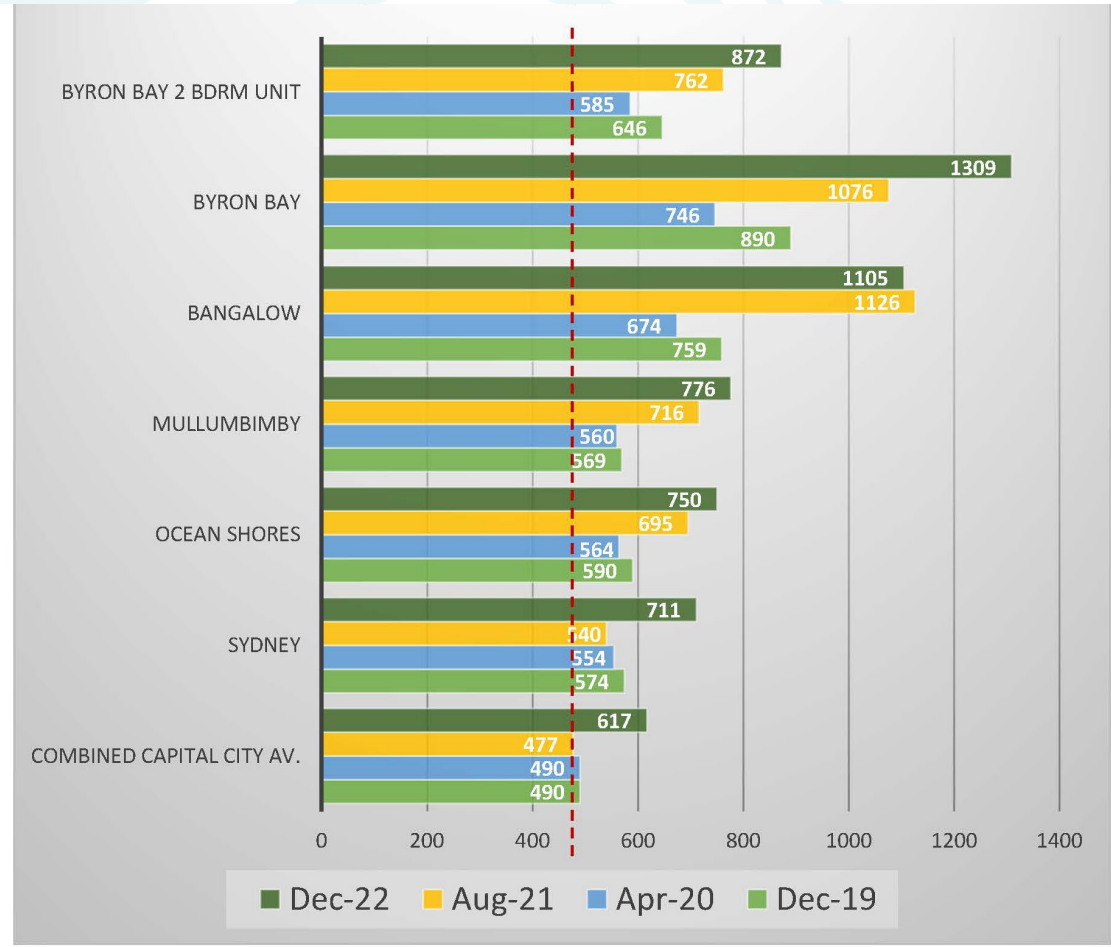
To avoid housing stress, a household earning the median income of \$1,602/wk, needs to spend no more than \$480/wk on rent

--- 30% of median Byron LGA weekly household income (\$1,602) = \$480

- Census 2021
- Covid lock down & Easter Holiday

(combined rental data for all dwelling types except for Byron Bay 2 Bed units)

Source: SQM Research



Housing Stress higher than NSW and Australia

Rental housing stress is far higher than for NSW and Australia due to high cost of rent and lower than average local incomes

Percent of renter households	Byron	NSW	Australia
Households not in stress	38.8%	56.1%	58.7%
Households in stress	50.2%	35.5%	32.2%

Housing - its not about supply, its how its being used

- 26% of dwellings are used for long-term rentals
- 1.5% of these are in a secure long term rental, such as a Community Housing Provider
- Bonds held by the Rental Bond Authority have remained relatively stable since 2017
- Importantly, housing supply has increased by 3,356 (between 2006 to 2021)
- But this appears to be having limited impact on the supply and availability of long-term rentals
- Indicates other factors such as increased STRA usage and or private holiday homes etc may be adversely affecting supply

Average bond holdings by year:

Year	Avg. Bonds Held
2017	2959.5
2018	2905.8
2019	3015.8
2020	3190.3
2021	3210.5
2022	3060.3

Housing availability - approached on many fronts

- Changes to STRA day cap is one of Council's many strategies
- First regional Council to have an Affordable Housing Contribution Scheme
- Amendments to LEP & DCP controls to enable more affordable housing
- Projects to deliver housing:
 - Secondary Dwellings, fee waiver
 - Council land: 57 Station Street (Landcom); 80 Station Street (sold to Community Housing Provider)
 - Mullum Hospital
 - Fletcher Street Cottage
 - Longer term affordable housing opportunities – TAHE MOU
 - Byron Shire Residential Strategy

2009	Affordable Housing Options Paper, Dr Judith Stubbs
2012	EOI Caravan Park and Manufactured Home Estates
2017	Housing Summit
	EOI Affordable Housing on Private Lands
2018	Byron Housing Roundtable
2019	Alternative Housing Models Research, Echelon
2020	Affordable Housing Contribution Policy and Procedure
	Submission on the proposed new Housing Diversity SEPP
	Byron Shire Residential Strategy
2021	Submission to the Regional Housing Taskforce
	Land Trust for Affordable Housing in progress
2022	Housing Forum
	Affordable Housing Contribution Scheme
2023	Updating Alternative Housing Models, Echelon

From 'Home Sharing' to 'Home Hotels'

- 14% to 23% of dwellings are used for short-term rental
- STRA has reduced due to Covid pandemic, but still comprises a significant portion of total dwellings
- Byron Shire attractive regional coastal town, to live / work and holiday
- STRA impact greater on a regional town with high tourism appeal and on a lower residential dwelling base compared to cities
- High demand for STRA in coastal towns - any new housing will likely be consumed by the STRA sector

Source	Total listings	% Dwelling stock*
DPE STRA register	2389	14%
Inside Airbnb	3129	18.5%
AirDNA (includes Stayz)	3923	23%

*16,919 dwellings <https://profile.id.com.au/byron/dwellings>

Tourist Economy – it won't be wiped out

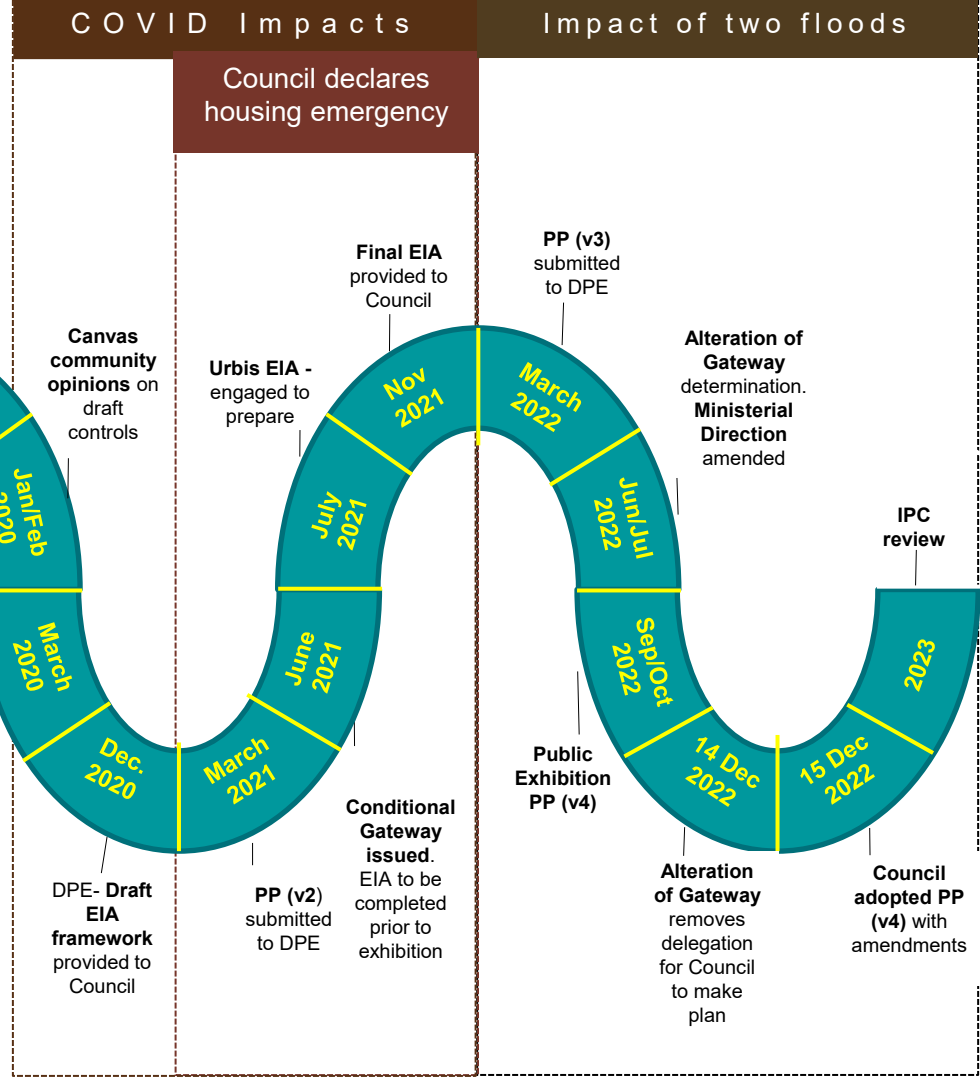
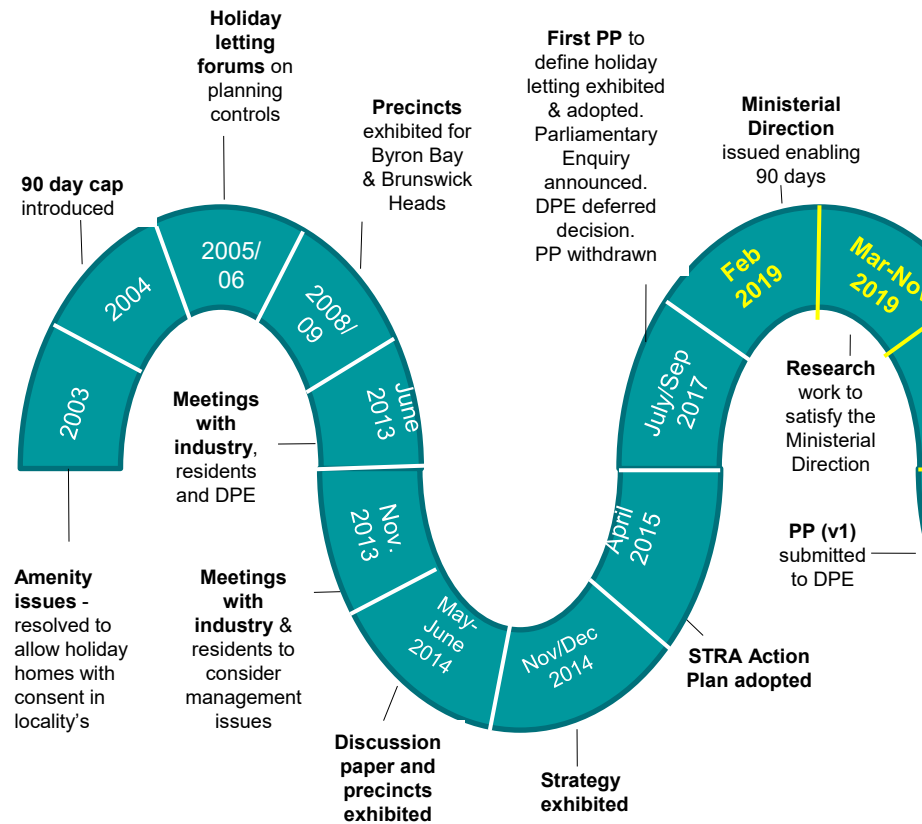
- Tourism & Hospitality sector is our third largest employer providing 1,974 jobs
- 2020/21, the total tourism sales was \$249.8m, the total value added was \$156.7 million
- STRA is only one part of the Tourism & Hospitality sector
- 2,389 to 3,923 dwellings are used for STRA
- Changes affect non-hosted STRA - approx.55% of the total STRA properties (1,314 to 2,158)
- Of these some will benefit with no cap ie.365 days
- Some will be capped to 90 days

Any STRA changes will be offset by new approved tourist and visitor accommodation in our towns and hinterland:

- 176 tourist and visitor accommodation rooms recently approved
- 130 facilities/cabins in hinterland areas approved
- Several DAs approved in Byron Bay town centre which will have ability to STRA 365 days
- Still more tourist and visitor accommodation in the Byron Town centre and Brunswick Heads in the pipeline

COVID Impacts

Impact of two floods



What we need

- Commission to support our Planning Proposal (PP) – let us trial the changes through a monitoring and review program
- Mechanism to exclude new housing from being used for non-hosted STRA purposes
- Portion of all new housing to be affordable housing in perpetuity (AHCS)
- STRA registration scheme that council administers locally with a fee regime to fund administration, auditing and enforcement
- Review of the rating system for STRA properties or a tourist levy
- Requirement to apply for ‘change of use’ for non-hosted STRA
- Agree on baseline data and share data between industries and government to allow real time monitoring to inform future reviews of our PP



Thank you