

# Short Term Rental Accommodation Planning Proposal



## Jingi Walla Acknowledgement of Country



The logo for URBIS, consisting of the word "URBIS" in a bold, sans-serif font, enclosed within a white square frame that is partially open on the right side.

# BYRON SHIRE – SHORT TERM RENTAL ACCOMMODATION CAPS

Economic Impact Assessment

Prepared for  
NSW DEPARTMENT OF PLANNING, INDUSTRY AND  
ENVIRONMENT  
November 2021

## Concentration of STHL Ownership

In its submission to the Parliamentary Committee, Inside Airbnb reported that 25% of entire home listings are rented out by hosts with more than one listing<sup>13</sup>.

Concentration of ownership of dwellings, solely for the purpose of using them for STHL could create 'virtual hotels' where the 'rooms' are dispersed across NSW. There is currently little or no evidence of concentration of ownership, or of any adverse impacts from 'virtual hotels' in NSW.

Some jurisdictions are regulating the number of properties a host can advertise. In NSW, any attempt to regulate STHL ownership may be anti-competitive and would need to be carefully considered.

## Rental and Affordable Housing Stock

The continued growth of STHL is occurring at the same time as the housing market is generally becoming less affordable, particularly in metropolitan Sydney and highly patronised holiday destinations such as Byron Bay. In these areas, some consider that STHL has the potential to compete against traditional forms of residential tenancy.

However, the limited evidence currently available suggests that the impact of STHL on rental availability is negligible.

Sector-wide, transparent data collection and reporting from industry may help to ensure the issues can be monitored to facilitate an informed response from Government.

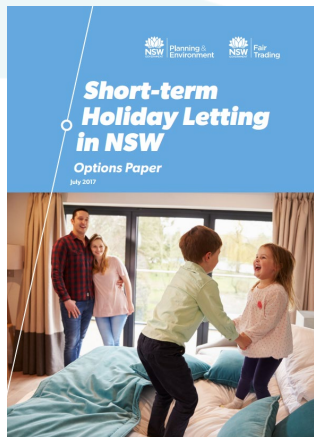


Table 2: Airbnb listings as a proportion of total dwellings, case study communities

Council	Housing stock	Airbnb listings	Airbnb % total housing stock	Airbnb whole homes, frequently available as % rental stock
Moreton Bay	166,860	523	0.3%	0.5%
Port Macquarie-Hastings	36,583	397	1.1%	2.5%
Eurobodalla	23,376	475	2.0%	4.5%
Sunshine Coast	129,978	2,710	2.1%	9.4%
Mornington Peninsula	88,996	3,305	3.7%	18.8%
Kiama	9,940	376	3.8%	19.7%
Shoalhaven	54,388	2,283	4.2%	21.6%
Moyne	8,055	362	4.5%	21.8%
Bass Coast	25,775	1,350	5.2%	21.9%
Busselton	18,677	1,001	5.4%	32.9%
Douglas	6,443	856	13.3%	43.4%
<b>Byron</b>	<b>15,540</b>	<b>2,740</b>	<b>17.6%</b>	<b>48.3%</b>
<b>Total</b>		<b>16,378</b>	<b>4.0%*</b>	<b>20.6%*</b>

Source: the authors, based on ABS 2016 (all private dwellings); Inside Airbnb December 2017

\*Median of case study communities



Planning responses to online short-term holiday rental platforms

Research Project for Australian Coastal Councils Association Inc.

September 2018

Nicole Curran, Yuting Zhong, Pranita Shrestha, Catherine Gilbert



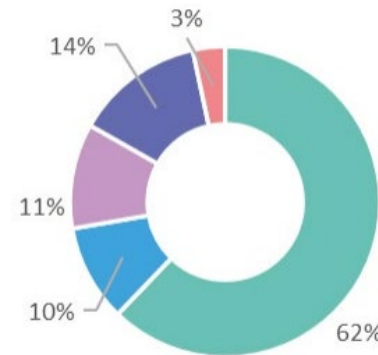
# Properties returning to long term rental market with 90day cap

- 21% (10% + 11%) return to long term rental market (LTR)
- Based on the number of un-hosted STRA listed today on DPE Register, 286 dwellings would return to LTR
- 14% will sell
- 35% change in behaviour
- reduces rents

*“In a market of about 3,000 long-term rental properties, a change as small as 30 properties can move the vacancy rate by 1%. This can have a significant impact on private rental rates”*

(Dr Peter Phibbs)

90 days cap



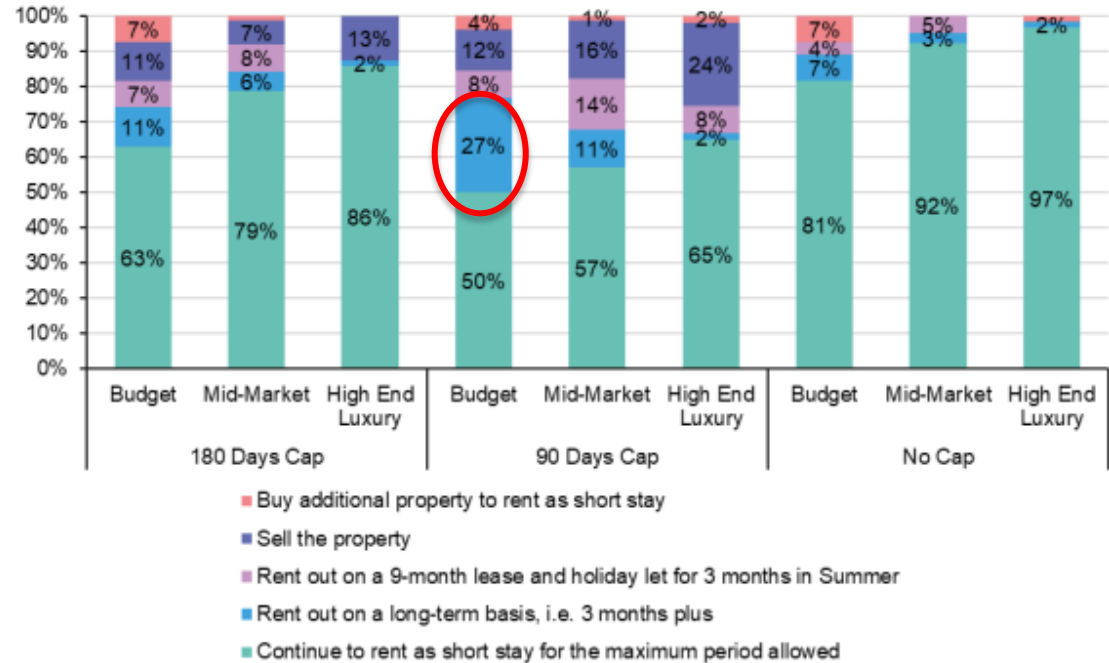
- Continue to rent as short stay for the maximum period allowed
- Rent out on a long-term basis, i.e. 3 months plus
- Rent out on a 9-month lease and holiday let for 3 months in Summer
- Sell the property
- Buy additional property to rent as short stay

# 90 day cap returns largest % of 'budget' accommodation

27% of properties returning to LTR under 90 day cap are 'budget' accommodation

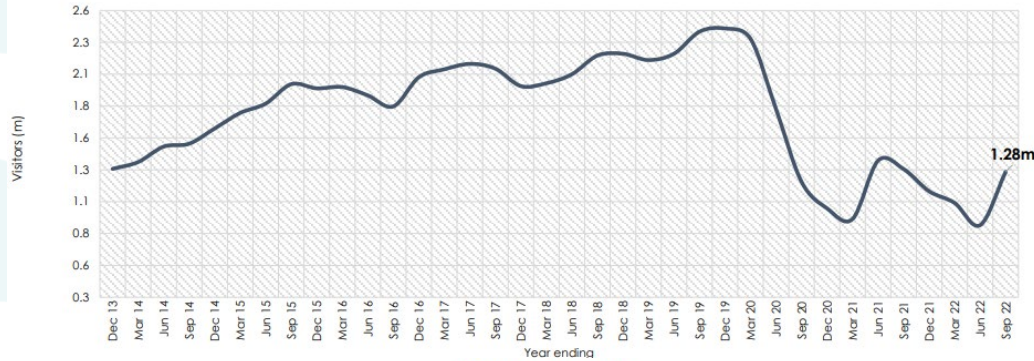
11% 'mid-market' accommodation returns, which in turn takes further pressure of those needing budget accommodation

Chart 3.5 – Response to Scenarios by Property Positioning Type

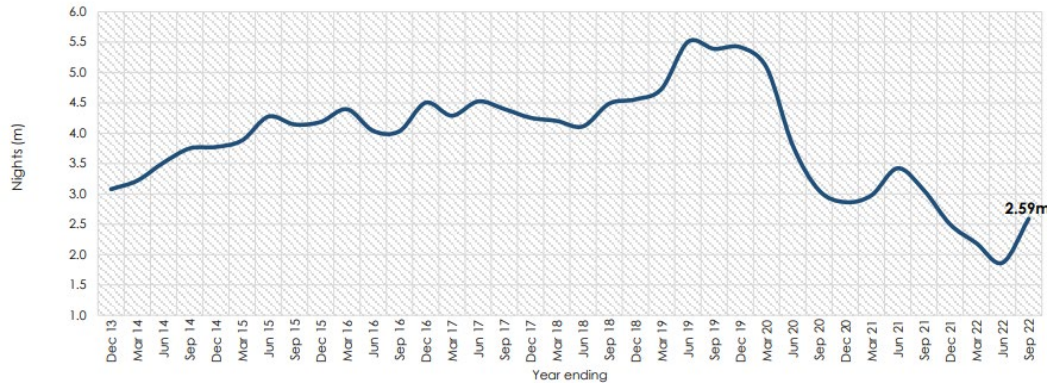


# Total visitors, visitor nights and number of rental bonds

**Total Visitors**



**Total Nights**



**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

# Not all benefits & disbenefits are equal

**Table 5.5 – Summary of Cumulative Distributed Net Benefits and Disbenefits - Policy Options (extract)**

Categories	Base Case: SEPP Default	Option 1: Council's Current Gateway Planning Proposal (90-day cap outside of Council-defined STRA Precincts)
Visitor Market – Operators	<b>Net Benefit: +4</b> <ul style="list-style-type: none"> <li>▪ Direct: +2</li> <li>▪ Indirect: +2</li> <li>▪ Social: 0</li> </ul>	<b>Net Benefit: +5</b> <ul style="list-style-type: none"> <li>▪ Direct: +3</li> <li>▪ Indirect: +2</li> <li>▪ Social: 0</li> </ul>
Visitor Market – Visitors	<b>Net Disbenefit: -4</b> <ul style="list-style-type: none"> <li>▪ Direct: -2</li> <li>▪ Indirect: -2</li> <li>▪ Social: 0</li> </ul>	<b>Net Disbenefit: -6</b> <ul style="list-style-type: none"> <li>▪ Direct: -3</li> <li>▪ Indirect: -3</li> <li>▪ Social: 0</li> </ul>
Residential Property Market – Renters and Purchasers	<b>Net Benefit: +6</b> <ul style="list-style-type: none"> <li>▪ Direct: +1.5</li> <li>▪ Indirect: +1.5</li> <li>▪ Social: +3</li> </ul>	<b>Net Benefit: +7.5</b> <ul style="list-style-type: none"> <li>▪ Direct: +3</li> <li>▪ Indirect: +1.5</li> <li>▪ Social: +3</li> </ul>
Residential Property Market – Owners	<b>Net Benefit: +2</b> <ul style="list-style-type: none"> <li>▪ Direct: -1</li> <li>▪ Indirect: 0</li> <li>▪ Social: +3</li> </ul>	<b>Net Disbenefit: -0.5</b> <ul style="list-style-type: none"> <li>▪ Direct: -3</li> <li>▪ Indirect: -0.5</li> <li>▪ Social: +3</li> </ul>
Local Services and Businesses	<b>Net Benefit: +0.5</b> <ul style="list-style-type: none"> <li>▪ Direct: 0</li> <li>▪ Indirect: +0.5</li> <li>▪ Social: 0</li> </ul>	<b>Net Disbenefit: -0.5</b> <ul style="list-style-type: none"> <li>▪ Direct: 0</li> <li>▪ Indirect: -0.5</li> <li>▪ Social: 0</li> </ul>
Local Workers	<b>Net Benefit: +2</b> <ul style="list-style-type: none"> <li>▪ Direct: 0</li> <li>▪ Indirect: +2</li> <li>▪ Social: 0</li> </ul>	<b>Net Disbenefit: -1</b> <ul style="list-style-type: none"> <li>▪ Direct: 0</li> <li>▪ Indirect: -1</li> <li>▪ Social: 0</li> </ul>
Local Residents / Community (Quality of Life of and Permanency)	<b>Net Benefit: +3</b> <ul style="list-style-type: none"> <li>▪ Direct: 0</li> <li>▪ Indirect: 0</li> <li>▪ Social: +3</li> </ul>	<b>Net Benefit: +2.5</b> <ul style="list-style-type: none"> <li>▪ Direct: 0</li> <li>▪ Indirect: 0</li> <li>▪ Social: +2.5</li> </ul>
<b>TOTAL</b>	<b>High Net Benefit (+13.5)</b>	<b>Moderate Net Benefit (+7)</b>



# Tourist versus resident spend

- Overnight visitors spend \$160/night in non-commercial accommodation
- Overnight visitors spend \$199/night in commercial accommodation (Tourism Research Australia)
- Comparatively, a resident will spend \$141/day (ABS Census)
- The value of a residents spend supports all sectors of the economy and society, from schools to health care, sporting and recreation facilities and creative and cultural activities

## Who are our visitors?

- family groups only comprised ~13% of total overnight visitors and is the smallest visitor group type to Byron LGA.
- the largest visitor overnight age group is 15-34 year-olds comprising ~54% of total overnight visitors

# MAYOR, YOUR 90 DAY CAP ON SHORT TERM HOLIDAY RENTALS WILL KILL BYRON BAY.

✘ 1,448 jobs lost

✘ \$267 million ripped  
out of Byron's economy

## BYRON LOCALS ARE HAVING THEIR SAY:

"**This proposal by Council is absolutely ridiculous.** Short term accommodation is what keeps people coming to Byron Bay. Without visitors we have no events and without events we have no jobs." Alison H.

"This is absurd! It makes no sense. The whole town will fold. There has to be another way. **My business will close** and my husband's job will be redundant. I am strongly against this!" Ashley O.

"The cap quite simply means our economy will be greatly impacted and **many jobs and businesses will suffer.** When this happens, there won't be issues with staff shortages as they won't be needed once businesses fail. I strongly oppose the 90 day cap." Sonya B.

VISIT: [www.BYRONDESERVESBETTER.com](http://www.BYRONDESERVESBETTER.com)



Authorised by Australian Short Term Rental Accommodation PG Box 1 Pacific Power NSW 2025

www.echo.net.au

October 5, 2022 The Byron Shire Echo 9

Figure 6: Concept Structure Plan

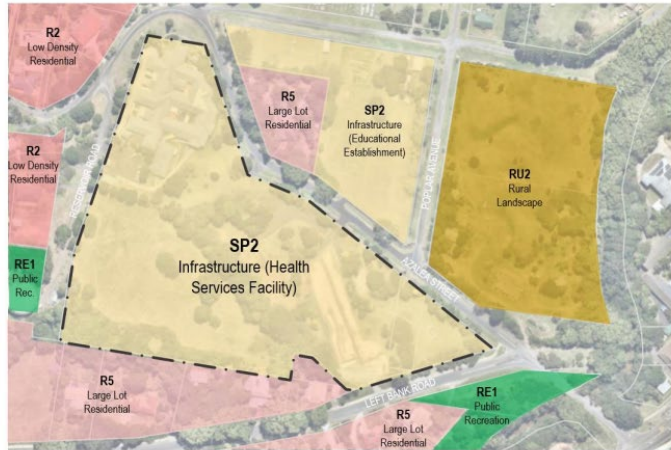
# Mullum Hospital

-  Mix of community uses, open space, non-residential and residential (vertical and horizontal mix)
-  Residential diversity - mix of dwelling types and densities
-  Aged care (no change)
-  Vegetation landscapes
-  Internal access and high quality public realm
-  Pedestrian paths
-  Remediation cap area
-  Watermain (pending relocation)
-  Intersection upgrade potential

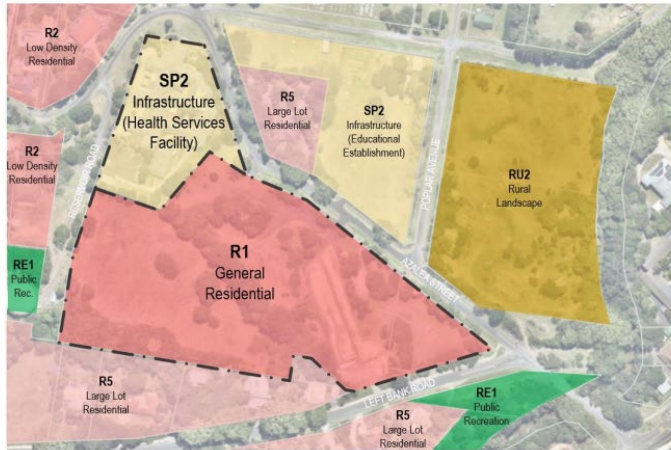


## Zoning

Existing: SP2 Infrastructure (Health Services Facility)



Proposed: SP2 Infrastructure (Health Services Facility) over aged care site and R1 General Residential over the remainder of the site. R1 zoning will allow for the diversity of residential and community uses desired for the site.



## Height of Buildings

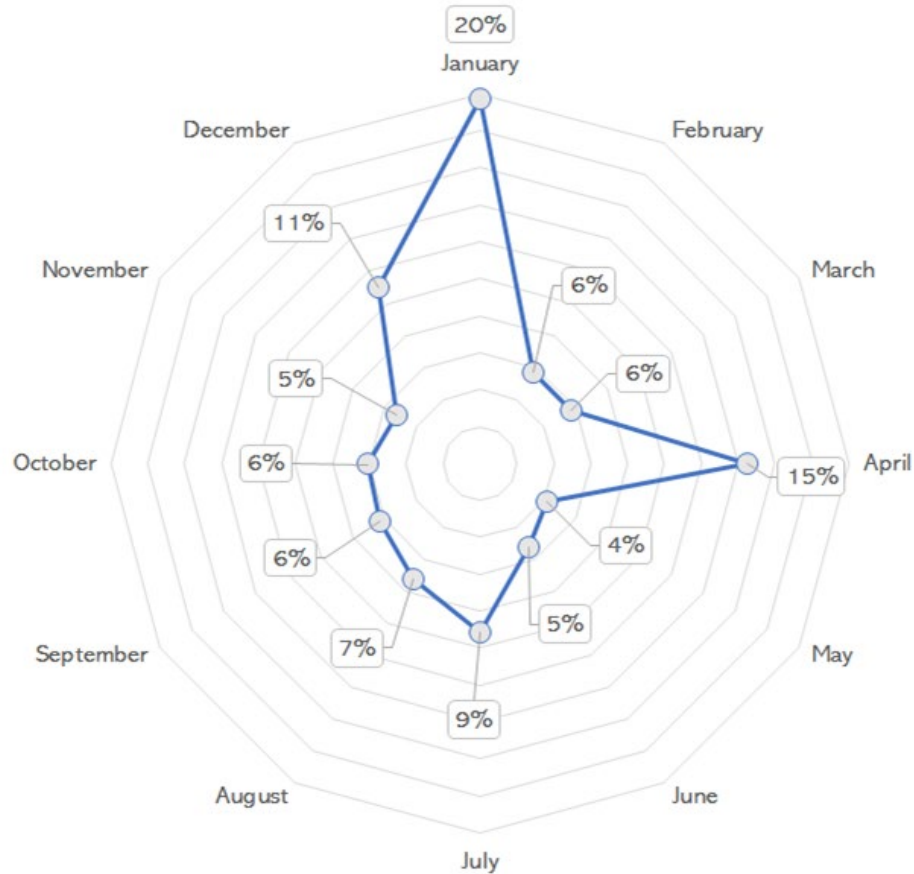
Existing: 8.5m allowed



Proposed: 11.5m



# Percentage of Total Rented House/Apartment/Flat or Unit (not serviced daily) Visitor Nights x Month Returned from Trip 2014-2019



Source: TRA National Visitor Survey. Unpublished data 2014-2019. Sample size related to these estimates = 308



Thank you