Presenter Dr Sabine Muschter

Part of a Southern Cross University team
(School of Business and Tourism)
that conducted
Five Airbnb/STRA research studies 2017 – 2020
and published
numerous peer-reviewed journal papers, reports, and conference abstracts (with verbal presentations)

Presenting an extract of research findings from the following studies:

- **1. Airbnb in the Byron Shire – Bane or Blessing?**
  An Investigation into the Nature and Range of Impacts of Airbnb on a Local Community
  (22 Interviews mid of 2018 & online survey of 819 residents, end of 2018, rel. March 2019)

- **2. An Investigation into the Nature and Range of Impacts of Short-term Rental Accommodation (including Airbnb) on Approved Accommodation Providers (AAPs) in the Byron Shire**
  (7 Interviews mid of 2019 & online survey of 57 AAPs, end of 2019, rel. March 2020)

- **3. Study of resident perceptions of short-term holiday letting (STHL) across 12 Mid and North Coast NSW council areas** *(12 online surveys of 1632 residents, end of 2019, rel. Jan 2020)*

Researchers: Dr Deborah Che, Dr Sabine Muschter, Dr Rod Caldicott & Dr Tania von der Heidt
Southern Cross University, School of Business and Tourism

What does the literature say …

- Hundreds of peer-reviewed papers (for example: Caldicott, von der Heidt et al., 2020; Dann, Teubner et al., 2019; Guttentag, 2019; Hati, 2021; Cheung, 2022) and also worldwide media articles (Booth, 2020; Business Today, 2021; Law, 2019; Financial Review, 2022) **exhibit no shortage of Airbnb stories espousing perceptions of community demise (touristification and gentrification).**

- **Direct stakeholder finger-pointing stems to platform technologies, and indirectly, Airbnb.** The issues are particularly salient for high-profile metropolitan tourist hubs but lesser understood in regional settings (Gurran, Zhang et al., 2020; von Briel & Dolnicar, 2021), like our case study location of Byron Shire, Australia.

- **Growing amount of literature regarding Touristification** (tourism-induced gentrification), with the process often leading to **the transformation of a community into a tourism commodity** impacting the social and economic value of housing in these areas. While tourism is a leading industry in many global cities, creating jobs and enhancing the financial well-being of destinations, **the touristification process, led by home-sharing platforms, has created rifts between residents and visitors.** This has led governments worldwide to regulate short-term rental accommodation (STRA) in various ways.

Study 1: Key findings - *'Impacts of Airbnb on the Byron Shire community'*

- The survey found positive impacts and negative impacts responses. The increased income for Airbnb hosts and increased numbers of visitors were the major positive impacts of Airbnb. The negative impacts included **reduced availability of affordable housing for residents**, increased traffic and parking congestion, waste management problems, and infrastructure costs.

- **Most respondents preferred a model which involved on-site management for any STRA.** Thirty-seven per cent of respondents wanted 'No restriction' on rentals of hosted STRAs.
- For un-hosted STRA, 39% of respondents favoured a '0 days' (not allowed at all), while 27% supported a cap of 'Less than 90-days per year'.

  ***overall 66% were in favour for 90-days cap**

- **Most respondents (including Airbnb hosts) felt that STRAs need to be better regulated.**

Positive attributes of Airbnb identified by community

Airbnb …	Disagree	Neither	Agree
1. Provides income for Airbnb hosts	1%	5%	94%
2. Leads to increased number of visitors into the Byron Shire	6%	10%	84%
3. Leads to increased number of property investors	8%	13%	79%
4. Offers more variety in accommodation for tourists	8%	11%	81%
5. Increases revenues for local businesses	11%	25%	64%
6. Enables Airbnb hosts to stay in their homes	21%	32%	47%

* Disagree = includes groups Strongly disagree and Disagree; Neither = neither Agree nor Disagree; Agree = includes groups Agree and Strongly agree

Overall (n=766) / Airbnb hosts (n=151) / Non-host (n=615)

Negative impacts for the community

Airbnb …	Disagree	Neither	Agree
1. Reduces the availability of affordable housing for residents	15%	8%	77%
2. Increases traffic and parking congestion	16%	9%	75%
3. Leads to increased waste management problems	14%	14%	72%
4. Leads to extra costs to ratepayers to provide infrastructure	15%	14%	71%
5. Leads to increased noise levels	15%	15%	70%
6. Adversely affects lifestyle of neighbourhood residents	19%	12%	69%
7. Leads to overuse of public facilities (e.g. toilets)	21%	19%	60%
8. Increases the property prices	20%	19%	61%
9. Leads to increased anti-social behaviour	24%	22%	54%

* Disagree = includes groups Strongly disagree and Disagree; Neither = neither Agree nor Disagree; Agree = includes groups Agree and Strongly Agree

Overall (n=766) / Airbnb hosts (n=151) / Non-host (n=615)

Differences between Airbnb hosts and non-Airbnb hosts regarding rental caps on STHL

(n=766; 151 Airbnb hosts, 615 non-Airbnb hosts)

	365 days per year (No restriction)	Max. 180 days per year*	Less than 90 days per year	0 days (Not allowed at all)	Total
B. Without on-site management					
Airbnb hosts (number)	57	40	31	23	*151*
% of Airbnb hosts	(38%)	(26%)	(21%)	(15%)	*(100%)*
Non- Airbnb hosts (number)	67	94	178	276	*615*
% of Non-hosts	(11%)	(15%)	(29%)	(45%)	*(100%)*
Total	**124**	**134**	**209**	**299**	***766***
% of all respondents:	**(16%)**	**(18%)**	**(27%)**	**(39%)**	***(100%)***

*Includes two groups: Max. 180 days per year and 90 < 179 days per year

Study 2: Key findings -
Impacts of Short-term Rental Accommodation (including Airbnb) on Approved Accommodation Providers in the Byron Shire (end of 2019)

1. The majority of respondents felt that the growth of STRA in the Byron Shire (BS) has had the following negative impacts on the approved accommodation sector: **contributed to an oversupply of tourist accommodation in certain parts of the Byron Shire**; decreased the potential commercial viability of approved accommodation businesses; and created an unequal playing field for AAPs.

2. Over the last two reporting years (2017-2019), the majority of respondents (over 80%) stated that their business saw **decreases in occupancy rate, average net-rate and net revenue.**

3. Around half of respondents have considered undertaking several changes to their business operation over the last 12 months including: upgrading/renovating the accommodation property; **repositioning or sell the business.**

4. There was an agreement among the respondents that the growth of STRA in the BS has resulted in changes to both their work and personal lives. **The majority of AAPs stated that they have to work harder in their accommodation job, while 65% felt more anxious and stressed.**

Impacts for the accommodation sector

The growth of STRA affects the accommodation sector in the following ways ...	Overall agreement (%), *n=57* Disagree*	Neither	Agree
1. Further increases an unequal playing field for AAPs	*9*	*5*	*86*
2. Leads to an oversupply of tourist accommodation in certain parts of the Byron Shire	*5*	*7*	*88*
3. Decreases future commercial viability of approved accommodation businesses	*7*	*5*	*88*
4. Ensures greater variety in accommodation options for tourists	*26*	*21*	*53*
5. Increases the real-estate value for approved accommodations	*49*	*25*	*26*

* Disagree = includes groups Strongly Disagree and Disagree; Neither = neither Agree nor Disagree; Agree = includes groups Agree and Strongly Agree

Perceptions of AAPs on caps on STRA properties in the Byron Shire

(a) For primary residence properties with host present

31% of all respondents felt that there should be no restrictions at all for properties *with on-site* management.
58% of the AAPs favoured a cap of less *than 90-days* (including 0 days).

(b) For primary residence properties temporarily rented un-hosted

51% of all respondents favoured a cap of less than *90-days* on such STRAs, whereas 40% wanted 0-days.
Only 7% felt that there should be no restrictions, meaning that these properties could be rented 365 days per year.

(c) For permanently un-hosted STRAs

66% of respondents wanted a cap of *0-days (no STRA at all)*.

On-site management of STRA is clearly the model preferred by most respondents.

Accommodation type and number of properties in the Byron Shire from 2008 and 2019

Accommodation Type	Number of Properties (2019)	Number of bed spaces (2019)	Total properties % (2019)	Total bed spaces % (2019)	Number of Properties (2008)	Number of Bed Spaces (2008)	% change in the number of bed spaces by town and village from 2008 to 2019
Hostels/Backpackers	10	1751	.5	8	11	1178	32.74%
Caravan Camping	13	5318	.5	24	13	5255	1.19%
Resorts	2	800	.4	4	9	949	-15.70%
Holiday Apartments	671	2846	20	13	615	2885	-1.36%
Hotels/Motels	29	1096	.8	5	25	890	23.15%
Guest Houses	27	228	.8	1	48	335	-31.94%
Holiday Houses	1998	8836	60	40	393	2473	257.30%
Private/Home Stays	575	1150	17	5	7	96	1097%
TOTAL	**3325**	**22,025**	**100%**	**100%**	**1121**	**14061**	**56.63%**

Source: Byron Shire Council Accommodation Audit 2019

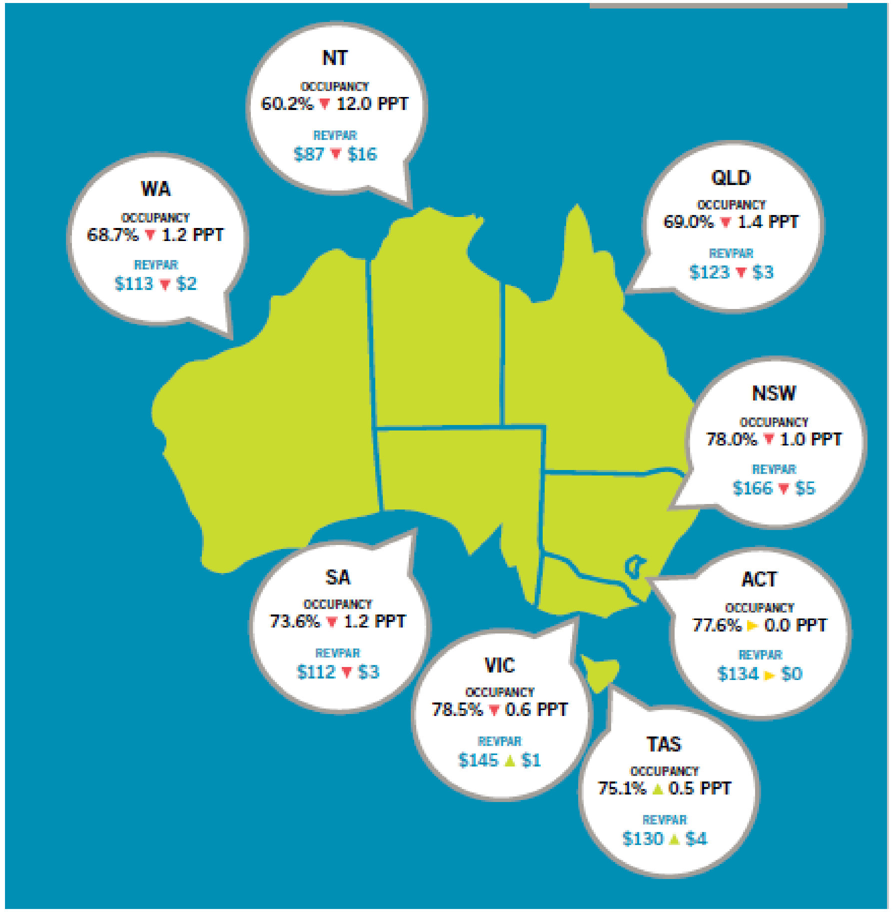

Figure 1 – Australian Accommodation "Average Occupancy Rates" – YE June 2019

Source: https://www.tra.gov.au/Economic-analysis/Australian-Accommodation-Monitor/aam-2018

The Australian "Average Occupancy Rate" for approved accommodation providers is 74% (77.4% for capital city regions, 64.5% for regional areas).
In NSW, the *Average Occupancy Rate* in 2018/19 was 78%, a decrease of 1.4% over the year 2017/18.

According to data provided by Destination Byron, the hotels, serviced apartments and holiday parks in Byron Shire are only achieving annual occupancy rates **in the mid to high 60s%, low for a heavily touristic region**.

By contrast, Sydney's hotels achieve 87% occupancy, Melbourne 86%, Gold Coast 72%, Cairns 84%, and Hobart 79%.

The occupancy rate of around 66% for AAPs in Byron Shire is on par with that for the wider Northern NSW region (destinationbyron.com.au, newsletter June 2019).

Study 3: Key findings –
Study of resident perceptions of STRA across 12 Mid and North Coast NSW council areas (1632 respondents, 2019)

1. **Three major positive** (economic) impacts of Airbnb on the *general community* were perceived by most respondents: (1) increased revenues for local business; (2) increased employment opportunities, and (3) greater variety of retail services. Airbnb Hosts (AHs) viewed these impacts more positively than AAPs and Other residents.

2. Airbnb has **positive impacts for *specific* stakeholders**, but may have no/negligible or even negative impacts on *other* community members.

- For *AHs* in terms of income generation, and allowing AHs to stay in their home.
- For *AHs* and *AAPs* in terms of bringing more visitors to the area.
- For *tourists* in terms of providing more variety of accommodation, and makes destination more affordable.
- For *property investors* in terms of increasing the number of investable properties & property prices.

3. AAPs and Other residents agreed that Airbnb has a number of negative impacts on the community. The top **three perceived negative impacts were:** (1) increased traffic and parking congestion, (2) **reduced availability of affordable housing for locals,** and (3) increased noise levels in neighbourhood. **AHs perceived no negative impacts.**

Study 3: Key findings continued –

Respondents' preferences for STRA day caps varied by type of STRA arrangement:

(a) For primary residence properties with host present (Hosted STRA)

61% of all respondents preferred no day limit.

(b) For primary residence properties temporarily rented un-hosted

45% of all respondents favoured a 90- or 180-days limit; 36% preferred no day limit and 19% wished for a full restriction (0- days; no STRA rentals).

(c) For permanently un-hosted STRAs

The preferences were **split fairly evenly: 37%** of all respondents preferred no restriction, 32% preferred a 90- or 180-days limit, and 31% wanted a full restriction (0-days; no STRA).

NOTE: Airbnb Hosts tended to prefer no, or lower day limits compared with AAPs and Other residents.

What we concluded from these studies…

- Airbnb/ STRA has a **range of positive (mainly for STRA stakeholders) and negative impacts (mainly for residents),** which may be perceived similarly or differently by Airbnb Hosts, Approved Accommodation Providers and Other residents.

- The majority of respondents in all studies felt that **STRA needs to be better regulated**.

- Respondents' ***preferences for STRA day limits*** varied by type of STRA arrangement and stakeholders.

  Overall our Byron Shire studies found that the majority of respondents preferred:

  For primary residence hosted properties no caps (or a 180-days limit).

  For **primary residence properties** temporarily rented **un-hoste**d a 90-180 days limit.

  For **permanently *un-hosted STRAs*** *(investment properties)*, **a 90-days limit**.

There is no one-size fits all approach or policy to address negative impacts of STRAs.

Some general conclusions of the academic literature on impacts of increasing STRAs in tourism-hotspots…

airbnb

- Has disrupted the hotel system of accommodation.

- Often **ignores impacts on broader community,** and it may be a challenge to find common ground amongst different community stakeholders, notably Airbnb, Airbnb hosts, tourists, and residents.

- Has **economic, social and environmental impacts on community including a decrease of residential housing stock**.

- Unregulated STRA encourages touristification and a displacement of locals and loss of community.

A 2020 UNITED NATIONS REPORT ON HOUSING CLAIMS
GOVERNMENTS ARE NEGLECTING THEIR
SOCIAL RESPONSIBILITY
IN EXCHANGE FOR 'UNPRECEDENTED URBANISATION'

& THAT USING RESIDENTIAL HOMES AS AN INVESTMENT SOURCE IS DENYING ‘PEOPLE OF THEIR RIGHT TO HOUSING’.

Why I support the 90-days cap…

Byron Shire is a REGIONAL community under enormous pressure from investors turning homes into holiday properties.

The data shows we have low occupancy rates for STRAs and AAPs in our shire shows, this indicates that there are plenty of accommodation available for visitors (and there is more hotels being built).

To my knowledge, no reseach has been undertaken that support claims that ‚1,448 jobs will be lost and $267 million will be ripped out of Byron‘s economy‘ if the cap is introduced, this is pure speculation.

The argument that we will lose many jobs like cleaners, gardeners and pool maintenance is disputable. Residents who live in this community all year round - use cleaners, gardeners etc. and they also shop and use essential services like doctors, schools, mechanics, social services ... . Furthermore, many of them also volunteer, and care for community.

Cities and towns that have introduced STRA restrictions provide enough evidence that housing stock has been returned from short to long-term rentals. Even a small amount returned to the long-term rental market, will make a difference.

And isn’t housing the people who live and work here the priority?


WELCOME TO
BYRON BAY
CHEER UP SLOW DOWN CHILLOUT
BYRON CORNER

Thank you !