

Fact v Fiction - Byron Shire Council 90 day cap planning policy on Short Term Rental Accommodation (STRA)

Claim ¹²	Reality	Sources
<p>STRA properties make up 35% of the total housing stock in Byron Shire.</p> <p>Byron is estimated to have the highest concentration of STRA of any LGA in NSW by a considerable margin.</p> <p>There are 5,249 non hosted STRA properties in Byron Shire.³</p>	<p>As of 26 January 2023, the NSW Department of Planning, Industry and Environment officially reported there are 1,288 non-hosted STRA properties in Byron Shire making only 6.8% of Byron housing STRA.</p> <p>The 35% figure, gathered from airDNA, includes: motel rooms, on-site cabins, seasonal holiday homes, serviced apartments, bed and breakfast rooms in people’s homes, duplicate listing across Airbnb, Booking.com and Stayz, and owner-occupier homes listed while the owner goes on holiday.</p>	<p>The NSW Department of Planning, Industry and Environment (DPIE) STRA Register</p>
<p>The Planning Proposal will not have a significant impact on overnight visitation levels or retail driven spending, which are both predicted to grow between 2021 - 2027.</p>	<p>The Urbis Report estimated 365 operational job losses. This figure is grossly underestimated</p> <p>Using a four-year average, the data from Tourism Research Australia’s National Tourism Survey predicted that job losses would be up to 1,448 and the economic losses over \$267m per annum.</p>	<p>The Urbis Report</p> <p>The Federal Government’s National Tourism Survey</p>
<p>Given the average letting period is approximately 120 days, even if the average daily expenditure of a permanent tenant was one third of a STRA guest, there would likely be no net change in total retail expenditure overall.</p>	<p>STRA visitors bring in \$187m of ‘new’ money into the NSW economy from interstate or overseas travel.</p> <p>The average STRA visitor spends more than a local resident in every single business category, which includes retail, cafes, bars, restaurants, tours and activities, groceries, drinks etc. No local worker can keep up with even a small fraction of that level of spending.</p>	<p>The Federal Government’s National Tourism Survey</p>
<p>A 90-day cap for STRA will see 1,524 long term rental dwellings and 224 owner occupier dwellings returned to the permanent housing market. This equates a 27% increase in current levels.</p>	<p>There are only 1,288 STRA properties in Bryon Shire and it’s predicted less than 4% of those homes will go into the permanent housing market.</p>	<p>The NSW Department of Planning, Industry and Environment (DPIE) STRA Register</p>

¹ <https://www.byron.nsw.gov.au/Services/Building-development/Do-I-need-approval/Short-term-rental-accommodation#section-2>

² <https://www.facebook.com/CrMichaelLyon/posts/pfbid0kDcGXTv7NH4Fid8s2kk1MEXJ2eJMqBG9waZ5kVzrVmxqMPsK5gB4uL75uHGaETtkl>

³ The mayor has also been quoted saying there are around 2,655 listings and 3,500 listings. He has also stated the percentage is 16%, 17%, 20% and 35% on different occasions. For the purposes of this document, we have sited the 5,249 and 30.9% figures as that is what’s used in the Bryon Council’s official planning proposal.

<p>The 90-day cap will increase housing for workers and locals in Byron Bay.</p>	<p>The houses currently utilised for STRA are luxury holiday homes. Weekly rent on any homes returned to the rental pool will likely exceed \$1000 per week. Most local service workers could not afford that kind of rental expenditure.</p>	
<p>The 180-day cap implemented by the state government reduced STRA by 79% and brought 4,135 properties back into the rental pool. Therefore, a 90-day cap will have a similar effect and bring more properties back into the rental pool.</p>	<p>The 180-day cap effectively brought STRA properties back into the market, as those owners were more sensitive to earnings, and arguably there were never 5,429 STRA properties in Byron Shire to start with (and indicated earlier with the shortcoming in using airDNA to confirm property numbers)</p> <p>The remaining properties are not investment properties. They are property owners' personal holiday homes. They place those homes on market as a way of offsetting some of the costs of owning a holiday home and to provide value to the community.</p> <p>Fewer than 4% of the STRA houses are expected to return to the rental pool under the 90-cap proposal.</p>	<p>The NSW Department of Planning, Industry and Environment (DPIE) STRA Register</p>
<p>STRA houses are owned by large property investors hoping to make a quick buck.</p>	<p>The homes used for STRA are holiday homes owned by individuals who see themselves as part of the Byron Shire community. They rent out their holiday homes as STRA when they are not utilising them.</p> <p>As an example of their commitment to the community, many of these property owners offered their homes free of charge for those displaced by the floods. These homes would not have been available to flood victims had they been in utilised for STRA.</p>	
<p>The 90-day cap is a low-cost way of addressing the housing shortage.</p>	<p>A conservative estimate of the cost of this policy is \$267 million per annum.</p> <p>This kind of cost could topple the tourism industry which makes up 27% of the Byron economy and is the number one industry employing locals.</p>	<p>ABS Data</p>

<p>Airbnb and other STRA are responsible for driving up rents</p>	<p>Higher rents are the naturally occurring result of higher interest rates as owners attempt to offload their increased mortgage costs to renters.</p> <p>In 2021, the Federal Government’s House of Representatives Standing Committee on tax and Revenue released its report titled The Australian Dream: inquiry into housing affordability and supply in Australia. This report has 16 recommendations and in its 208 pages there is no mention of STRA contributing to housing affordability and supply in Australia.</p>	<p>Australian Government House of Representatives, “The Australian Dream: inquiry into housing affordability and supply in Australia,” 2021</p>
<p>STRA attracts large groups and other loud and disruptive tourists.</p>	<p>The vast majority of STRA visitors are families and family groups travelling together.</p>	<p>Tourism Research Australia - 2019 National Visitor Survey</p>
<p>Council developed a draft Sustainable Visitation Strategy (SVS) to guide tourism over the next 10 years. The draft SVS acknowledged the important role of STRA in the local tourism sector, but also aims to find a balance between tourist accommodation and permanent housing, key workers, and long-term residents.</p> <p>The proposed 90-day threshold for STRA outlined in this planning proposal are consistent with aims and tourism planning principles outlined in the draft SVS.</p>	<p>The SVS does not talk about permanent housing and long-term residents. The residential strategy deals with these issues and planning controls to ensure a range of housing is planning / zoned and provided to the local community.</p> <p>The SVS talks about attracting the following visitor markets to Byron Shire: high-yield, low-impact, disperses to towns and villages, and respects the community and the environment.</p> <p>STRA visitors are high yield, low impact families that disperse to towns and villages in the Shire. It takes 38-day trippers to equal the spend of one STRA visitor.</p>	
<p>The proposed housing SEPP amendment will encourage a greater supply of permanent housing within the Byron LGA, which in turn will broaden the choice of building type and locations available in the housing market</p>	<p>Council’s Residential Housing Strategy needs to plan for additional housing, zoning, land releases and homelessness to ensure a diverse range of housing is available for the community. This is not the responsibility of property owners.</p>	

Sources:

State Environmental Planning Policy (Housing) 2021 (Housing SEPP)

NSW Department of Planning, Industry and Environment, "STRA Register", August 5, 2022

<https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/Short-term-rental-accommodation#inPageNav-2>.

Urbis Report

Tourism Research Australia - 2019 National Visitor Survey

ABS Data

Australian Government House of Representatives, "The Australian Dream: inquiry into housing affordability and supply in Australia," 2021,

https://www.aph.gov.au/Parliamentary_Business/Committees/House/Former_Committees/Tax_and_Revenue/Housingaffordability/Report.