

QUASI-HOTELS MEAN NO VACANCY SIGNS ACROSS SOME SYDNEY SUBURBS

The State Government needs to think carefully before making a final decision on commercial short-term letting, with the wrong decision having the potential to turn many of Sydney's residential apartment blocks into quasi-hotels, the tourism accommodation sector said today.

Tourism Accommodation Australia CEO Carol Giuseppi said the State Government needed to take the commercialisation of the short-term accommodation sector seriously - before it was too late.

“Almost one in every three Airbnb properties in the Sydney market is already currently full-time commercial accommodation (32%),” she said.

“Renting out premises for more than three months a year - plus hosts with multiple listings - indicates a commercial operation, not mum and dad operators renting out the spare room for a few weeks.

“We support genuine home sharing, but when you have examples like one host with 252 active listings earning \$3.8million last year, and another with 182 active listings earning \$2.1million, it is obvious commercial operations are already taking place.”

Ms Giuseppi said there were extensive reports linking the prevalence of short-term letting to decreased housing and rental affordability, including a recent University of Sydney report which found the relevant indicators ‘suggest that Airbnb rentals are likely to create upward pressure on Sydney’s rents’ and impact rental availability.’

“Investment properties originally designed for residential purposes and paying residential rates – and with none of the regulations required by hotels – cannot be permitted to operate as quasi-hotels with limited or no controls,” she said.

Ms Giuseppi said any Government decision should take into account what is happening with commercial short-term letting in countries overseas.

“Amsterdam, San Francisco, New Orleans, Paris, London, Miami, Boston, Vancouver, Montreal, Toronto, Los Angeles, Madrid and Dublin have all put limits of 90 days or less in place and registration – Sydney needs to do the same,” she said.

“TAA has no concerns with genuine home-sharing but we have real concerns at any Government regulation which supports the growth of quasi-hotels operating commercially without any of the controls required of our industry – insurances; fire and safety provisions; security; liquor licensing, taxation and employment under Fair Work.

“The Government should not act in a way which makes it more attractive to place a residential investment property on the commercial short-term letting market rather than long-term rental market – the associated impacts on housing availability and affordability are obvious.”

Ms Giuseppe said the Government should show it was serious about supporting jobs and investment in this state.

“The accommodation sector in NSW employs 56,000 direct and indirect employees and pays \$400 million in taxation – the Government needs to ask itself how many people Airbnb employ and how much they pay in tax.”

	Hotels*	Airbnb**
Contribution to NSW Economy	\$7.6 billion	\$1.2 billion
Household Income	\$3.5 billion	
Employment	56,000	7,300

*AEC Group 2017 study **Deloitte 2017 study

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