
From: Ben Bartl <ben@tenantstas.org.au>
Sent: Friday, 7 July 2023 10:27 AM
To: TPC Enquiry
Subject: Tenants' Union response to draft Tasmanian Planning Policies
Attachments: TUTTPP070723.pdf

Categories:

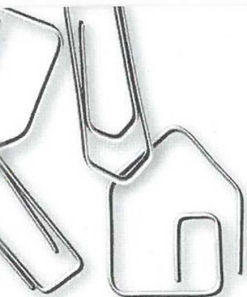
To the Tasmanian Planning Commission
Re: Tasmanian Planning Policies

Please find attached a submission from the Tenants' Union of Tasmania to the draft Tasmanian Planning Policies.

Thank you for providing an extension of time.

Kind regards,

Ben



7 July 2023

Tasmanian Planning Policies
Tasmanian Planning Commission
GPO Box 1691
Hobart Tasmania 7001

via email: tpc@planning.tas.gov.au

To the Tasmanian Planning Commission
Re: Draft Tasmanian Planning Policies

The Tenants' Union of Tasmania welcomes the opportunity to respond to the draft Tasmanian Planning Policies.¹ Our response focuses solely on short stay visitor accommodation, noting the significant impact it is having on local communities and recommending ways in which this impact can be minimised.

The Tenants' Union of Tasmania is a not-for-profit community legal centre providing information, advice and representation to more than 57,000 residential tenants living throughout Tasmania. We also offer community legal education and training and advocate for the improvement of residential tenants' rights.

Short Stay Visitor Accommodation

The draft Tasmanian Planning Policies outlines the following about short stay visitor accommodation:²

Manage visitor accommodation so it does not significantly impact the supply of housing in the local community.

We are very concerned that visitor accommodation is having a significant impact on the supply of long-term rental properties as the following research highlights.

Government Data

Following the passing of the *Short Stay Accommodation Act 2019* (Tas), Consumer, Building and Occupational Services has collected data on the number of entire properties being used as short stay accommodation. Relying exclusively on entire property short stay visitor accommodation the data highlights that over the last two years:³

- Entire property short-stay accommodation across Tasmania has increased by 38 per cent (from 1713 properties to 2371 properties); and

¹ We would like to acknowledge those persons and organisations who gave freely of their time in assisting with our submission.

² The draft Tasmanian Planning Policies at para. 4.4.3.3.

³ Consumer, Building and Occupational Services, *Report on data collection Quarter 3 2020 and Report on data collection Quarter 3 2022*.

- In the Hobart City Council municipality, the number of entire property short-stay accommodation has increased by 24 per cent (from 302 to 375 properties); and
- In Greater Hobart, the number of entire property short-stay accommodation has increased by 22 per cent (from 553 to 677 properties); and
- In the Launceston City Council municipality, the number of entire property short-stay accommodation has increased by 44 per cent (from 193 to 278 properties).
- In the West Tamar Council municipality, the number of entire property short-stay accommodation has increased by 40 per cent (from 65 to 91 properties); and
- In the Meander Valley Council municipality, the number of entire property short-stay accommodation has increased by 37 per cent (from 19 to 26 properties); and
- In the Latrobe Council municipality, the number of entire property short-stay accommodation has increased by 41 per cent (from 22 to 31 properties); and
- In the Devonport City Council municipality, the number of entire property short-stay accommodation has increased by 22 per cent (from 27 to 33 properties); and
- In the Burnie City Council municipality, the number of entire property short-stay accommodation has increased by 31 per cent (from 16 to 21 properties); and
- In the West Coast Council municipality, the number of entire property short-stay accommodation has increased by 23 per cent (from 43 to 53 properties).

Independent Research

A number of independent reports have been published highlighting the impact of short stay visitor accommodation on the long-term rental market in Tasmania.

Marginal Housing during Covid-19⁴

- The report found that around 6 per cent of Greater Hobart's rental market was available as short stay accommodation including 12 per cent of the Hobart City Council municipality.
- Following the State Government's Covid-19 enforced border closure, the return of 112 short stay accommodation properties to the long-term rental market in the Hobart City Council municipality had led to higher vacancy rates and rent reductions of 9 per cent, leading the authors to conclude:⁵

... even a modest reduction in Airbnb listings (about 17%) is associated with a significant reduction in rents. In rental markets it is clear that small changes in supply can make a significant difference for long-term renters. This analysis helps explain the great differences in Hobart rental increases and vacancy rates before and after Airbnb became a feature of Hobart real estate markets.

⁴ Caitlin Buckle, Nicole Gurran, Peter Phibbs, Patrick Harris, Tess Lea and Rashi Shrivastava, *Marginal Housing during Covid-19* (Australian Housing and Urban Research Institute, Final Report No. 348).

⁵ Ibid at 40.

Monitoring the impact of short-term rentals on Tasmanian housing markets (Baseline Report)⁶

- The report found that a majority of properties listed as short stay accommodation in the Hobart City Council municipality had previously been listed as long-term rentals.⁷
- The report also found that Hobart short stay accommodation as a proportion of its total private long-term rental market is much higher than in other Australian capital cities:

Comparing the penetration of Airbnb in Hobart, Melbourne and Sydney – December 2021 estimate

Location	Airbnb Density
Greater Sydney	0.83%
Sydney LGA	2.08%
Greater Melbourne	1.25%
Melbourne LGA	3.82%
Greater Hobart	5.65%
Hobart City LGA	9.33%

Source: *Monitoring the impact of short-term rentals on Tasmanian housing markets* (June 2022), Table 6.

- Most relevantly however was the authors' analysis of vacancy rates and the important role they play in setting rent levels. As the authors conclude:⁸

This means that small changes in the number of available properties in a housing market can have a significant impact on rents in an area through changes in the vacancy rate. When proponents of STRs [short stay rentals] say that they could have no impact on rents, because they are only a small percentage of the total housing market, they are ignoring the market processes that change rents. In Greater Hobart (with a private rental market of about 19,500 dwellings) to move from a vacancy rate of 2 percent (where rent rises will be manageable) to 1% (where rent rises are likely to be double digit), would only need the withdrawal of 195 properties from the private rental market (or 0.2% of the total dwellings in Greater Hobart).

Monitoring the impact of short-term rentals on Tasmanian housing markets (Progress Report No. 1)⁹

- The report found that at least two-thirds (67 per cent) of entire properties being used as short-stay visitor accommodation in Launceston, West Launceston and East Launceston had previously been listed as long-term rentals.¹⁰

⁶ Shelter Tasmania, *Monitoring the impact of short-term rentals on Tasmanian housing markets* (June 2022). As found at https://shelbertas.org.au/wp-content/uploads/2022/01/STR-Baseline-Report-June-2022_FINAL-combined-files.pdf (accessed 28 October 2022).

⁷ Ibid at 26.

⁸ Ibid at 44.

⁹ Shelter Tasmania, *Monitoring the impact of short-term rentals on Tasmanian housing markets* (First Update since the June 2022 Baseline Report) (December 2022).

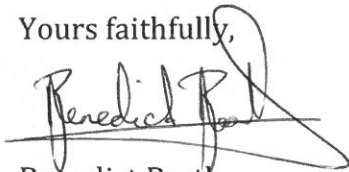
¹⁰ Ibid at 11.

In summary, there is now clear data that demonstrates that entire property short-stay visitor accommodation has come at the expense of long-term rental stock and that this has resulted in tighter vacancy rates and higher rents in our largest cities.

We strongly recommend that the final Tasmanian Planning Policies include a section on managing visitor accommodation so it does not impact the supply of long-term rental accommodation in the local community. We believe that any impact by visitor accommodation on the long-term rental market will result in lower vacancy rates and higher rents. We therefore also recommend the removal of the word 'significant' so that the policy addresses 'impact' rather than 'significant impact'. Finally, we recommend that managing visitor accommodation is included under the Housing policy because it impacts on both the long-term rental market and housing affordability more generally.

If we can be of any further assistance, please do not hesitate to contact s.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Benedict Bartl", written over a horizontal line.

Benedict Bartl
Principal Solicitor

Tenants' Union of Tasmania
