

Short stay accommodation – milestone timeline

December 2017

- Melbourne in world's top 20 for short term accommodation¹
- Airbnb contend 80 per cent of Victorian hosts share the home in which they live and earn about \$5,700 per year, across 33 nights of occupancy (Ibid)
 - 12, 174 listings – 56.6 per cent are an entire house/apartment²
 - \$139 average price per night (Ibid)
- Inside Airbnb assert people renting entire homes/apartments earn an average of \$1,354 - \$2,511 per month (Ibid).

November 2017

- The Victorian Government responded to the report of the Parliamentary Inquiry into the Owners Corporations Amendment (Short-stay Accommodation) Bill 2017.

Recommendations relevant to the Victorian hotel community are, as follows:

- **Recommendation 1:** That the Victorian Government investigates a mechanism to improve data collection on short stay accommodation:

Outcome: Recommendation supported in full.

Related commentary:

- The government "is supportive of new and improved data collection methodologies to ensure better public policy outcomes."
- The government acknowledges that "a considerable amount of demand side data exists" but "supply side data is much more opaque," and held by short stay accommodation providers, limiting the Government's ability to compel them to share such information.
- The Department of Economic Development, Jobs, Transport and Resources will undertake an assessment of how such a mechanism could be implemented.
 - This process likely to be undertaken as part of the CAV-led post implementation review or as a separate complementary process.
- **Recommendation 3:** That the Office of the Commissioner for Better Regulation reviews the regulatory imbalance between the short stay and traditional accommodation sectors.

Outcome: Recommendation supported in full.

Related commentary:

- The Office of the Commissioner for Better Regulation will examine any potential regulatory imbalances over the next two years.

¹ [Airbnb crackdown looms as Melbourne soars into world's top 20 cities for short-term hosting. The Age, 21 November 2017](#)

² [Inside Airbnb/Melbourne, December 2017](#)

- Findings will be considered as part of the post implementation review, led by CAV.
- **Recommendation 5:** That as recommended by Tourism Accommodation Australia (Vic), the Victorian Government investigates the costs and benefits of introducing a registration and compliance regulatory framework for commercial-residential short-stay accommodation providers where properties are listed for more than 90 days and a single owner, whether a person or entity, has multiple listings.

Outcome: Recommendation supported in full

Related commentary:

- The Victorian Government acknowledged that “an examination of the potential effectiveness and costs and benefits of introducing such a scheme would be useful to inform future policy development”.

Related activity during November 2017:

- **TAA (Vic)** Board members and staff meet with Victorian Consumer Affairs Minister, Marlene Kairouz, to discuss the **TAA (Vic)/AHA (Vic)** recommendations on the equitable regulation of short-stay accommodation in Victoria.
- Australia’s top 10 Airbnb hosts or property managers are reported to have made between \$2m-\$5.3m, across multiple listings, in the year to October 2017³
 - In Melbourne, one operator made \$3.7m across 158 listings (Ibid)
 - Another operator netted \$3.5m across 80 properties in the Colac Otway region (Ibid)
- Airbnb co-founder, Joe Gebbia, hails Australia the platform’s “greatest success story”⁴ with the “largest number of Airbnb registered users per capita of any country – one in five Australians has an Airbnb account”(Ibid).
 - There were 4.6m arrivals in Australian Airbnb properties over the past year (Ibid)
 - Mr Gerbbia stated there are 122,500 active Airbnb listings in Australia, “an increase of 40 per cent over last year” (Ibid).
 - He contended that “the typical Australian listing is booked for 31 nights per year, and an average length of stay of 3.4 nights” (Ibid).

September 2017

- **TAA (Vic) and AHA (Vic)** shape a second submission addressed to Victorian Consumer Affairs Minister, Marlene Kairouz, noting recommendations for the equitable regulation of short-stay accommodation in *Victoria*.

³ [Australia’s top Airbnb host made \\$5.3 million in the past year, Domain, 24 November 2017](#)

⁴ [“We love to pay taxes” Airbnb planning long-term stay says founder, News.com.au, 21 November 2017](#)

Key recommendations include:

- **Recommendation One:** *The government should implement a registration system for short stay accommodation hosts, consistent with that already in place in San Francisco, Denver, Chicago and New Orleans.*
- **Recommendation Two:** *A registration system should monitor the requirement for hosts to only list one property on sharing accommodation platforms (One Host, One Home) and restrict booking capability to a threshold of 90 nights per year.*
- **Recommendation Three:** *To address the regulatory imbalance between the short-stay and traditional accommodation sectors, all newly constructed Class 2 buildings should be subject to the same building code requirements, with regard to fire safety and disability access, as Class 3 buildings, given the close association of activity, in buildings where short stay accommodation is provided.*
- **Recommendation Four:** *Owners' Corporations in buildings with mixed use (private and shared accommodation) should be able to make and enforce their own by-laws regulating un-hosted accommodation in the building, particularly in the event an agreed majority of residents support a particular course of action.*

The submission also referenced how the regulation of short-stay accommodation is being addressed in other jurisdictions around the world and findings from the Victorian Parliamentary Inquiry (as referenced in "June 2017" below) that support **TAA (Vic)'s/AHA (Vic)'s** contentions.

June 2017

- **TAA (Vic) and AHA (Vic)** representatives meet with Minister Kairouz's chief consumer affairs advisor to follow up on the submission presented to the Inquiry.
 - This includes writing a letter, stating **TAA (Vic)'s/AHA (Vic)'s** position on short-stay, unregulated accommodation to Minister Kairouz.
 - A similar letter is also sent to Minister Dalidakis, in his capacity as Minister for Small Business, Innovation and Trade.
- ABC News report Airbnb has "rapidly taken off" with 115,000 listings across Australia, with 60 per cent of Sydney's 20,000 short-stay accommodation home rentals being for entire homes/apartments.
 - concerns are raised about housing affordability and availability of rental properties.
- Victorian Government Legislative Council Environment and Planning Committee release their report regarding the Inquiry into the Owners Corporations Amendment (Short-stay Accommodation) Bill 2016.
 - The published report made three key recommendations that supported **TAA (Vic)'s/AHA (Vic)'s** contentions
 - **Recommendation 1:** *"That the Victorian Government investigates a mechanism to improve data collection on short-stay accommodation".*
 - **Recommendation 3:** *"That the Office of the Commissioner for Better Regulation reviews the regulatory imbalance between the short-stay and traditional accommodation sectors".*

- **Recommendation 5:** *“That as recommended by TAA (Vic), the Victorian Government investigates the costs and benefits of introducing a registration and compliance regulatory framework for commercial residential short-stay accommodation providers where properties are listed for more than 90 days and a single owner, whether a person or entity, has multiple listings”.*

May 2017

- [Airdna](#) data reveals that the estimated revenue for a spare room in Melbourne (March 2016 – March 2017) was \$16,115
 - For properties with four bedrooms or more, average annual earnings in Melbourne were \$72, 792⁵
 - Australia’s most lucrative listing was a five bedroom home at Palm Beach in Sydney, with a \$249, 508 estimated annual return (Ibid).
 - The top earning “private room” in Melbourne (Kallista) netted its owners an estimated \$40, 098 return (Ibid).
- Technically, income earned from Airbnb must be declared. “Many avoid this obligation”, “without a firm regulation of the industry.”⁶

April 2017

- In relation to the optimal environment for short term letting in New South Wales, Restaurant and Catering Chief Executive Officer, John Hart, states that “there was a huge shortage of accommodation before Airbnb came along, which meant there was a capacity constraint on visits.”⁷
 - He added, “Now Airbnb is in the market and we’ve got the huge number of visitor nights, the savings that visitors are making on accommodation they’re spending on food and eating out” (Ibid).

March 2017

- **TAA (Vic) and AHA (Vic)** appear at Parliamentary Inquiry into the Owners Corporations Amendment (Short-Stay Accommodation) Bill 2016
 - Submission references the uneven regulatory playing field that exists between traditional accommodation providers and commercial-residential short-stay accommodation providers.
 - Recommendations include ‘One Host, One Home’ (limiting hosts from advertising listings at more than one address); Limiting rental of an entire house or apartment above an annual threshold of nights; Implementation of a registration platform with the State Government, and the ability for Owners’ Corporations in strata title

⁵ [The Airbnb listings generating much more than pocket money, The Courier Mail, May 9 2017](#)

⁶ [Is Airbnb legal in Australia? Legal Vision, May 24 2017](#)

⁷ [Airbnb wins backing in battle over new policy, The Australian, 6 April 2017](#)

- buildings to “make and enforce their own by-laws regulating un-hosted short term accommodation”.
- The submission also notes the apparent purpose of regulation in the hotel industry is to “promote guests, workers and operators” and that these principles should “apply equally, regardless of the building code class of the building.
 - Regulation impacting hotel infrastructure includes food safety, fire safety, disability access and liquor licensing requirements, development application processes, employment and taxation laws.

January 2017

- Airbnb enlist Deloitte Access Economics to assess the economic effects of Airbnb in Australia
 - The report commissioned contends that Airbnb guests contributed a total of \$1.6 billion to the Australian economy in 2015-16 and supported over 14,000 jobs, when accommodating 2.1 million guests for 3.7 million nights.

September 2016

- An academic paper reflects a market size of 17,500 properties available across the Melbourne metropolitan region.⁸ It also states:
 - The number of monthly bookings has increased six fold in the last two years (Ibid)
 - The largest concentration of Airbnb properties is in the CBD, near Southern Cross Station (Ibid).
 - Other clusters include the north end of Chapel Street, St Kilda, the Carlton/Fitzroy/Collingwood area and the southern end of Bay Street in Port Melbourne (Ibid).
 - During the last summer approximately \$15m per month was spent on Airbnb in Melbourne (Ibid)
 - Seventy per cent of hosts have only one property (Ibid)

April 2016

- Victorian Premier, Daniel Andrews, signs an agreement with Airbnb to work with hosts who want to provide free accommodation to residents affected by bushfires⁹

⁸ [A census of Melbourne’s Airbnb market, Andy Krause and Gideon Aschwanden](#)

⁹ [Accommodation providers welcome Victorian Government Airbnb disaster deal. ABC News, 10 June 2016](#)

Appendix One: Airbnb listings in Melbourne and Victoria

Melbourne metro listings	Apr 2016	Dec 2016	Apr 2017	Annual growth
a) Entire Home/Apartment AND host has 1 listing AND annual availability of >90 days	1756	1905	2416	37.59%
b) Entire Home/Apartment AND host has >1 listing	2453	3199	3738	52.38%
Total Commercial-Residential	4209	5104	6154	46.21%
Total Listings	9988	12174	14435	44.52%
Commercial-Residential Percentage	34.88%	41.93%	42.63%	n/a
Total VIC listings	Apr 2016	Dec 2016	Apr 2017	Annual growth
a) Entire Home/Apartment AND host has 1 listing AND annual availability of >90 days	3740	3682	5688	52.09
b) Entire Home/Apartment AND host has >1 listing	4014	4713	6822	69.96
Total Commercial-Residential	7754	8395	12510	61.34
Total Listings	15149	16624	23352	54.15
Commercial-Residential Percentage	51.18%	50.50%	53.57%	n/a

Melbourne metro listings – Apartments Only	Apr 2016	Dec 2016	Apr 2017	Annual growth
a) Entire Apartment AND host has 1 listing AND annual availability of >90 days		1154	1679	45.49
b) Entire Apartment AND host has >1 listing		2413	3041	26.03
Total Commercial-Residential Apartments		3567	4720	32.32
Total Listings (Apartments)		6815	8393	23.15
Total Listings (All)		12174	14435	18.57
Commercial-Residential Percentage		29.30	32.70	n/a

Source: Inside Airbnb