



13 June 2018

Members of the House of Assembly
Parliament House
Tasmania

To all members of the House of Assembly,

Re: Support for Moratorium on Short-term Accommodation Industry

Over the last year the chronic shortage of safe, secure and affordable housing in Tasmania, particularly in Greater Hobart has reached crisis point. It seems like every day there is a new story in the traditional media or on social media of men, women and children made homeless and having to live in tents, caravans and other less appealing places.

As well as the media, our staff have also heard harrowing stories on our telephone advice line and face-to-face that points to a significant problem, namely the growth in the short-term accommodation industry at the expense of long-term rental accommodation. As a result, there has been a number of adverse impacts including increased rents as supply has reduced, growing unaffordability and increased insecurity.

Our anecdotal evidence has now been reinforced with the recent release of empirical data from the University of Tasmania's *Institute for the Study of Social Change* (UTas ISCC) which found that:¹

- there has been a **184 per cent increase** in entire properties being rented out on Airbnb in **Tasmania** from 1,198 to 3,400 between July 2016 – February 2018 and;
- there has been a **244 per cent increase** in entire properties being rented out on Airbnb in the **Hobart Local Government Area** from 250 to 859 between July 2016 – February 2018 and;
- there has been a **212 per cent increase** in entire properties being rented out on Airbnb in **Greater Hobart** from 485 to 1,515 between July 2016 – February 2018.

As well, the UTas ISCC data observes that there has been a **17 per cent increase** in the proportion of all listings that are entire properties rented out **in the Hobart Local Government Area**.

Finally, the UTas ISCC data points to continued growth, observing “demand remains strong and that we haven’t yet reached peak Airbnb”.

¹ Richard Eccleston, Lisa Denny, Julia Verdouw & Kathleen Flanagan, *Housing in Hobart: an overview of the data* (University of Tasmania, Institute for the Study of Social Change: May 2018).

In conjunction with the Rental Deposit Authority, the Tenants' Union of Tasmania is able to demonstrate that there has been a significant drop in the number of long-term rental properties made available, particularly in Hobart. The data demonstrates:

- there has been a **24 per cent drop in Tasmania** in the number of bonds being paid into the Rental Deposit Authority from 18,728 in 2012 to 14,313 in 2017.
- there has been a **20 per cent drop in Northern Tasmania** in the number of bonds being paid into the Rental Deposit Authority from 4933 in 2012 to 3975 in 2017.
- there has been a **21 per cent drop in North-west Tasmania** in the number of bonds being paid into the Rental Deposit Authority from 3646 in 2012 to 2901 in 2017.
- there has been a **27 per cent drop in Southern Tasmania** in the number of bonds being paid into the Rental Deposit Authority from 10,149 in 2012 to 7473 in 2017.

Whilst we acknowledge that some properties have been sold to homeowners or have changed purpose (businesses, family members moving in etc) there can be no doubt that the short-term accommodation industry has contributed.

In our view, the evidence from both the University of Tasmania and the Rental Deposit Authority/Tenants' Union of Tasmania warrants immediate action, particularly in Greater Hobart. An option that must be considered is banning investment properties made available for short-term accommodation in Greater Hobart. At an absolute minimum, this evidence supports an immediate moratorium on new investment properties being listed as short-term accommodation in Greater Hobart.

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

Yours faithfully,



Meredith Barton
Principal Solicitor
Tenants' Union of Tasmania

enc: Data from University of Tasmania Institute for the Study of Social Change
Data from Rental Deposit Authority/Tenants' Union of Tasmania

Growth in Airbnb

	July 2016			February 2018			Growth	
	Total listings (no.)	Entire properties (no. and %)	Total listings (no.)	Entire properties (no. and %)	Total listings (%)	Entire properties (%)		
State-wide	1,827	1,198	4,459	3,400	144	184		
Hobart LGA	416	250	1,114	859	167	244		
Greater Hobart	787	485	1,993	1,515	153	212		

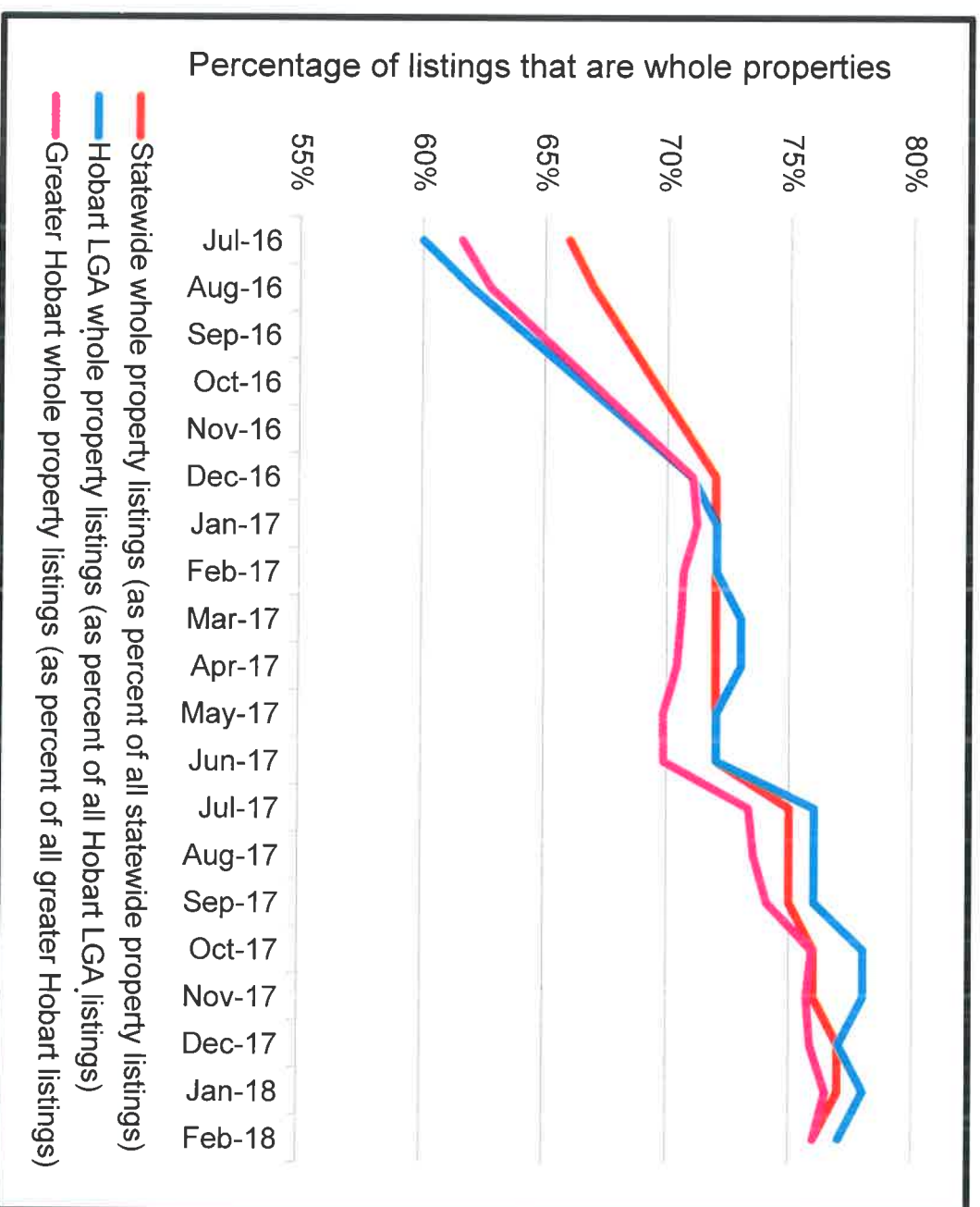
From July 2016 to Feb 2018 the growth in total Airbnb listings increased in most cases well over 150%. The largest increases were entire home/apartment listings:

- 244% growth over the period in Hobart LGA (250 to 859 listings),
- 212% growth in greater Hobart (485 to 1515 listings), and
- 184% growth across the state (1198 to 3400 listings).

Airbnb whole properties

The proportion of all listings that are whole properties are also increasing, especially in Hobart LGA.

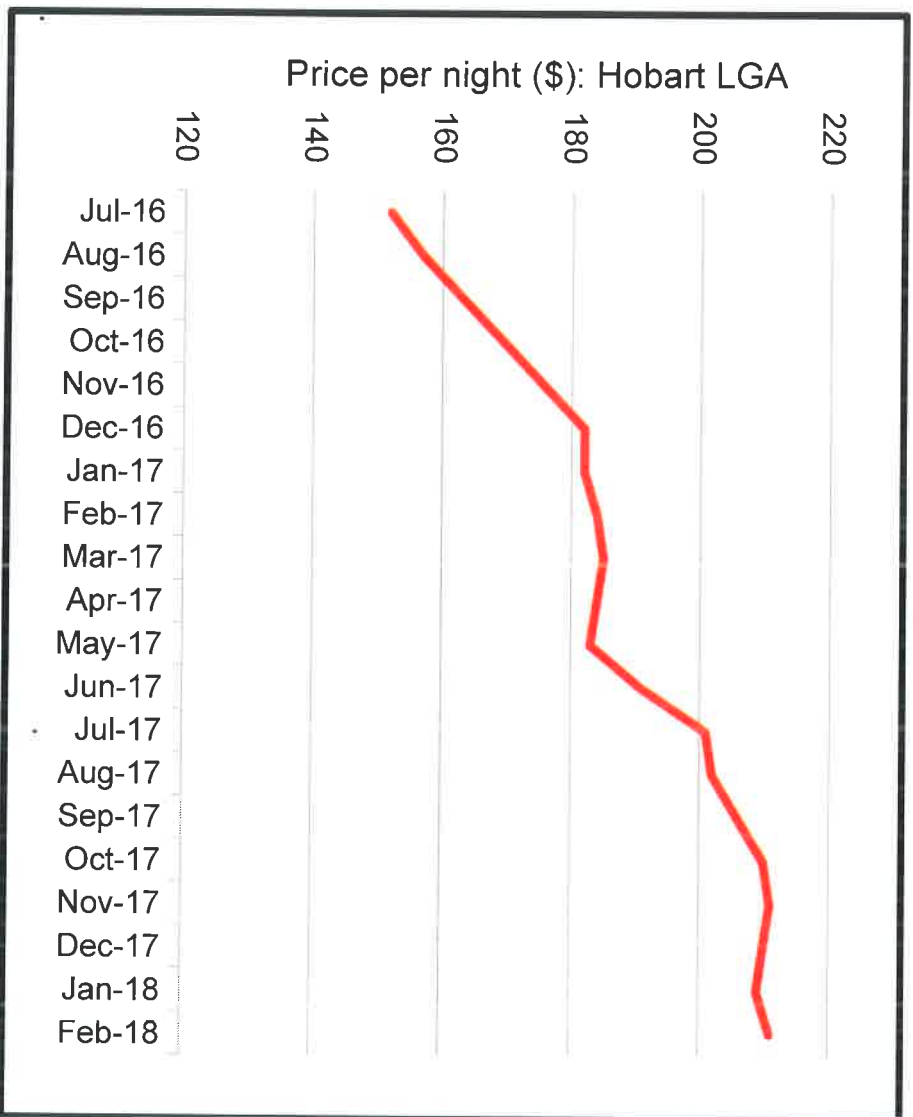
From July 2016 to February 2018, there was a 17 percentage point increase in whole properties listed.



Peak Airbnb?

A sustained rise in price per night for entire properties (Hobart LGA) is indicated, from \$152 to \$212 in February 2018.

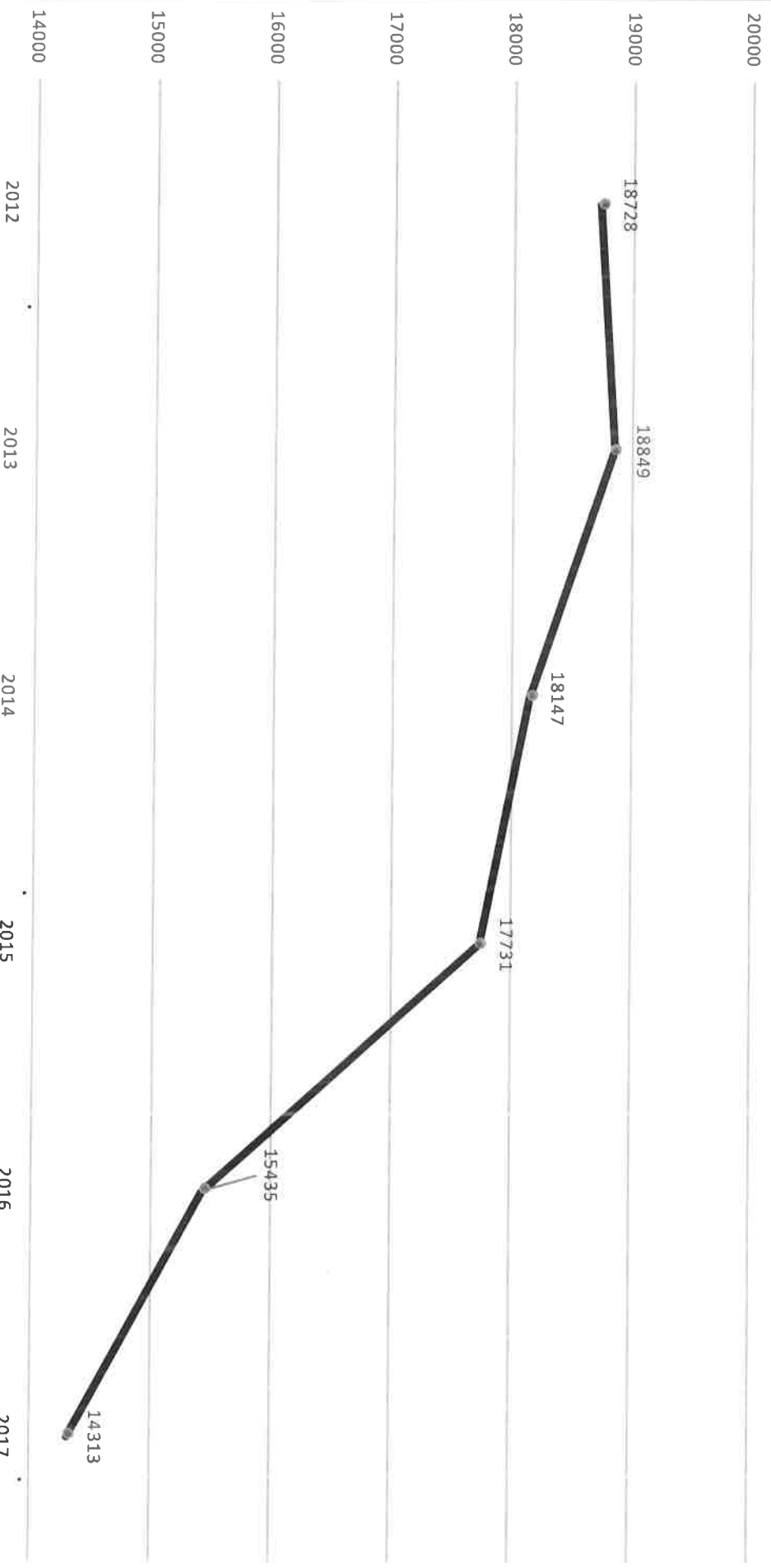
This continued price growth suggests demand remains strong and that we haven't yet reached peak Airbnb.



Source: Inside Airbnb, monthly data July 2016 to February 2018

New Bonds by Year: Tasmania

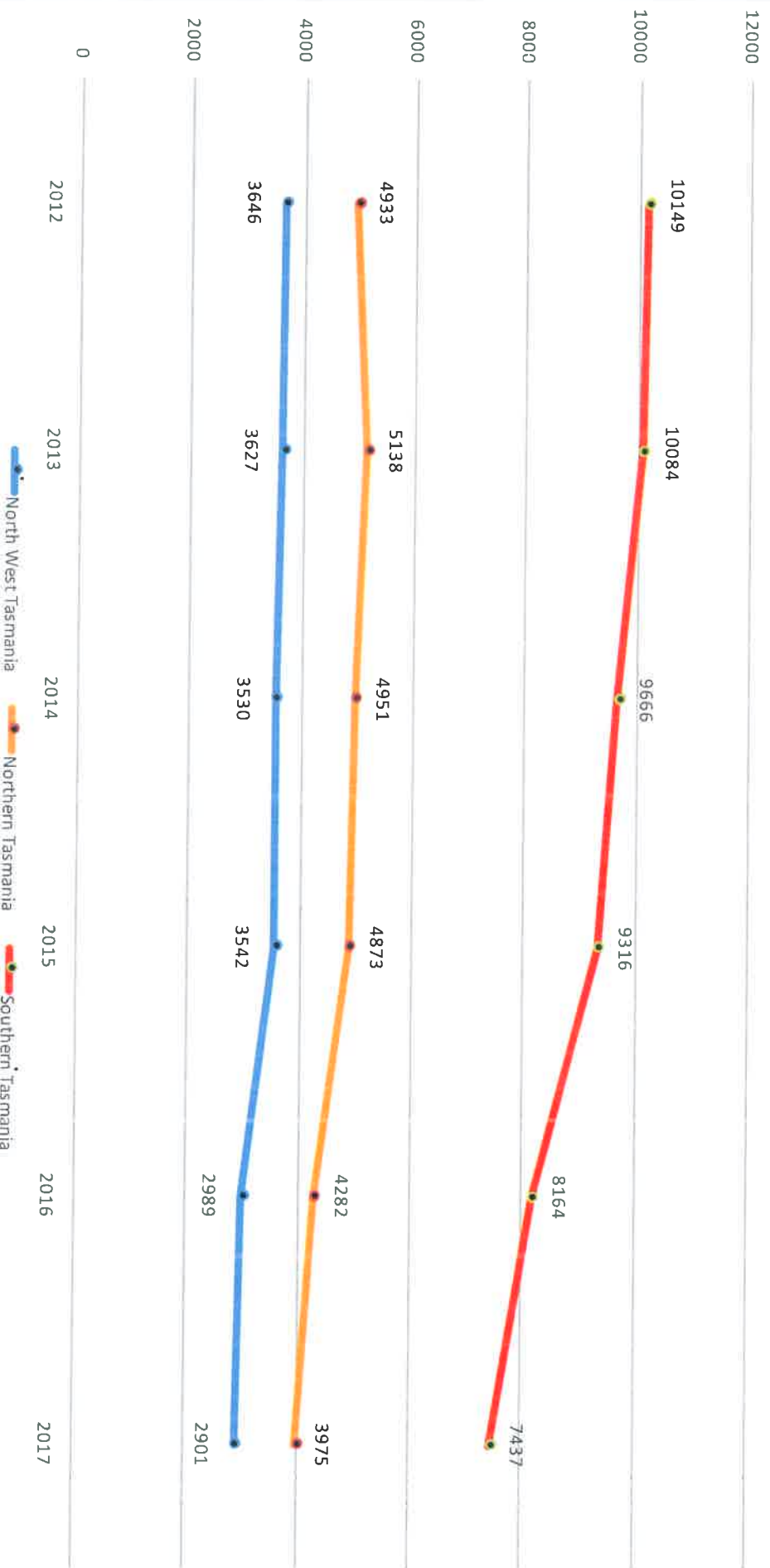
Source: RDA, Tasmanian Rents (unpublished)



Source: Rental Deposit Authority, Tasmanian Rents (unpublished)
Note: Does not include new Uni 1 br apartments and bond charged due to Better Housing Futures program

New Bonds by Region by Year

Source: Tasmanian Rents



Source: Rental Deposit Authority, Tasmanian Rents (unpublished)

Note: Does not include new Uni 1 br apartments and bond charged due to Better Housing Futures program