Airbnb, Inc. (Airbnb) welcomes the opportunity to make a submission in response to the New South Wales (NSW) Government’s White Paper on a new planning system for NSW. This is an important initiative to update the legislation to better reflect the planning needs of the community in the 21st century.

Airbnb operates a trusted community marketplace where people can list, find and book unique accommodation. We have a vibrant and fast-growing community in Australia, with over 3,000 new listings added across Australia in the last six months. Our guest numbers in Australia grew by 270% and more than 100,000 Australians travelled internationally with Airbnb over the same period.

Our hosts generally rent their own homes occasionally -- when on vacation or traveling for work, or simply as a way to meet travellers from around the world. They are not running a business. Rather, the supplemental income they earn helps afford increasing costs of living, invest more in their homes, pursue new careers, pay off loans, and even avoid eviction and foreclosure.

On the other hand, travellers use Airbnb because they seek the authentic local experiences that NSW residents provide — they want to “live like locals.” Airbnb hosts enable this, as the majority of their homes are located outside the traditional visitor hot spots. At the time of writing, dozens of entire homes and apartments, private rooms and shared rooms are available for short term rental at www.airbnb.com in locations like Forster, Narrawallee, Goonengerry, Wolumla, Coffs Harbour and The Entrance. Within Sydney, listings are available in popular areas such as Darlinghurst and Surry Hills, but also other parts of Sydney like Annandale, Glebe and Strathfield.

The benefits of this activity aren’t limited to hosts and travellers. As we all know, tourism is a critical part of the State economy, but not all tourism is created equal — tourist dollars spent at large chains rarely stay in the local economy. Airbnb travellers, on the other hand, not only put money directly in the pockets of NSW residents, they also spend money at small neighbourhood businesses outside the tourist centres. Our research also indicates that Airbnb guests generally stay longer and spend more cumulatively than traditional hotel guests, and that many would not have visited a location if not for Airbnb.

Our community in NSW is therefore contributing to a new economy — a creative and sustainable economy that supports households, grows and diversifies tourism and activates neighbourhoods.

Unfortunately, today this activity is not clearly regulated. One issue that warrants greater attention is the planning treatment of short stay accommodation in private residences. There is a lack of clarity on whether the provision of accommodation for occasional short term stays within a residential property is a permitted use, resulting in ambiguity for both residents and local councils.

For example, many if not most of the properties and rooms listed on the Airbnb platform are what we term the “primary residences” of the hosts (meaning that the hosts habitually reside in those residences), which are located in residential areas of varying densities. It is not clear whether the
nature of the host’s residence would be altered merely by the host allowing for occasional short term stays, and if so why that should be the case.

At the same time, the current definition of “tourist and visitor accommodation” typically includes clear commercial activities such as backpackers’ accommodation, bed and breakfast accommodation, farm stay accommodation, hotel and motel accommodation and serviced apartments. This definition is clearly inappropriate for the renting out of the whole or parts of private residences for infrequent short-duration stays.

The planning treatment of short term stays in residential properties therefore seems to fall within an uncertain grey area. This uncertainty could undermine the clear and growing benefits to local communities from the Airbnb model.

We see merit in codifying the treatment of short term rentals on a State-wide basis. A clarification that occasional short term rental of one’s primary residence is not a commercial use and is therefore an allowable use of residential properties would enable NSW residents to rent out a room or their entire property on a short term basis, without facing the uncertainty of potential punitive action depending on the local government area in which the property is located. It would also ensure that the planning treatment of this type of short stay accommodation is consistent with the actual use of these residences across the State.

On a related note, we support the proposal for Local Plans to have fewer and broader open zones. We are however concerned by the lack of clarity in the White Paper, on the permitted uses of private residences that are partly or wholly rented out for short durations.

The suggestion to have fewer and broader open zones is intended to introduce more consistency across the State, in terms of where the different types of usages may be situated. This objective can be accomplished only if it is accompanied by clear and broad guidelines on the permitted uses within each zone. We believe that the White Paper and the proposed amending legislation may not set out the permitted uses of private residences that are partly or wholly rented out for short durations with sufficient clarity.

The rise of the sharing economy is fundamentally and permanently changing the way in which private residences are used. As more NSW residents and visitors become familiar with platforms like Airbnb, we expect continued growth and consolidation in a diverse range of locations across the State. The development of a new planning system for NSW represents a unique opportunity for policy makers to bring the planning laws into the 21st century and ensure that a broader range of uses are adequately captured and codified in residential zoning.

Best regards,