Resolution of Council

26 October 2026

Item 13.1

Capping Airbnbs and Other Short-Term Rentals in the City of Sydney

Moved by Councillor Thompson, seconded by Councillor Ellsmore –

It is resolved that –

(A) Council note:

(i) Sydney is in a rental crisis with a vacancy rate of 1.7%. This low rate means more homes need to be added to the long-term rental market urgently

(ii) current reports indicate that at least 6,000 homes in our Local Government Area (LGA) are being used as short-term rentals, hosted mainly on platforms like Airbnb, and that this number is growing exponentially every year

(iii) increasingly investors are acquiring large portfolios of homes and turning them into mini-hotels, with reporting from community groups noting some landlords renting out well in excess of 100 properties locally as short-term rentals

(iv) historically significant residential city-fringe suburbs like Millers Point, Darlinghurst, Potts Point and Ultimo have been particularly impacted by the proliferation of Airbnbs and other short-term rentals, with a hollowing out of these communities already well underway

(v) researchers have found, in Australia and elsewhere, that the increasing professionalisation of the short-term rental sector exacerbates tight rental markets and exerts upwards pressure on local rents

(vi) beyond these housing pressures, short term rentals and Airbnbs are having a harmful effect on our community with hollowed out suburbs, increased strata fees and destruction of common property in apartment buildings and speeding up the gentrification of suburbs that historically were affordable, all in the name of treating properties as investment vehicles rather than homes for people and families

(vii) overwhelmingly Australia's short term rental regulations are out of step worldwide with other jurisdictions which are moving in the direction of having a strong registry, permit systems, clear platform accountability, and caps, alongside funding for enforcement measures

(B) the Chief Executive Officer be requested to organise a Councillor workshop this year on short-term rental accommodation to help Council establish an agreed policy and advocacy position. The workshop should:

(i) clarify Council's advocacy to date

(ii) collate previous advice to Council, including approaches in other jurisdictions, and their potential applications in the City of Sydney

(iii) provide Council with any other relevant information or advice to inform their decision about next steps including further advocacy to the NSW Government, booking platforms and operators

(iv) provide an opportunity for Councillors to debate the information received and agree to next steps.

The varied motion was carried unanimously.

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