

Item 13.1

Notices of Motion

Houses for Homes (Short-Term Rental)

By Councillor Miller

It is resolved that:

(A) Council note:

- (i) according to NSW Government data, in 2023, there were 2,468 active and registered short-term rental accommodation (STRA) properties in the City of Sydney. However, according to independent data, there were 5,454 active STRA properties in the City of Sydney. We do not have sufficient data to understand how many properties are the owners' principal place of residence that are used for STRA;
- (ii) since 2017, the City has made 4 submissions in response to the NSW Department of Planning, Housing and Infrastructure's proposed changes to STRA. The City's submissions have recommended reduced caps for non-hosted short-term rentals;
- (iii) the NSW Government's planning framework for STRA came into effect in 2021;
- (iv) weaknesses and loopholes in the government's framework have led to the commercialisation of the sector at scale, with professional STRA operators hosting multiple properties and actively marketing known Sydney 'hotspots' as ideal for absentee owners to invest in and profit from;
- (v) enforcement action is impossible due to the inaccuracy and unavailability of data on the NSW Planning Portal's short term accommodation register, such as verified identification and financial records;
- (vi) STRA registration should be linked to a Service NSW account to ensure accurate and fulsome identification information;
- (vii) unless the problem of accessing the records needed for enforcement action is resolved, the day cap restriction on non-hosted STRA is unenforceable in practice;
- (viii) in 2023, Council resolved to commission a report to investigate the impacts STRA is having on rental affordability and availability, and tourist accommodation in our local area. The Lord Mayor provided a copy of our findings and recommendations to the NSW Government to consider as part of its own review;
- (ix) the report's financial analysis found that STRA was more profitable than long term rentals in many City of Sydney suburbs, despite the 180 day cap on non-hosted rentals;

- (x) the report identifies several recommendations, largely within the NSW Government's control, to improve the regulation of STRA and address its impact on housing availability and affordability, including:
 - (a) the professional commercialisation of STRA must be reduced by introducing restrictions that incentivise long-term leases over STRA;
 - (b) STRA regulation and enforcement must be improved by increasing requirements for booking platforms, enhancing identity verification when registering a property and improving data sharing between government and councils;
 - (c) reduce the existing 180-day cap according to financial modelling to deter 'absentee landlords' and the exclusive use of dwellings for STRA; and
 - (d) support a state-wide levy on STRA and use funds for Affordable Housing;
 - (xi) in March 2024, the NSW Government consulted on a Discussion Paper, seeking feedback on the policy and regulatory framework for STRA as well as options to increase the supply of long-term rental accommodation;
 - (xii) the NSW Government has not yet reported on its review or responded to the City's recommendations;
 - (xiii) given the housing affordability crisis it is essential the NSW Government urgently reforms the STRA planning and regulatory framework to enable the potential return of over a thousand homes to the long-term rental market; and
 - (xiv) in light of the worsening housing affordability crisis and shortage of long-term rental accommodation and delay in acting on this issue, it is recommended that the NSW Government take swift action that will immediately unlock housing options; and
- (B) the Lord Mayor be requested to write to:
- (i) the Minister for Planning and Public Spaces, Paul Scully and the Minister for Housing Rose Jackson, urging the NSW Government to:
 - (a) commit to incentivising long-term leases and disincentivising Sydney as a hotspot for 'absentee landlords' and operations that use dwellings exclusively to profit from STRA;
 - (b) urgently report back on its STRA review including a response to the City's recommendations; and
 - (c) improve the registration and identification process for short-term rental accommodation registrations as a first step to enabling enforcement; and
 - (ii) the Minister for Better Regulation and Fair Trading, Anoulack Chanthivong, encouraging the NSW Government to:
 - (a) close existing loopholes and weaknesses in the registration and enforcement process through strengthening and consolidating data collection across the STRA Registry, Service NSW and other relevant agencies;

- (b) consider how the NSW Rental Commissioner might take responsibility for the coordination and sharing of accurate data with councils to enable effective real-time short and long-term rental information to better inform strategic planning decisions; and
- (c) empower and properly assign resources to the Office of Fair Trading to undertake greater monitoring and enforcement of cap breaches based on better data and registration processes; and that fines for breaches be issued with the intent to unlock the commercial short-term rental market for long-term leases.

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