

Item 10.1**Notices of Motion****Capping Short-Term Rental Accommodation in the City of Sydney**

By Councillor Thompson

It is resolved that:

(A) Council note that:

- (i) Sydney is in a rental crisis with a vacancy rate of approximately 1.5%. This low vacancy rate means more homes need to be made available for the long-term rental market urgently;
- (ii) in 2019, prior to Covid-19, over 16,000 homes were available on the short-term rental market in the City of Sydney alone, the vast majority of which were non-hosted dwellings. While this number declined due to the pandemic, current reports indicate over 5,000 City of Sydney homes are currently locked out of the long-term rental market and that this number is rapidly rising; and
- (iii) beyond affordability, the proliferation of non-hosted short-term rentals has had a pernicious effect on our community, hollowing out neighbourhoods like Millers Point, Dawes Point, Darlinghurst and Paddington, through treating dwellings as investment vehicles rather than homes for people and families;

(B) Council further note that:

- (i) the City of Sydney has made several attempts to deal with this issue. In 2023, the City of Sydney commissioned a report which indicated that short-term rentals were currently more profitable than long-term rentals, within current regulatory settings;
- (ii) since 2017, the City of Sydney has made 4 submissions to the NSW Government regarding short-term rental accommodation regulation, with a focus on reduced caps for non-hosted rentals. Despite this, and clear evidence of existing regulation being inadequate, the NSW Government has failed to effectively regulate this sector;
- (iii) the City of Sydney has received correspondence from the NSW Planning Minister, Paul Scully, and the NSW Housing Minister, Rose Jackson, encouraging Council to propose planning provisions and reduce the number of days properties in certain locations can be occupied for the purposes of non-hosted short-term rental accommodation, like Byron Bay who have a cap of 60 days in parts of their Local Government Area; and

- (iv) other local governments have already taken action to address this problem with signs of success. Byron Shire Council has instituted a cap of 60 days per year for non-hosted short-term rentals in the most affected areas of the Local Government Area. Hobart City Council has likewise utilised a series of control measures and is currently trialling an enforcement strategy which utilises artificial intelligence to monitor usage across the Local Government Area, with positive results thus far; and
- (C) the Chief Executive Officer be requested to prepare advice based on the following considerations:
 - (i) reducing the existing 180-day annual cap to 60-days, for non-hosted dwellings, within the City of Sydney;
 - (ii) investigating a potential threshold in which an entire suburb would be made temporarily unavailable for listing short-term rentals in the event the proportion of dwellings increases beyond reasonable community expectations;
 - (iii) investigating an oversight strategy, including those used in other jurisdictions, such as Hobart City Council, to gather data and support enforcement in the City of Sydney; and
 - (iv) considering a City-wide educational campaign and strategy to inform residents, ratepayers, strata management companies and real estate agencies of the new regulations.

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