

Don't cap short-term rentals

Paul Nicolaou



It's time any local councils, but especially the City of Sydney, contemplating caps on short-term rental accommodation heard some home truths.

Doing so would be devastating for Sydney's visitor, entertainment and events economy without helping homebuyers or renters.

It would cripple the city just when accommodation is needed to support Sydney's quest to be Australia's big events capital.

Consider these statistics from in Airbnb. Accommodation searches across Sydney have jumped 30 per cent during the city's Mardi Gras celebrations.

The Fifth Ashes Test had a 10 per cent search increase for an influx of international visitors. Last year's NRL grand final had a

35 per cent increase in accommodation searches in the Sydney Olympic Park area alone.

Ed Sheeran and Lady Gaga concerts attracted even bigger search surges. Put simply, Sydney would struggle without a handy supply of short-term rentals.

Providers of such vital accommodation are not from the big end of town. They're everyday people.

Nearly 85 per cent of hosts in NSW list just one property.

Two-thirds are women, nearly a quarter are aged over 60 and a similar proportion work in education, healthcare, hospitality or the arts.

Reasons for using short-term rentals are varied. Some guests are accessing medical treatment, education or work opportunities, and in emergencies such as

natural disasters.

Two years ago, New York effectively banned short-term rental accommodation by regulation. Listings plunged more than 90 per cent, 400,000 fewer visitors were expected in the "big apple" last year and hotel rates increased more than 10 per cent.

But rents in the city still increased by more than 8 per cent, housing supply continued to flatline and the visitor economy got a beating.

So, a message to our local councils, it could happen here – when it comes to short-term rentals, be careful what you wish for.

Paul Nicolaou is executive director of Business Sydney