

AIRBNB AND HOUSING: CAN WE FIND THE RIGHT BALANCE?



How can Australia benefit from short-term rentals while keeping housing accessible to local residents?

Short-term rental platforms such as Airbnb have transformed tourism by allowing property owners to rent their homes or apartments to visitors. This arrangement benefits home owners, tourists and local businesses. Home owners enjoy capital gains, local businesses profit from the increased trade and tourists welcome the low priced accommodation.

However, when homes that could be used as long-term rentals are instead used as short-term accommodation, fewer homes are available for people who actually live and work in the area. In cities already experiencing a housing shortage, this can add pressure to rents and make finding affordable housing more difficult.



~100,000 dwellings were estimated to be used as short-term rentals in Australia in June 2022 (1-2% of Australia's housing stock).



WHY NOT JUST BAN AIRBNB?

Short-term rentals are not all bad. They equally produce important economic benefits. They provide accommodation for tourists, generate income for property owners and support businesses such as restaurants, shops and tourism activities.

The challenge is therefore not simply choosing between **Airbnb OR housing**. The real question is how to find a balance between the two.

WHAT CAN GOVERNMENTS DO?

1) Tax short-term rentals differently

Governments can introduce specific taxes or levies on short-term accommodation. This can make short-term renting less financially attractive and generate money that could potentially be invested in housing.

2) Limit the number of short-term rentals

Governments can limit the number of days a property can be rented short-term each year, or restrict short-term rentals in areas where housing is particularly scarce.

3) Encourage a balance between short- and long-term renting

Another possibility would be to encourage properties to alternate between long-term and short-term use. A property could be required or encouraged to remain available to long-term residents for a certain period before being used as a short-term rental.



However, if the additional cost is passed on to visitors, accommodation can become more expensive. If the tax is too high, it could also reduce tourism activity.



This can protect some homes for long-term residents while still allowing homeowners to participate in tourism.



This would allow tourism to continue while preventing housing from being permanently removed from the long-term rental market.

Results



WHAT ABOUT VANUATU?

Vanuatu does not face a housing crisis on the same scale as Australia. However, housing availability is still an issue, particularly as the population grows and tourism remains an important part of the economy.

This makes the question relevant to Vanuatu too: how can a country develop its tourism industry without making housing less accessible for local residents?

- Vanuatu can therefore learn from the experiences of other countries before housing pressures become more serious.



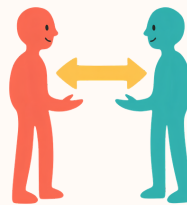
WHAT CAN WE LEARN?

Housing is not only an economic issue. It affects where people can live, work, study and build their future. Researching short-term rentals can help governments make better decisions about taxation and regulation. It can also help property owners understand the wider effects of their choices. For countries such as Vanuatu, studying the experience of Australia can provide useful lessons about how to develop tourism while protecting access to housing for local communities.



The **challenge** is finding the right balance. Tourism can create jobs and economic opportunities, while housing must remain accessible to the people who live in the community.

The question is not whether we should choose tourism or housing, but how we can make both work together.



My partner for this project

Laura Crommelin - urban planning and housing policy researcher at UNSW Sydney

To complement my own research, I had the opportunity to discuss my project with Laura Crommelin, whose research focuses on urban and housing policy, urban governance and the effects of digital platforms such as Airbnb on cities.

Her perspective allowed me to go further in the information I found online and understand better the relationship between short-term rentals, housing and government policy. Our discussions also helped me question some of my ideas and think about possible solutions from different perspectives.

This experience showed me that research is not only about finding information, but also about exchanging ideas with people who have expertise in the field.

RECOMMENDATIONS FOR VANUATU

1. Register rental accommodation

Create a registration system for rental properties to improve knowledge of the housing market, including both long-term and short-term accommodation.

2. Monitor housing affordability

Regularly collect data on rents, incomes and housing availability to identify areas where housing is becoming difficult for local residents to afford.

3. Consider a levy on short-term rentals

If evidence shows that short-term rentals are adding significant pressure to the local housing market, a levy could be considered, while taking into account the importance of tourism to Vanuatu's economy.

4. Introduce day limits if necessary

If short-term rentals become a greater source of housing pressure in the future, limits on the number of days a property can be rented to tourists could be considered in the most affected areas.

Sources used :

- Australian Taxation Office (ATO)
- Australian Housing and Urban Research Institute (AHURI) –
- NSW Government
- Victorian Government
- Vanuatu National Statistics Office (VNSO)