



17 December 2021

Dear Community Engagement Team

Thank you for the opportunity to provide feedback on the Central Hobart Precincts Plan.

### **About Shelter Tas and our members**

Shelter Tas is the peak body for housing and homelessness services in Tasmania. Shelter Tas represents the interests of low to moderate income housing consumers, Community Housing providers and Specialist Homelessness Services (crisis and emergency shelters) across Tasmania. The membership of Shelter Tas includes all funded homelessness services and all registered Community Housing providers in Tasmania, who manage over 9 000 properties statewide.

Shelter Tas is an active member of national housing and homelessness peaks, including the Community Housing Industry Association (Shelter Tas is the CHIA representative in Tasmania) and National Shelter.

Shelter Tas' vision is that every person has affordable, appropriate, safe and secure housing, and our mission is to end homelessness in Tasmania. Our submission draws on our regular meetings and consultations with member organisations across the state, as well as the most up to date research, evidence and analysis.

### **Our submission**

Hobart continues to face a critical shortage of affordable rental homes. For renters, data consistently show that Hobart remains the least affordable Capital City and Rest of the State the least affordable region in the country.<sup>1</sup> Hobart's house prices and rental costs are growing much faster than people's incomes, with the worst impacts on those who can least afford higher prices. "Measures are needed to ensure that future housing development contributes to a net increase and is not absorbed by the visitor accommodation market."<sup>2</sup> In particular, it is vital to ensure that there is a net increase and no loss of the existing level of affordable rental and social housing in the Hobart Precinct areas.

As the state's capital city, Hobart's *Precinct Plan* can lead the way with an inclusive approach to residential housing. To achieve this, Shelter Tas recommends

- all current social housing properties, both rentals and supportive accommodation, to be retained in Hobart (no net loss), and

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<sup>1</sup> [https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning\\_Rental-Affordability-Index-2021.pdf](https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning_Rental-Affordability-Index-2021.pdf)

<sup>2</sup> *Central Hobart Precincts Plan discussion paper* p 28.

- for an increase in affordable and social rentals to a benchmark level that will build and maintain an inclusive and vibrant diverse community of residents.

Hobart's private rental market is now tighter and more competitive than at pre-COVID levels. People needing affordable rentals are facing a crisis of availability and affordability all across the state, with historically low vacancy rates. The 2021 Rental Affordability Index reports that Hobart's rental affordability is now significantly worse than Sydney's:

A comparison of Rental Affordability Index (RAI) scores in Greater Hobart and Greater Sydney over recent years (see Figure 24) shows that while the two cities have shared similar levels of rental affordability in the past, the gap between their RAI scores has widened considerably since 2017.<sup>3</sup>

The December 2021 National Report from CoreLogic also reveals dramatic price increases for renters and purchasers in Hobart:

Hobart's median dwelling value has gone from the lowest of all capital cities at \$359,088 to the fourth highest of the capital cities at \$676,595 in the past five years. Over the same period median rent values have risen from \$345 per week to \$495 on the back of a robust economic and demographic position in the lead up to the pandemic.<sup>4</sup>

Not only is Hobart the least affordable capital city for renters in Australia, but it has the highest density of short stay accommodation. Population and the demand for Tourist Accommodation are also increasing across greater Hobart and particularly in the precinct areas, placing further pressure on the residential rental market. Tasmania in general, and Hobart in particular, need to monitor and manage the impacts of tourism and visitor accommodation on the residential private rental market.

We attach as an Appendix the letter Shelter wrote to Hobart City Councillors in August 2021, supporting the recommendations of the report *Short Stay Accommodation – Potential Planning Scheme Amendments*<sup>5</sup>

In particular, Shelter Tas recommends as part of the *Precinct Plan* measures to curtail the impact of short stay accommodation over the next 20 years, including a limit to new properties becoming short stay accommodation. The current permissive regulations were established in a very different housing environment, and urgently need to be updated in light of Hobart's

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<sup>3</sup> [https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning\\_Rental-Affordability-Index-2021.pdf](https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning_Rental-Affordability-Index-2021.pdf) p.46

<sup>4</sup> [https://www.corelogic.com.au/news/corelogic-economic-property-review-housing-integral-australias-covid-19-economic-recovery?utm\\_medium=email&utm\\_source=newsletter&utm\\_campaign=20211213\\_propertypulse](https://www.corelogic.com.au/news/corelogic-economic-property-review-housing-integral-australias-covid-19-economic-recovery?utm_medium=email&utm_source=newsletter&utm_campaign=20211213_propertypulse)

<sup>5</sup> Tabled at the City Planning Committee Meeting on 17 August 2021.

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ongoing housing crisis. The significant displacement of long term homes by short stay accommodation throughout central Hobart threatens the city's social fabric. Hobart's future as a livable city depends on reversing this trend through appropriate planning measures. If unchecked, future 'residential' development will continue to be absorbed into the short stay accommodation market, and will fail to deliver the homes needed for the next 20 years.

The current trends in Hobart show a dramatic loss of affordable rental homes, with housing stress becoming more common.<sup>6</sup> The level of social and affordable rental housing needs to reach and maintain a socially inclusive benchmark. To do this requires a focus on planning for social outcomes as well as built forms. This means social and income diversity receives the same level of planning and implementation as diversity of building type.

Shelter Tas supports the future direction to

- Develop and contribute to affordable housing strategies that provide options for lower cost housing for purchase, long and short term rentals and social housing.<sup>7</sup>

As the population of Hobart increases and potentially doubles over the next 20 years, it is vital to provide residential housing to people from all walks of life and at all income levels. Incentives and planning requirements such as inclusionary zoning can promote infill housing and increased density. Hobart has a once in a generation opportunity to plan to deliver inclusive residential outcomes and a vibrant capital city.

The 2019 Report *Towards infill Housing Development* provided to the Department of State Growth notes the "increased demand for well-located, affordable housing within the State's urban centres."<sup>8</sup> The Report also notes:

A lack of affordable housing has the greatest impact on vulnerable groups within society, who are least able to access the private housing market. This includes people on low or fixed incomes and long-term renters. These groups form a high proportion of households across Tasmania. (p 20)

Innovative use of space such as shop top accommodation and refits of existing buildings for residential use can provide additional opportunities to deliver affordable and social homes for people on low incomes.

Housing is the necessary foundation for health, social wellbeing and economic participation. An inclusive housing strategy, that maintains and grows the number and proportion of affordable and social rentals in the Precinct areas will benefit Hobart's whole community.

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<sup>6</sup> *Central Hobart Precincts Plan discussion paper* p 20.

<sup>7</sup> *Central Hobart Precincts Plan discussion paper* p 29

<sup>8</sup> [https://www.stategrowth.tas.gov.au/\\_data/assets/pdf\\_file/0019/216172/Toward\\_Infill\\_Housing\\_Development.pdf](https://www.stategrowth.tas.gov.au/_data/assets/pdf_file/0019/216172/Toward_Infill_Housing_Development.pdf) P3

If you would like any further information from Shelter Tas or would like us to explore any areas further with our members, please do not hesitate to contact me.

With Regards,

A handwritten signature in black ink, appearing to read 'PAC' followed by a stylized flourish.

Pattie Chugg  
Shelter Tas CEO  
0419 536 100



20.08.2021

**Dear Councillors**

**An Open Letter on Short Stay accommodation and the crisis in Hobart's Private Rental Market**

Shelter Tas is the peak body for housing and homelessness services in Tasmania. Shelter Tas members include all the Specialist Homelessness Shelters and Community Housing Providers who manage over 7000 tenancies across the state. We represent the interests of our members, and low to moderate income housing consumers. We consult widely and systematically with our members.

As is well-known, Tasmania is experiencing a chronic and critical shortage of affordable rental housing. Shelter Tas supports the City of Hobart tackling this important issue, and welcomes the report *Short Stay Accommodation – Potential Planning Scheme Amendments* that was tabled at the City Planning Committee Meeting on 17 August 2021. This comprehensive report's recommendations make a lot of sense in this tight housing market. It is time to pause and reassess, to improve regulation and data capture, and plan for our future housing needs. With over 8,000 Tasmanians in housing stress and more than 1,600 people experiencing homelessness, every house counts.

Shelter Tas urges the full council to accept the recommendations of the Report. This will reinforce the Council's extensive work in response to Hobart's homelessness and affordable housing crisis including the Affordable Housing and Homelessness Commitment, the Greater Hobart Homelessness Alliance, and the Housing with Dignity Group. Importantly, the City of Hobart will show leadership to other LGAs around the state and nationally.

For some time, Shelter Tas has called on all levels of government to take urgent action to address the local need for housing, and in particular rental homes. For example, in our most recent Submission to the State Budget Process, Shelter Tas called for

a review of the regulation of short stay accommodation, to ensure that the permit system delivers sufficient funds to ensure appropriate monitoring and compliance with permits and exemptions and that local decisionmakers are empowered to make place-based decisions to balance short stay visitor accommodation with the needs of local workers and residents for appropriate rental accommodation.

[https://shelertas.org.au/wp-content/uploads/2021/03/Shelter-Tas-2021-22-Budget-Submission\\_final.pdf](https://shelertas.org.au/wp-content/uploads/2021/03/Shelter-Tas-2021-22-Budget-Submission_final.pdf)

Shelter Tas supports the development of planning mechanisms to help curb growth of short stay accommodation where it is displacing much needed longer term rentals. The latest CBOS report

includes 971 listings for Airbnb in Hobart, and 4281 statewide.

<https://cbos.tas.gov.au/topics/housing/short-and-medium-term-visitor-accommodation>

People who rent their homes experience particular hardship as the private rental market across Tasmania and particularly in Hobart is increasingly tight, competitive and constrained. The annual Rental Affordability Index, produced by National Shelter and SGS Economics provides additional evidence of the rental crisis in Hobart. The RAI shows that Hobart has been in the top two capitals for unaffordable rentals since 2015 and has been Australia's least affordable capital city since 2018. The Rental Affordability Index uses the standard measure that compares income to rental cost.

The Anglicare Rental Affordability Snapshot found only 729 properties advertised for rent across Tasmania in 2021, in contrast to 2677 properties in 2013. In the Southern region, which includes Hobart, there were 433 properties advertised as available to rent in 2021, compared with 1304 in 2013.

This crisis of affordable rental housing and has flow on effects to Hobart's increasing number of people experiencing and at risk of homelessness. We cannot continue business as usual. The statewide waiting list for social housing has past 4 000 with a significant proportion of applicants in the Hobart LGA.

We recognise that short stay visitor accommodation is not the only driver of our current shortage of rental properties, but it is a key factor that needs to be carefully managed. Good policies to relieve the housing crisis need to operate on multiple levels including a limit to new properties becoming short stay visitor accommodation.

Shelter Tas calls for a pause to new registrations of short stay accommodation to enable a review and reset of the regulatory and planning framework governing short stay accommodation. The current permissive regulations were established in a very different housing environment, and urgently need to be updated in light of Tasmania's ongoing housing crisis.

Once again Shelter Tas and our members congratulate the Council on its ongoing work to address the homelessness and housing crisis, and we urge you to adopt the recommendations of the Report.

With Regards



Pattie Chugg

CEO Shelter Tas  
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