

## Impact of short-term rentals on Tasmanian housing markets evidenced in new report

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**A new independently funded report – *Monitoring the Impact of Short-Term Rentals on Tasmanian Housing Markets* – commissioned by Shelter Tas and produced by Emeritus Professor Peter Phibbs has been released today. The full report can be found on the [Shelter Tas website](#).**

### Key Findings

- Greater Hobart is overloaded with short-term rental properties, with 6.8 times more short-term rentals (as a proportion of its total private long-term rental market) than Sydney and 4.5 times more than Melbourne.
- Whilst no Tasmanian Government data exists on the size of the long-term rental market (unlike other states), using open source public data it is evident that in some regions of Tasmania the long-term rental market was already shrinking prior to the COVID-19 pandemic.
- In Hobart City, 47% of Airbnb short term rental properties had a rental history from the long-term rental market. This data suggests that the growth of the short-term rental market has had a direct impact on the long-term rental market.
- In Greater Hobart, the withdrawal of 195 properties from the private rental market (or 0.2% of the total dwellings in Greater Hobart) can move the vacancy rate from 2% where rent rises will be manageable, to 1% where rent rises are likely to be over 10%.
- In small markets such as Hobart, Launceston, and Devonport and tourist hotspots like Stanley, St Helens and Derby – increasing numbers of short-term rental properties have a disproportionate impact.
- Future reports continuing this research will deliver a series of ongoing ‘real time’ snapshot reports of Tasmania’s short-term rental market and their impact on the overall Tasmanian housing markets.

“The Baseline Report released today is the first report in a 3-year project to monitor the impact of short-term rentals in Tasmania. This research is a first for Australia, in that it uses an official listing of Airbnb properties to demonstrate the interaction between the short and long-term rental markets. It provides an ongoing methodology for calculating the impact of short-term rentals on overall housing supply and especially on long-term rentals over the three years of the study,” report author, Professor Peter Phibbs said.

“This new analysis shows a rare phenomenon in Australia – a capital city where the long-term private rental market was shrinking even before the COVID pandemic, while the short stay rental market was expanding. This combination has generated low vacancy rates and increasing rents. The new evidence can be used to better understand and manage the impacts of short stay accommodation,” Professor Phibbs said.

“This report echoes what we have heard from our members – that affordable rentals are incredibly hard to find all across Tasmania. This trend is of real concern in a state such as Tasmania, with lower household income levels and a larger proportion of people needing to rent their homes. This report provides evidence that short stay accommodation is making a real difference as we see the number of

properties being converted from long-term rental homes to become short stay options for tourists,” Shelter Tas CEO, Pattie Chugg said.

“Small changes in the number of available properties in a housing market can have a significant impact on rents in an area through changes in the vacancy rate,” Professor Phibbs said.

“Future reports will deliver the evidence needed to better manage the rental property market in Tasmania. This is vital information with over 40,000 renting households across the state,” Ms Chugg said.

“A place-based regulatory approach that can respond to stresses in the long-term residential rental market caused by the increase in short stay tourist accommodation is urgently needed,” Professor Phibbs said.

“Without better oversight and management of the short-term rental market, the dire situation facing Tasmanian renters will continue to get worse. We also need to boost the number of social and affordable rentals, with a target of 10% of all dwellings in Tasmania to be for social housing,” Ms Chugg said.

#### **About the Short-Term Rental (STR) Project**

Professor Peter Phibbs has been commissioned to produce a series of reports, tracking the impact of short-term rentals on Tasmanian housing markets. The Baseline Report for *Monitoring the Impact of Short-Term Rentals on Tasmanian Housing Markets* is the first step, and will be followed by updates every six months.

#### **About Professor Phibbs**

Professor Phibbs is a leading figure in Australia and internationally on the impact of short stay accommodation on housing markets. He has visited Airbnb global headquarters in San Francisco and observed the impact of short-term rentals in many cities and regions. His previous research for AHURI during the start of the COVID-19 pandemic demonstrated the connection between short-term and long-term rentals in Hobart. His expertise is regularly sought by the media, and at public events. Professor Phibbs is based in Hobart and has observed first-hand the problematic changes the growth of short stay accommodation has had on the Tasmanian private rental housing market.

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#### **About Shelter Tas**

Shelter Tas is the peak body for housing and homelessness in Tasmania, and is a key sector expert representing all Tasmania’s funded specialist homelessness services and community housing providers.

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