Policy 4: Make our neighbourhoods local

Context

In 2017, Byron Shire attracted more than two million visitors, who stayed some 4.5 million visitor nights. While tourism is important to the local economy, there are a number of issues we need to balance in providing for these visitors.

One issue is that of letting residential homes to tourists, known as Short Term Rental Accommodation (STRA). This is not a recent issue for Byron Shire, but it has rapidly grown due to the online platforms born from the global trend of ‘Airbnb’.

Up until 2017, Council was pursuing its own suite of local planning controls for the Byron Local Environmental Plan. However a recent state government policy of applying one template for the whole of the state is a major concern for us and our community. This is because the rapid growth in STRA activity in our Shire has adversely affected our community in terms of amenity, character, and available and affordable long-term rental accommodation for residents and critical workers needed to support our local tourist economy.

The State Government has recognised that a ‘one-size fits all’ approach to STRA does not work for places like the Byron Shire. It has invited Council to prepare a planning proposal to amend the Local Environmental Plan based on local conditions, including varying thresholds for STRA, for example 90 days, rather than 180 days and the introduction of precincts.

For the most up to date information on the State Government’s position for STRA see the Department of Planning Industry and Environment website.

These statistics and facts highlight the impacts of STRA on our community:

- Byron Shire has 17.6% of its total housing stock listed as online STRA. This compares to a national rate of 0.2% and a greater Sydney metro rate of 1.7%.
- The composition and spread of online STRA is Shire wide compared to more central/local pockets in other local government areas.
- ‘Airbnb’ beds account for more than four times the number of traditional tourist accommodation beds in the Shire. This demonstrates the existence of a different legislative playing field for STRA versus traditional tourism operators.
- Online listings of whole homes amount to the equivalent of nearly half the rental housing stock in Byron Shire. This equates to around 50 listings for each permanent rental available.
- The return on investment from STRA is anything up to 170% of that of existing permanent rental properties. This has resulted in homes being solely purchased for STRA in Byron Shire.
- The increase in STRA activity has tightened the local housing market, where renters are unable to find permanent accommodation or are subject to short-term leases and seasonable displacements.

(Source: University of Sydney and Urban Housing Lab research on behalf of the Australian Coastal Councils Association 2018).
Direction we are taking

STRA is eroding housing accessibility and affecting individuals' and the community’s wellbeing and social cohesion. The North Coast Regional Plan Goal 4, *Great housing choice and lifestyle options*, recommends using a different approach to housing delivery on the North Coast to create stronger, better-connected communities. Our community also desires that ‘tourism to be managed in a way that has a positive impact for locals’.

In this context, the charrette process helped inform two directions to make our neighbourhoods local.

**DIRECTION 4.1: Make dwellings ‘homes’ again**

The desirability of Byron Shire to visitors encompasses the ability to be immersed in the local community, culture and lifestyle. People who occupy housing contribute to a sense of community through their daily activities, and an area that largely accommodates tourists will have a different feel to one dominated by locals.

In order to support and maintain the quintessential Byron tourism brand, it is essential for measures to be put in place to reclaim dwellings as ‘homes’ for our residents. To do this, an approach will be to facilitate and, if necessary, regulate for dwellings to have a resident living there before they can be used for STRA. This approach could significantly enhance the visitor experience while providing an income for local residents. Staying in a ‘home’ can be a welcoming and rewarding experience for visitors. At the same time it can reduce many of the behavioural issues impacting on surrounding residents.

It is also consistent with Council’s *Don’t Spoil Us, We’ll Spoil You* marketing campaign.

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**Local planning actions**

20. Prepare a planning proposal for Short Term Rental Accommodation based on local conditions, including varying thresholds for, for example 90 days, rather than 180 days and the introduction of precincts.

21. Work with the traditional tourism accommodation industry, such as resorts, motels and camping and caravan grounds, to identify planning framework opportunities and barriers in making their accommodation option a more competitive and desirable product to attract a larger proportion of overnight stays.

22. Investigate the rezoning along Shirley Street north, Byron Bay to the SP 3 Zone in acknowledgment of the transition of this area to tourism accommodation.
DIRECTION 4.2: Identifying areas and mechanisms where Short Term Rental Accommodation can be excluded

An ability to identify locations where STRA is excluded gives residents the choice to live in areas where they are less likely to be affected by tourists’ activities. It also helps establish a baseline level of permanent resident housing stock in our urban areas.

Local planning actions

23. Apply a Short Term Rental Accommodation exclusion provision on all Council land and land that Council divests for the purposes of housing.