

**Privacy acknowledgement: \***

I have read and acknowledge how Council will use and disclose my personal information.

**Name: \***

Dan O'Keefe

**Phone number: \***



**Email address: \***



**Date of Council meeting: \***

Tuesday 29 August 2023

**Agenda item title: \***

Agenda item 6.3 Short Stay Rental Accommodation

Alternatively you may attach your written submission by uploading your file here:



[sra\\_submission\\_to\\_council\\_aug\\_2023\\_agenda\\_item\\_short\\_stay.pdf](#)

193.19 KB · PDF

**Do you also wish to attend the Council meeting in person, noting that there is no provision to make verbal submissions at Council meetings? \***

No



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## **Submission to City of Melbourne Council – 29<sup>th</sup> August 2023**

### **Item: 6.3 Short Term Rental Accommodation**

#### **Introduction**

It is important when considering this issue, that the related societal problems need to be identified and that the strategies proposed, need to address them directly, rather than applying a cosmetic bandage. The short-term rental accommodation issue involves the following societal problems:

- Availability of long-term rental housing at an affordable cost. Evidence suggests that if rental properties move from long-term to short-term then rents rise and vice versa. See references.
- Neighbourhood impacts:
  - Disregard by some short-term operators for the other residents in the building and the facilities in the building.
  - Increased tourist traffic from short-term renters has the potential to slowly transform peaceful residential communities into “communities of transients” where people are less interested in investing in one another’s lives.
  - So-called ‘party houses’ i.e. apartments that are regularly rented to larger groups of people with the intent to party can severely impact neighbours and drive down nearby property values.

9.2 of the Recommendations refers to the implementation of a Registration Fee and a Day-per-Year Cap.

#### **Registration fee**

An annual registration fee per property is appropriate. It should be set at a level sufficient to provide funds to administer the process. However as this cost will be passed on in rental charges, it should not be so high as to inhibit the tourism industry. There is also the question of who is charged the registration fee, the owner or the platform.

To enforce the fee, a transparent database of properties needs to be maintained and when a property is being advertised it should be a requirement that the property’s registration number is included.

#### **Day-per-Year Cap**

The day-per-year cap is an idea that has been tried in various cities. It has immediate appeal and setting the right level for a city will need some thought. However, there are practical issues with this approach. How is the property to be used at the other times of the year? If a property is to be used as a short stay for a month around the Grand Final and the Melbourne Cup, then for a month in January for the Australian Open, is the agent likely to get a tenant for February to August, with the prospect that the tenant will need to move out several months later?

- Other problems with a Cap
  - Difficult to enforce. This could be administratively complex and reliant on short-term platforms to supply data. Compliance will be an issue.
  - Property rights. Some property owners might see a cap as an infringement of their rights to use their property as they wish.
  - Decrease in the supply of long-term housing stock and an increase in the rents. See references.
  - One rule for whole state. A one-size-fits-all approach may not be suitable for all regions.

- Alternatives to a Cap
  - Minimum stay requirements. Discourage a frequent turnover of guests by specifying a minimum stay.
  - Occupancy limits. To prevent large gatherings and maintain the character of the neighbourhood, set a maximum on the number of guests, which must be specified in the advertising and contracts.
  - Zoning regulations. Regulate the number and type of short-term rentals in a building, a block and a suburb to prevent a concentration of short-term rentals in a residential neighbourhood.
  - Registration: Property owners need to obtain a permit before renting out a property. The permit should include sufficient details of the owner to enable immediate contact, if needed. Such owners also need to use one of approved short-term platforms, rather than operating individually.
  - Additional OC fees: Authorise OCs to charge additional (limited) fees due to higher non-resident traffic within the building.
  - Taxation: Ensure that short-term platforms and hosts are subject to appropriate taxation to contribute to local economies and public services.
  - Community input: Involve local communities in decision-making processes regarding short-term regulations.

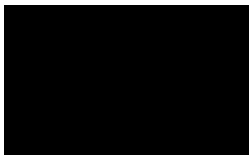
### **Other Comments and recommendations.**

- Requirement that the owner of any property in an apartment building that is used for short stay needs to advise the Owners' Corporation on an annual basis.
- Use of the short-term rental properties to support people displaced by disasters. A process managed by the state government and supported by the industry could address an emergency need and give a social role for the industry.
- Requiring short-term rental operators to compensate for lost rental supply in the city by purchasing and converting commercial floor space for residential use.
- Owners' Corporations could be given the authority to introduce a rule to prevent owners from listing short stay accommodation if they do not otherwise permanently reside in the building.
- Data on short-term rental accommodation is publicly available.
- A formal annual permit requirement and a process for revoking permits from 'trouble properties'. A '3 strikes rule' could apply whereby a permit is automatically revoked for a number of years if 3 substantiated complaints about a property were received within a certain time frame.

### **In summary:**

The Southbank Residents Association supports the recommendation to Council to 'track and regulate' this industry, but it is concerned that the implementation needs to be thought through in some detail. The SRA is keen to participate in the consultation process.

Yours sincerely,



Dan O'Keeffe OAM

Secretary,

Southbank Residents Association

E: [Redacted]

M: [Redacted]

References

- [What did COVID do to rental markets? Rents fell as owners switched from Airbnb \(theconversation.com\)](https://theconversation.com/what-did-covid-do-to-rental-markets-rents-fell-as-owners-switched-from-airbnb-2020-07)
- [Australia has taken a 'light touch' with Airbnb. Could stronger regulations ease the housing crisis? \(theconversation.com\)](https://theconversation.com/australia-has-taken-a-light-touch-with-airbnb-could-stronger-regulations-ease-the-housing-crisis-2020-07)
- [Whitepaper -A-practical-guide-to-effectively-regulating-short-term-rentals-on-the-local-government-level.pdf \(granicus.com\)](https://www.granicus.com/whitepaper/-A-practical-guide-to-effectively-regulating-short-term-rentals-on-the-local-government-level.pdf)

**Privacy acknowledgement: \***

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**Name: \***

Jay Stewart

**Phone number: \***



**Email address: \***



**Date of Council meeting: \***

Tuesday 29 August 2023

**Agenda item title: \***

Management Report to Council –STR accommodation item 6.3

Alternatively you may attach your written submission by uploading your file here:



[short\\_term\\_rental\\_submission.docx](#) 15.80 KB · DOCX

**Do you also wish to attend the Council meeting in person, noting that there is no provision to make verbal submissions at Council meetings? \***

No

To City of Melbourne Councillors

I wish to make a submission *against* the Recommendations from Management to Council to do acts and things with the ultimate aim of **regulating the short-term rental industry in the City of Melbourne**.

I am the owner of a property within the City of Melbourne. I am about to embark on short-term rental because my property is *actually unsuitable* for long-term rental. I am a taxpayer, rate-payer, and citizen with my own set of needs which will be adversely impacted by what is proposed. In the same breath I must say I am truly disturbed by the crisis that confronts the homeless and those next level up, or “rentless”. One need only look into street alcoves of a night-time to find the sleeping rough. Granted, homeless are not the affected persons motivating the Recommendations to Council, however, Council’s credentials when addressing accommodation issues be they for homeless or rentless are not the best - whatever mechanisms have been employed to address accommodation needs for the most desperate members of our society have not succeeded.

Turning to the Overview attached to the Recommendations, I note that whilst presenting various statistics, the Overview does not speak to the success or otherwise of *Sydney’s regulation* of the STR market. It strikes me as a matter of simple economics that as a bare minimum, Sydney’s data should be analysed before Melbourne embarks in vain on a consultation process. There is no need to “Measure success of aspirations through data”

I can’t help but see elements here of “Robbing Peter to pay Paul”, in particular noting the following:

- Enterprising property owners have “pivoted” out of necessity to earn an income via their homes in an economic environment where simply working a 9 to 5 job will not suffice;
- Many STR properties employ independent cleaning staff. Those jobs are directly jeopardised by what is proposed;
- Many STR properties, particularly in the areas of East Melbourne and Carlton, are highly valued for their proximity to Melbourne’s hospitals, and are utilised by family members of patients in hospital;
- The City of Melbourne, once a city dominated by office workers, has metamorphosised into a city of leisure where tourists in hordes should be welcomed with open arms for the sake of the livelihood of businesses in the city. To speak to a need to contain overcrowding tourism is against the State’s interests.

I wonder:

- if the objectives will be achieved in circumstances where, according to the presented statistics, only 25% of properties are rented out for 180 days or more;
- if the objectives will be defeated with a reactive response by Airbnb hosts to increase charges;
- To what extent commercial STRs have skewed the data.

Victorian taxpayers should be spared the expense of another ill-conceived/costed exercise. This Agenda item comes to Council flawed:

- Officers having the power to enter onto properties to issue infringement notices is not conducive to “preserving residential living and neighbourhoods” and “addressing quality of life” and is less deterrent-based and more revenue-raising;
- Has Council looked at the almost countless empty residential towers within the City of Melbourne and its reaches as a way of addressing rental supply, or lack of it?

**I submit that a cap of 180 days and/or nights releases an otherwise short-term rental property for a period of only six months. This does not increase availability of housing for longer term rental.**

**I submit that an annual registration fee is a revenue-raising exercise only and offers no solution to the City’s rental crisis.**

The right balance will not be struck by the regulation of short-term rental accommodation. The equilibrium will instead be unsettled; unaffordable rental will be but one problem then.

Yours faithfully

JS

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**Name: \***

[REDACTED]

**Phone number: \***

[REDACTED]

**Email address: \***

[REDACTED]

**Date of Council meeting: \***

Tuesday 29 August 2023

**Agenda item title: \***

Item 6.3 Short Term Accommodation

**Please write your submission in the space provided below and submit by no later than 10am on the day of the scheduled meeting.**

**We encourage you to make your submission as early as possible.**

I have emailed my submission and will attach here as well. I can be contacted by phone this afternoon. And will attend this meeting in person.

Alternatively you may attach your written submission by uploading your file here:



[submission\\_to\\_council\\_6.3\\_short\\_term\\_rental\\_accommodation.docx](#)

31.32 KB • DOCX

**Do you also wish to attend the Council meeting in person, noting that there is no provision to make verbal submissions at Council meetings? \***

Yes

## Submission for Agenda Item 6.3 - Short Term Accommodation

I ask that my personal details are to be kept confidential from any media that may be attendance at the meeting, or any media related to my submission.

**RECOMMENDATION: Council do not endorse** Agenda Item 6.3.

- Councillors and ratepayers have not been provided with sufficient information or data to provide a clear decision in this matter. The paper indicates it will form part of the gap in the number of houses needed to meet current demand requires innovative approaches and multiple levers, including within existing building stock, yet this information has not been provided in the paper.
- **Statements made in the paper and conflicting information is detailed below.**
- The data provided does not the current position of the City of Melbourne in relation to STR's, it also provides benchmarks, and information from other countries and cities. There is no current information on State Government's current housing plans and the paper does not present a clear and accurate picture of the STR's in the City of Melbourne.
- To move to community consultation with the current information will not provide ratepayers with a balanced view of the current state of the City of Melbourne's STR's, nor how Council regulating STR's will directly increase rental properties, particularly for low-income families. Consultation will not assist Council to make a decision on the regulation of STR's due to the lack of information in this paper.
- The paper does not account for the major cultural changes during and since COVID in the rental market and the needs of COM workers to rent a room, for 2 – 3 days a week in the office, returning to Regional Victoria as their new home. Decreasing even further, the benefits of workers in the offices across the City of Melbourne.
- The paper does not indicate if COM regulating STR's will in fact lead to further property price decreases across the City of Melbourne with a flood or properties to be sold as it would not be financially possible to maintain an investment property in the City of Melbourne in the current financial climate.



**CONFLICTING STATEMENTS AND INFORMATION**

Source	Statement	Source	Conflicting information
Agenda item 6.3 – Background	STRs on 3rd party platforms - <b>properties have been transitioned away from the long term rental market</b> – in some cases evicting tenants along the way.	Agenda Item 6.3 Attachment 2	<b>53% decrease</b> from pre-covid levels in STR accommodation in Melbourne
Agenda item 6.3 – Background	Currently, 14 per cent of Melbourne's residential properties ( <b>approx. 4100 units</b> ) are actively used as STRs – and almost half are rented out for 90 days or more each year.  This <b>means fewer homes available</b> for people wanting to find a home and live in Melbourne.	Ratepayer observation:	This statement is incorrect, it portrays 4100 whole of units are for rent on the STR. It states fewer homes available.  It does not clarify:  1.The difference between whole units for rental by an investor owner or a room for rent* by a ratepayer.  2. Whole properties that are the prime residence of ratepayers who are renting out, when possible, to increase funds to pay for the increase in cost-of-living costs.  <i>*Decreasing STR rooms for rent will in fact decrease the amount of housing available to visitors transitioning to live in Melbourne, now due to COVID reside in Regional Victoria and attend the office only 2 days per week, or those who need a 3 month term for work or education</i>
Agenda item 6.3 Key issues	The gap in the number of houses needed to meet current demand requires innovative approaches and multiple levers, including within existing building stock.	Ratepayer observation:	What is the overall plan? What is the projected increase in housing this Agenda time will provide?
Agenda 6.3 Key Issues	Based on global benchmarks and research (refer Attachment 2), including review of initiatives pursued by Sydney, London, Vancouver, Denver, Amsterdam and San	Ratepayer Observation	Firstly this is not a key issue, it is a statement.

	<p>Francisco, some of the levers being used by these cities include: 6.1. Annual registration fee per property 6.2. Day-per-year cap per property</p>		<p>Secondly how can Council officers compare the City of Melbourne and indeed Victoria to other countries and Sydney?</p> <p>Victoria had more days lockdowns than any other state of Australia. The shift from the City of Melbourne to Regional Victoria has been enormous. Most properties because of this were sold. The 43% decrease in Airbnb's is most probably due to investors having to sell their properties due to COVID.</p> <p><b>Relying on this information, rather than Victorian/Melbourne specific, will not inform good policy for ratepayers in the City of Melbourne.</b></p> <p>How can Councillors rely on information in Attachment 2 when Slide 6 – Key objectives to regulating STR's only 1 City - San Francisco lists increasing affordable housing as a goal to be achieved.</p> <p>Do we know if this goal was achieved in San Francisco?</p>
Attachment 2 Slide 5	Global benchmarking: from lenient to strict, how seven cities have regulated STRs^	Attachment 2 Slide 5	<p>Provides details in the decrease of STR but no numbers regarding the direct impact this has had on increasing Long term rentals as a direct impact?</p> <p>My observation, evidenced during COVID, would be that most properties will be sold, NOT rented, not helping lower income families in any way shape or form.</p>
Attachment 2 Slide 4	STRs on 3rd party platforms - properties have been transitioned away from the long term rental market – in some cases evicting tenants along the way.	Ratepayer observation	I would ask all Councillors to seek further data on this statement. My experience in the STR market is that a LTR

			<p>is the preferred approach to property investment, if financially viable to do so.</p> <p>There is NO data provided to support this statement, once again, this does not reflect the City of Melbourne/Victoria.</p>
Attachment 2 Slide 4	STRs can provide a <b>source of supplementary income for households</b> or a sometimes less expensive travel option compared to a hotel – <b>these benefits are not considered substantial enough to</b> compensate for the many challenges they have created.	Ratepayer observation.	<p>On a personal level, I cannot believe Council has included this statement.</p> <p>We have currently undergone 11 Rate increases. In the last 8 years my OC rates have increased from \$743 per ¼ to \$1500 per ¼ with a 15% increase in the last 6 months.</p> <p>I own 2 x properties in the City of Melbourne. 1 – My home which I now HAVE to STR, staying with family while it is rented, to subsidize the additional costs of owning my 2<sup>nd</sup> property which is a Permanent rental property.</p> <p>Again, this statement does not reflect the current state of Melbourne or Victoria.</p>

**Privacy acknowledgement: \***

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**Name: \***

Kirsty Clark

**Phone number: \***



**Email address: \***



**Date of Council meeting: \***

Tuesday 29 August 2023

**Agenda item title: \***

Short-Term Rental Accommodation

Alternatively you may attach your written submission by uploading your file here:



[letter\\_to\\_city\\_of\\_melbourne\\_short\\_term\\_rentals.2023.08.29.docx](#)

17.66 KB · DOCX

**Do you also wish to attend the Council meeting in person, noting that there is no provision to make verbal submissions at Council meetings? \***

No

Kirsty Clark

29<sup>th</sup> August 2023

**Subject: Query Regarding Agenda Item 6.3 on Short-Term Rental Accommodation**

Attention: City Council of Melbourne

I write to you as a concerned stakeholder and property owner, after thoroughly reviewing the agenda item 6.3 titled "Short-Term Rental Accommodation," presented for council approval on August 29, 2023.

While the initiative appears to be well-intentioned, aiming to address housing shortages in our community, several aspects warrant further scrutiny and clarification.

1. **Questionable Assumptions on Housing Shortage:** Has the council evaluated the likelihood that properties currently in short-term rental will transition to long-term rental if these regulations are implemented? If not, why? Your document asserts that approximately 1,000 properties are rented out for more than 180 days annually, but it lacks evidence to suggest that these would automatically convert to long-term rentals (LTR), thus addressing the housing shortage. It will also result in penalising 75% of landlords who already let their properties for less than 180 days and are not assumed to be likely to return their properties to the LTR market. What is the justification for this?
2. **Lack of a Cohesive Strategy:** Is this proposal part of a broader, evidence-based strategy designed to address housing shortages in the city? If not, why? If so, please provide the comprehensive strategy. Approaching the issue in isolation without comparative analysis of alternative solutions raises concerns about the efficacy of the proposed regulations and a bias towards a short-term solution and/or revenue generating scheme.
3. **Underlying Factors for STR Preference:** Has the council considered the regulatory and financial factors that make short-term rentals more appealing to property owners? If not, why? Numerous and at times excessive regulations, tenant biases in legal settings, a lack of rights for landlords to decide on the use of their own property and recent tax impositions make long-term rentals significantly less attractive for property owners. The proposed legislation will not address that disincentive.
4. **Effectiveness of Penalties in Other Regions:** Has the council undertaken any analysis to determine the effectiveness of penalties imposed on short-term rentals in other regions? If not, why? The document discusses the penalties but does not offer evidence of their efficacy in solving housing shortages.
5. **Property Owners' Rights:** Has the council explored options that would compensate property owners for potential losses in property value or income generating potential due to these proposed regulations? If not, why? If the proposal's underlying goal is to utilise private property to address a public issue, it would seem reasonable to consider compensation for property owners rather than penalty.

Should the council decide to continue work on this draft legislation, despite what appears to be a lack of empirical evidence supporting its effectiveness, I strongly urge the council to direct the draftees to provide an inclusion of specific exemptions for smaller, 'mum and dad' investors and those who reside in their properties part-time.

I look forward to your prompt response and a thorough examination of these questions. If the council has not yet considered these factors adequately, I urge you to do so before progressing further with this agenda item.

Thank you for your attention on these matters.

Regards,

Kirsty Clark

**Privacy acknowledgement:** I have read and acknowledge how Council will use and disclose my personal information.

\*

**Name: \*** Olga Quilty

**Phone number: \***

[REDACTED]

**Email address: \***

[REDACTED]

**Date of Council meeting: \*** Tuesday 29 August 2023

**Agenda item title:** Agenda item 6.3 Short-Term Rental Accommodation

\*

**Please write your submission in the space provided below and submit by no later than 10am on the day of the scheduled meeting. We encourage you to make your submission as early as possible.**

Dear Councillors of the City of Melbourne,

I'm writing to express my concern about and disapproval of the proposed local law to introduce a fee and limit the days in a year for short-term accommodation providers in Melbourne. The proposed policy will create a number of problems, such as:

- reduce the property investment market in Melbourne by making it harder for small scale investors to generate enough income to service their mortgages;
- discourage tourism to Melbourne by limiting more attractive short-term accommodation options
- reduce business opportunities and access to employment market by limiting short-term accommodation options for employees
- limit the opportunity of Australian citizens to make long-term savings and reduce their reliance on superannuation and government pensions in the future
- will not improve accessibility of long-term accommodation, as investors will be forced to increase the rental fees in order to be able to service their mortgages.

There are many other ways the City of Melbourne could encourage the rental accommodation market in the city, the most obvious being reducing the rates burden on the property owners. I urge you to consider my arguments

carefully and not interfere with the free market, as it usually leads to undesirable outcomes in the long term.

Best regards,

Olga Quilty

**Do you also wish**  No

**to attend the**

**Council meeting**

**in person, noting**

**that there is no**

**provision to make**

**verbal**

**submissions at**

**Council meetings?**

\*

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<b>Privacy acknowledgement: *</b>	I have read and acknowledge how Council will use and disclose my personal information.
<b>Name: *</b>	David McPherson
<b>Phone number: *</b>	[REDACTED]
<b>Email address: *</b>	[REDACTED]
<b>Date of Council meeting: *</b>	Tuesday 29 August 2023
<b>Agenda item title: *</b>	Short-Stay
<b>Please write your submission in the space provided below and submit <u>by no later than 10am on the day of the scheduled meeting.</u> We encourage you to make your submission as early as possible.</b>	I sold my 6 bedroom home and gave up my corporate career to buy 3 city apartments, 1 to live in, 2 to run as short-stays. Why do I need to have this taken from me to subsidise foreign student accomadation?
<b>Do you also wish to attend the Council meeting in person, noting that there is no provision to make verbal submissions at Council meetings? *</b>	No



To whom it may concern, I didn't get the opportunity to submit my questions by 10am today as I only just received confirmation of my attendance from council at 11:08am after I had to phone council to confirm this.

I would like to submit the following questions:

Why isn't the council waiting for the state governments release on tackling the housing shortage?

Why is the council comparing to other countries as a precedent as they still have a housing crisis?

Why isn't council offering owners of investment properties incentives to lower their rents to make them more affordable?

Why is council targeting short term owners to try to fix the long term housing crisis?

Thank you.

I have attached a screen shot of my email only received by council at 11:08am.

**NEXT LEVEL  
ASSET MANAGEMENT**

ANDREW OSCARI  
