



## **Submission: Modernising South Australia’s renting laws**

Airbnb welcomes the opportunity to contribute to this timely review of the *Residential Tenancies Act 1995* (the RTA).

As a company with housing affordability and cost of living needs in our roots, we are committed to playing our part to ensure the regulatory settings for tenants are appropriately calibrated. In particular, we are keen to propose solutions that help to modernise the sector and make a positive contribution to keeping tenants in their homes and ensuring the fair management of properties by landlords.

### **About Airbnb**

Airbnb was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to over 4 million Hosts who have welcomed more than 1 billion guest arrivals across over 220 countries and regions. Travel on Airbnb keeps more of the financial benefits of tourism with the people and places that make it happen.

Since our start during the Global Financial Crisis, when two of our co-founders put air mattresses on their living room floor to earn money to make their rent, Airbnb has always been a platform dedicated to helping people stay in their homes and reap the benefits of home sharing. According to an Airbnb survey, 37 percent of Australian Hosts said that the income earned through hosting has helped them stay in their home in 2021.<sup>1</sup> Meanwhile, in the same survey, a third of respondents said the primary reason they host is to ‘make ends meet’.<sup>2</sup>

Airbnb’s community has a strong track record of growing the visitor economy in South Australia, providing a range of accommodation options in more locations and across a variety of price points. In the 12 months to 1 July 2022, our Host community welcomed over 420,000 guests in South Australia.<sup>3</sup> A significant proportion of active booked listings in South Australia are outside of the Adelaide metro area, bringing valuable tourism dollars to both South Australia’s cities and the regions<sup>4</sup>. As our community grows, it creates more jobs in hospitality, services and other critical businesses across the state.

While short-term rental accommodation provided by platforms like Airbnb generally comprise a tiny proportion of the overall property market, and an even smaller proportion of the rental market, we are keen to help [find ways](#) to make a positive contribution to housing issues and help build stronger communities.

---

<sup>1</sup> Airbnb, ‘[When inflation in Australia rises, new Hosts grow in Q2 2022](#)’, Airbnb Hosts booked between 1 June 2021 - 31 December 2021, and surveyed between 17 February 2022 - 31 March 2022.

<sup>2</sup> Airbnb Hosts booked between 1 June 2021 - 31 December 2021; surveyed between 17 Feb 2022 - 31 March 2022.

<sup>3</sup> Internal Airbnb data as at 1 July 2022.

<sup>4</sup> Internal Airbnb data as at 1 July 2022.



At its core, the issue of housing is challenging and complicated. The causes of housing or rental availability and affordability differ from place to place, with legacy factors – which often pre-date the founding of Airbnb by decades – ranging from the supply of new homes, the ratio of public housing, the number of empty dwellings and rooms, interest rates, state and federal policy and broader economic conditions.

Our view is it's in everyone's best interest to ensure that regulatory settings protect tenants and secure clear, fair and consistent rules that guide all stakeholders in the sector.

## **Issues for comment**

### *Eviction protections*

Airbnb broadly [supports](#) a comprehensive review of eviction protections, and the rules governing termination or non-renewal of lease agreements. Our view is that this process will help to identify any potential shortcomings or gaps in the regulatory framework that serves to protect tenants.

In terms of short-term rental accommodation and evictions of long-term tenants, there is no place for unscrupulous landlords on Airbnb. While there is no widespread evidence of a shift of long-term properties to short-term rental accommodation, our view is that one tenant evicted in such a circumstance is one too many. As a platform, we are committed to working collaboratively with the state government to find workable solutions when it comes to protecting long-term tenants and sending a clear message to landlords.

More people are turning to hosting as a way to battle rising costs of living and growing rent or mortgage repayments.<sup>5</sup> As noted, a recent survey of Airbnb Hosts in Australia said that hosting helps them to 'make ends meet'.<sup>6</sup> It's no surprise that people are increasingly relying on hosting to make ends meet in the face of the current economic climate.

### *Modernising the tenancy framework to support home sharing*

Airbnb strongly supports the right for Hosts to share their home responsibly, whether that be in a house, unit, or townhouse. Against the backdrop of rising living costs, there is an opportunity to empower thousands of South Australians to participate in the sharing economy by modernising residential tenancy regulations. In particular, tenants could be permitted to share their homes within the scope of the tenancy agreement, guaranteeing certainty and consistency for home sharers and landlords alike. We note that the latest Census data from 2021 indicates that over 27 percent of occupied private dwellings in South Australia are rented, representing a substantial proportion of renters in the general population.<sup>7</sup>

---

<sup>5</sup> Airbnb, '[When inflation in Australia rises, new Hosts grow in Q2 2022](#)', August 2022.

<sup>6</sup> Airbnb Hosts booked between 1 June 2021 - 31 December 2021; surveyed between 17 Feb 2022 - 31 March 2022.

<sup>7</sup> Australian Bureau of Statistics, '[2021 Census All Person Quick stats: South Australia](#)', accessed 12 Dec 22.



Ultimately, more inclusive rules would enable more tenants to share their spare spaces, boost the visitor economy in their local communities, and earn supplemental income to keep up with the cost of living. For example, older Australians would have greater opportunity to share the underutilised spaces in their homes and supplement their pension – almost 30% percent of Hosts on Airbnb in South Australia are over 60 years of age.<sup>8</sup>

Analysis of the Australian Bureau of Statistics' [Survey of Income and Housing](#) by the [Australian Housing and Urban Research Institute](#) suggests that '7.4 million households (around 76.8% of all households in private dwellings) live in housing that has more bedrooms than they need for typical sleeping arrangements, equating to about 13 million bedrooms being unused' across the country. The staggering number of empty bedrooms, amid clear pressures on housing availability and affordability suggests that innovative solutions must be considered to ensure the optimal utilisation of properties. In this regard, unlocking the ability of tenants to share their homes represents a multi-purpose use of space and has broader benefits to the community.

Airbnb therefore recommends further exploration of measures that could open the benefits of home sharing to a large and growing demographic of people. Such reforms would empower tenants to diversify their income through the sharing of empty spaces in their homes, such as a spare room, 'granny flat', or whole home when they themselves are on holiday.

For example, a growing number of people can now work untethered and are taking 'workcations' or combining longer periods of work and travel, which presents opportunities for them to rent out their spaces whilst they are away from home. Even with more companies requiring employees to return to the office, nights booked from long-term stays remained stable from a year ago at 20% of total gross nights booked.<sup>9</sup> Tenants should have the same ability to share their homes and participate in the sharing economy, provided they do so responsibly.

## Conclusion

Just as the South Australian Government led the way on innovative regulations for the home sharing economy in 2016, there are clear opportunities for the state to once again lead the way and build a fit-for-purpose residential tenancies framework that is fair, equitable and built for modern ways of living.

Airbnb warmly welcomes any opportunity to work constructively with the South Australian Government and other stakeholders to continue supporting tenants within the residential tenancies legislative framework.

---

<sup>8</sup> Internal Airbnb data as at 1 July 2022.

<sup>9</sup> Airbnb, '[Airbnb third quarter 2022 financial results](#)', November 2022.