

Airbnb in the Byron Shire— Bane or Blessing? An Investigation into the Nature and Range of Impacts of Airbnb on a Local Community

Southern Cross University School of Business and Tourism (SBAT) Tourism Research Cluster Project Team

Dr Deborah Che
SBAT Project Lead

Dr Sabine Muschter
SBAT Researcher, Community, Council and Media Liaison

Dr Tania von der Heidt
SBAT Researcher

Dr Rodney Caldicott
SBAT Researcher and Adjunct Fellow, Southern Cross University, Australia
and
Scholar in Residence, Faculty of Business Administration and Accountancy,
Khon Kaen University, Thailand

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1 Executive Summary

This report provides preliminary summaries of data obtained from primary research on the perceptions of Airbnb's impacts within the Byron Shire (BS) community, New South Wales (NSW), Australia. The project commenced following receipt of a Seed Funding Grant from the Tourism Research Cluster in Southern Cross University's School of Business and Tourism (SBAT). A team of SBAT researchers conducted interviews and implemented a survey to understand Byron Shire residents' views on the positive and negative impacts of Airbnb within the Shire. The research project followed an initial 2018 scoping study which investigated peer-reviewed studies on the implications of Airbnb on local communities around the world. The aims of this current project were to:

1. Profile the nature of Airbnb in the Byron Shire, i.e. to determine the size, main attributes and development patterns of Airbnb in the BS.
2. To describe, critically analyse and explore the community perspectives on the perceived positive and negative impacts of Airbnb within the Shire in order to inform specific and locally appropriate solutions.

To fulfil these objectives, the research team leveraged the literature review from a prior study to inform the conduct of 22 semi-structured interviews with diverse key informants in the BS. The interview data further informed the survey instrument which garnered the views of over 800 BS residents.

Key findings

1. While the survey found that increased income for Airbnb hosts, increased employment opportunities for locals, and increased local tax revenue were the major positive impacts of Airbnb, the negative impacts included reduced availability of affordable housing for residents, increased traffic and parking congestion, increased waste management problems, and increased infrastructure costs.
2. Most respondents preferred a model which involved *on-site management* for any short-term holiday lettings (STHL)¹. Thirty-seven per cent of respondents wanted 'No restriction' on rentals of STHL properties *with* on-site management, which means the host could operate 365 days per year. However, for STHL rentals without on-site management, 39% of respondents favoured rentals capped at '0 days' (such rentals not allowed at all), while 27% supported a cap of 'Less than 90 days per year'.
3. Most respondents (including Airbnb hosts) felt that STHL needs to be better regulated. Furthermore, the majority of respondents agreed with the need for greater public information on Airbnb-related issues within the Byron Shire.

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For further information regarding this project please contact:

Project Lead - Dr Deborah Che: deborah.che@scu.edu.au

Media Liaison - Dr Sabine Muschter: sabine.muschter@scu.edu.au

¹ Note: Short-term holiday letting (STHL) and Short-term letting (STL) as terms widely reported through the media and government statements are used interchangeably in this document.



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2 Introduction

To understand the main attributes and development patterns of Airbnb in the Byron Shire (Project Aim 1), the team accessed data including visitor numbers from Destination Byron and Tourism Research Australia; BS Airbnb listings from Inside Airbnb, AirbnbGuard and the Australian Coastal Council; and international trends regarding Airbnb from the peer-reviewed literature.

Australia overall is experiencing rapid growth in Airbnb listings, particularly in coastal destinations such as the Byron Shire (Gurran, Zhang, Shrestha, & Gilbert, 2018). This phenomenal growth in Australia is evidenced through the 58,210 Airbnb listings in April 2016. Listings increased to 130,665 in December 2017 and reached 160,479 at the end of 2018 (Cox 2019). According to InsideAirbnb, NSW has the highest number of Airbnb listings in Australia (64,856 properties by December 2018). However, other states such as Queensland, Victoria and Western Australia almost doubled their Airbnb listings between April 2017 and December 2017. All states continued to experience increases of Airbnb listings over 2018 (Full details available at Gurran et al., 2018).

Regional Australia is embracing the Airbnb concept, with a steady increase in Airbnb listings. The Byron Shire case study is particularly prone to new listings. With more than two million visitors each year, the Shire is one of the most attractive tourist destinations in Australia. Visitors outnumber residents by a ratio of 70 to one.

According to the Australian Coastal Councils Association, the BS is also one of Australia's least affordable regional rental-housing markets with 17.6 per cent of properties in the Shire listed as short-term lettings (STLs) (Gurran et al., 2018). The majority of these STLs are listed on online rental platforms, notably Airbnb – the largest, fastest-growing online platform. Airbnb raises polarised opinions within the BS community. As the impact of the STL sector is the subject of ongoing debate, it is important that policy makers for affordable housing and tourism destination marketing have comprehensive, reliable, and evidence-based information on their own locations.

Until 2011 Airbnb listings in the Byron Shire were not recorded. Airbnb listings increased from a few hundred in 2012 to 1,172 at the end of 2016, to 2,740 listings at the end of 2017, and then to 3,037 listings at the end of 2018 (Cox, 2019). Though the beginning of 2019 saw a very modest reduction of 108 listings, the InsideAirbnb website still counted 2,929 listings in the BS. Of these listings, 78.7% were for entire houses or apartments with a 20% estimated occupancy, meaning that these houses were only rented by guests for around 70 days of the year. According to the InsideAirbnb website, over half of individual Airbnb hosts (54%) in the BS had multiple listings. One single owner-host listed 108 properties (Cox 2019).

This one example of multiple listings bears witness to some host motivations. Those with multiple properties are more likely to run their operations as a business in contrast to those living in their single-listed property and merely enjoying the supplemental income and intrinsic reward of host/guest interactions. STL figures sourced from the online monitoring site, BnBGuard, last year revealed that the numbers of total unique STL addresses across the five postcodes of BS is as high as 5611 listings. Notably, BnBGuard was still only monitoring 15 of the 350 sites offering STL properties in the BS. By comparison, InsideAirbnb provides data solely on Airbnb property listings (Morrow, 2019). The scale of these STL figures and their positive and negative impacts on the small Byron Shire community are significant and warrant further investigation.



3 Research Design

To inform Project Aim 2, a two-pronged design for primary data collection was developed:

- In-depth interviews with diverse and multiple Byron Shire stakeholders with or without an interest in Airbnb were conducted across the Shire to determine the range of issues to be captured.
- A large-scale survey of Byron Shire community members on various aspects of Airbnb was conducted.

3.1 Interviews

Informed by the international literature as well as insights pertaining to the Byron Shire, semi-structured interviews were conducted with 22 key BS informants to obtain views regarding STHL including Airbnb. The interviewees included councillors, Airbnb hosts, local journalists, licenced accommodation providers, 'victims of holiday lettings', and residents who either lived in their own property or rented as tenants. The interviews were transcribed, coded and then analysed using thematic analysis.

3.2 Survey

Informed by the interview data, a Qualtrics survey was implemented to obtain BS residents' views on the positive and negative impacts of Airbnb within the Byron Shire. The survey was pre-tested before its launch on 29 October 2018. It was circulated using several (social) media channels before closing on 15 December 2018. Questions were asked about the impact of Airbnb on housing and accommodation, local businesses, tax revenues, visitor numbers, infrastructure, and anti-social behaviour across the BS; the impact of any nearby short-term holiday letting (STHL) properties on the respondent; further information needs about various Airbnb-related issues; possible regulations of STHL in the BS; and for Airbnb hosts, their experiences as hosts.

4 Summary of Results

A brief overview of the preliminary results from the interviews and survey research is provided below.

4.1 Interview results

All 22 interviewees identified a considerable change over the past five years in the STL sector within the Shire and specifically in Byron Bay. They observed a substantial growth in the number of visitors and visitor accommodation. Most participants recognised a range of benefits of Airbnb. The leading positive impact perceived was that of extra income for the Airbnb host. Increased employment opportunities for locals and increased local tax revenue were other major positive impacts of Airbnb. At the same time, participants were concerned about a wider set of negative impacts that Airbnb has on the community and on accredited and licensed accommodation providers in the Shire. Most participants felt more regulation of Airbnb properties and more information on Airbnb-related issues in the BS were needed.

The interviews revealed an emotional load carried by local community members, which the research team suggests has not yet been properly accounted for in the international literature on Airbnb. Some interviewees reported anger and frustration with Airbnb. Several questioned the morality and ethics of Airbnb and attributed a range of serious social issues to Airbnb, including the displacement of locals and homelessness. This suggests that this emotional strain on host communities requires further research.



4.2 Key survey results

4.2.1 Sample profile

A data sample of 819² BS residents was obtained. Most questions were to be answered by all participants. Questions on the Airbnb host experience were directed only to those who were Airbnb hosts. Table 1 shows respondents' postcode areas. Fourteen respondents (1.7%) stated that they currently lived in the Byron Shire, but they provided a postcode missing an end digit. Considered a typographical error only, the decision was made to retain these respondents in the data set.

Table 1 - Participant postcode area (n=819)

Postcode	In %	Postcode areas
2479	7.7	Bangalow & surrounding areas (e.g. Binna Burra, Coorabell & Newrybar)
2480	4.9	Clunes & surrounding areas (e.g. Coopers Creek, Eureka & Federal)
2481	55.1	Byron Bay & surrounding areas (e.g. Broken Head, Ewingsdale, Suffolk Park & Tyagarah)
2482	12.7	Mullumbimby
2483	17.9	Ocean Shores & surrounding areas (e.g. Billinudgel, Brunswick Heads, SGB & Yelgun)
other	1.7	Post code was not clear
	100.0	

The average length of respondents' residency within the BS was 19 years. 39% of respondents had resided for over 20 years in the BS, while almost 30% had resided between 11 and 20 years in the Shire.

Out of the 819 participants, 67% (552) lived in their own properties, while 26% (215) rented. Furthermore, 85% (699) of all participants said that they were aware of STHLs within 200m of their residence, with 75% acknowledging that these STHLs were Airbnb listings.

One key finding of the study was that of the 215 participants (26%) in rented accommodation, almost half (90, 42%) had been asked to leave a previous rental. Fifty-eight, or 64% of those asked to leave a rental, reported that they knew their rental property was about to be listed on Airbnb.

4.2.2 Perceived impacts of Airbnb

The following **nine negative impacts** of Airbnb on the community (ranked by mean) were perceived by Airbnb hosts and non-hosts alike (see Table 2). Questions were asked using a five-point Likert scale (1=strongly disagree to 5=strongly agree). As can be seen, more than three-quarters of respondents agreed on the top two negative impacts of Airbnb – the reduction of affordable housing for residents and increased traffic and parking congestion. More than two-thirds of respondents agreed on the next three main negative impacts of Airbnb on the community – Airbnb leads to increased waste management problems, extra costs to ratepayers to provide infrastructure, and increased noise levels. Airbnb-hosts tended to perceive all negative impacts less negatively than non-Airbnb hosts. The views diverged most strongly for the impact 'leads to anti-social behaviour'. Airbnb hosts tended to disagree (mean 2.56) with this statement, while non-Airbnb hosts tended to agree (3.82) with it.

² The sample size relating to each key finding reported in the following sections varies as not all 819 participants answered every question.



Table 2 - Negative impacts for the community

Airbnb	Mean			Overall agreement in % (n= 814)		
	Overall (n=766)	Airbnb host (n=151)	Non-host (=615)	Disagree	Neither	Agree
1. Reduces the availability of affordable housing for residents	4.17	3.37	4.40	15%	8%	77%
2. Increases traffic and parking congestion	4.07	3.13	4.33	16%	9%	75%
3. Leads to increased waste management problems	3.97	3.15	4.20	14%	14%	72%
4. Leads to extra costs to ratepayers to provide infrastructure	3.99	3.20	4.22	15%	14%	71%
5. Leads to increased noise levels	3.98	3.03	4.24	15%	15%	70%
6. Adversely affects lifestyle of neighbourhood residents	3.97	2.89	4.27	19%	12%	69%
7. Leads to overuse of public facilities (e.g. toilets)	3.74	2.91	3.98	21%	19%	60%
8. Increases the property prices	3.72	3.28	3.87	20%	19%	61%
9. Leads to increased anti-social behaviour	3.55	2.56	3.82	24%	22%	54%

* Disagree = includes groups Strongly disagree and Disagree; Neither = neither Agree nor Disagree; Agree = includes groups Agree and Strongly Agree

The following **two positive impacts** of Airbnb on the community (ranked by mean) were perceived by Airbnb hosts and non-hosts alike (see Table 3). Airbnb-hosts tended to perceive positive impacts more favourably than non-Airbnb hosts. The views diverged most strongly for the impact ‘leads to increased employment opportunities for locals’. Airbnb hosts tended to agree (mean 4.01), while non-Airbnb hosts tended to be neutral (neither agree nor disagree) (2.86).

Table 3 - Positive impacts for the community

Airbnb...	Mean			Overall agreement in % (n=814)		
	Overall (n=766)	Airbnb host (n=151)	Non-host (n=615)	Disagree	Neither	Agree
1. Leads to increased employment opportunities for locals	3.10	4.01	2.86	34%	26%	40%
2. Leads to increased local tax revenue	2.66	2.98	2.59	48%	27%	25%

* Disagree = includes groups Strongly disagree and Disagree; Neither = neither Agree nor Disagree; Agree = includes groups Agree and Strongly Agree



The following **eight positive impacts** of Airbnb predominantly for specific stakeholders (ranked by mean) were perceived by Airbnb hosts and non-hosts alike (see Table 4). There was near consensus among respondents that Airbnb provides income for Airbnb hosts. Most respondents agreed that Airbnb brings more visitors into the BS, although Airbnb hosts registered less strongly (3.99 vs 4.28) on this point. Most respondents felt that as a result of Airbnb there were more property investors in the Shire, but again Airbnb hosts were less strong in their views (3.62 vs 4.33). Most respondents felt Airbnb provides tourists/visitors with a greater variety of and more affordable accommodation choices. Furthermore, Airbnb was viewed as increasing revenues for local businesses.

Table 4 - Positive attributes of Airbnb identified by the community

Airbnb	Overall (n=766)	Mean		Overall agreement in % (n=814)		
		Airbnb host (n=151)	Non-host (n=615)	Disagree	Neither	Agree
1. Provides income for Airbnb hosts	4.30	4.50	4.26	1%	5%	94%
2. Leads to increased number of visitors into the Byron Shire	4.21	3.99	4.28	6%	10%	84%
3. Leads to increased number of property investors	4.18	3.62	4.33	8%	13%	79%
4. Offers more variety in accommodation for tourists	3.94	4.49	3.80	8%	11%	81%
5. Increases revenues for local businesses	3.71	4.24	3.57	11%	25%	64%
6. Enables Airbnb hosts to stay in their homes	3.38	4.17	3.18	21%	32%	47%
7. Leads to greater variety of retail services (e.g. restaurants, leisure services)	3.09	3.78	2.91	30%	35%	35%
8. Makes Byron Shire a more affordable tourist destination	2.81	3.61	2.61	45%	20%	35%

* Disagree = includes groups Strongly disagree and Disagree; Neither = neither Agree nor Disagree; Agree = includes groups Agree and Strongly agree

4.2.3 Perceptions on rental caps on STHL properties

The survey captured views of both Airbnb hosts and non-hosts on the duration of their preferred rental cap for STHL properties (a) **with** and (b) **without on-site** management (see Table 5).

(a) Properties **with on-site** management

Among all five BS postcode groups, 37% (287) of respondents felt that there should be no restrictions at all for properties **with on-site** management, meaning that these properties could be rented 365 days per year. Notably 72% of all Airbnb hosts wanted no restrictions on properties **with on-site management**, compared to only 29% of non-Airbnb hosts. The majority of non-Airbnb hosts favoured a cap on **on-site** managed properties, 31% of non-Airbnb hosts favoured a maximum cap of 180 days on such STHL rentals, while 32% favoured a cap of less than 90 days.

(b) Properties **without on-site** management

Among all five BS postcode groups, 39% (299) of all respondents wanted 0 rental days (*full restrictions = no STHL rentals*) for properties **without on-site management**. Even 15% of Airbnb hosts wanted full restrictions (0 days) for such properties (compared to 45% of non-Airbnb hosts). Clearly, most respondents preferred a model which involves on-site management of STHL.



Table 5 - Differences between Airbnb hosts and non-Airbnb hosts regarding rental caps on STHL

(n=766; 151 Airbnb hosts, 615 non-Airbnb hosts)

	365 days per year (No restriction)	Max. 180 days per year*	Less than 90 days per year	0 days (Not allowed at all)	Total
(a) With on-site management					
Airbnb hosts (%)	72%	17%	11%	1%	100%
Non- Airbnb hosts (%)	29%	31%	32%	8%	100%
Total of all respondents (%)	37%	28%	28%	7%	100%
(b) Without on-site management					
Airbnb hosts (%)	38%	26%	21%	15%	100%
Non- Airbnb hosts (%)	11%	15%	29%	45%	100%
Total of all respondents (%):	16%	18%	27%	39%	100%

*Includes two groups: Max. 180 days per year and 90 < 179 days per year

4.2.4 Perceptions on regulations of STHL in the Byron Shire

A majority of respondents supported all nine ways of regulating STHL (see Table 6). Virtually everyone is asking for avenues to report complaints of misconduct, and 84% request appropriate enforcement of non-compliance. Overall, the Airbnb-hosts appear to require less regulation of their operations.

Table 6 - Ways to regulate STHL in the BS

STHL needs to be regulated in the following ways ...	Overall (n=766)	Mean		Overall agreement in % (n=766)		
		Airbnb host (n=151)	Non-host (n=615)	Disagree	Neither	Agree
1. Adequate reporting avenues to lodge complaints of misconduct	4.51	4.02	4.63	3%	7%	91%
2. Adequate enforcement of non-compliance	4.37	3.70	4.54	4%	12%	84%
3. Compulsory public liability insurance to cover STHL guests and third parties for injury or damage (including Airbnb)	4.15	3.44	4.32	12%	11%	77%
4. A bed tax or levy for any tourist accommodation (irrespective of the accommodation type).	4.10	3.49	4.25	15%	10%	75%
5. Restrictions on Airbnb properties without on-site management	4.06	3.08	4.30	17%	8%	75%
6. Adequate provision of fair trade (i.e. it is a level playing field) within the accommodation-provider sector	4.01	3.35	4.17	9%	20%	70%
7. Implementation of a registration/permit system for STHL (including Airbnb)	3.99	3.01	4.24	17%	8%	74%
8. Council-supported community advisory panel regarding STHL	3.94	3.10	4.15	13%	16%	71%
9. Zoning restrictions for STHL in residential areas	3.86	2.73	4.14	22%	10%	68%

* Disagree = includes groups Strongly disagree and Disagree; Neither = neither Agree nor Disagree; Agree = includes groups Agree and Strongly agree



4.2.5 Further information needs

The majority of respondents agreed with the need for greater public information on Airbnb-related issues within the Byron Shire. More information about the particular impacts of Airbnb on the community is highly sought after, including impacts on residential-rental accommodation and infrastructure. Again, Airbnb hosts tend to have lower information needs than non-Airbnb hosts.

5 Further research needs

There is opportunity to take the research further with new funding opportunities. Particular need exists for:

1. Further analysis of the impacts of STHL (in particular Airbnb) on approved accommodation operators within the Byron Shire.
2. Further analysis of the emotional impacts of Airbnb on host communities.

Additionally, the current research methodology can be replicated to other North Coast towns in NSW. This comparable data set(s) could further understanding on why different regions in NSW might need different STL regulations.

6 Acknowledgements

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