

**Submission to the Legislative Select Committee on Short Stay Accommodation in
Tasmania**

Submitted by Dr Angela Ballard

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My recent doctoral research into planning in social complexity took the Australian private rental system as a case study. By all accounts, housing systems are systems of social complexity because they involve human motivations and behaviours. The complex interdependencies within a system are not often well understood in research based on very specific questions. Such complexities are often better understood through attending to what is happening on the ground, in real time and through peoples' self reports of their experiences within a system. The methodological approach I explored and utilised in my research is based in peoples' experience. In short, I collected peoples' narratives of the system, their 'significant rental tales'. Here I offer a grounded, experiential tale of my own. My tale illustrates the complexities, interdependencies and the cascading impacts of 'whole property' AirBnB on housing sectors in Hobart and Government's unwillingness to address it, until now; a brief narrative of a housing researcher investigating personal housing options while applying for housing program roles in the Department of Housing in Tasmania last October/November.

One of these roles was for the 'Private Rental Access Program'. Real estate's use of online apps offers anyone who cares to look and researchers alike real time data. In my initial approach to departmental officers, after having already investigated the Hobart rental housing market, I suggested they were facing a significant housing supply problem in relation to that project. The officers did not agree. Yet here I was, a well paid, well presented, highly educated, middle aged professional woman – a property manager's dream tenant - realistically concerned about the difficulties in securing any rental housing for myself, should I land a well paid government job in Hobart. What of people far less fortunate? My data-based sensemaking pointed to the government's Private Rental Access Program being substantially derailed, before it even got off the ground.

In October 2017, the total number of rental properties in Hobart (all price points) was 75 properties (Core Logic data), while Airbnb properties numbered 777 properties. Close to half of these (371) were 'whole properties' that would likely otherwise be rented as long

term housing. My concern as a housing researcher was for people trying to rent in a market so constrained that only 3/1000 rental properties were vacant. A vacancy rate of 0.03% is twice as bad as well known global hot spots like Vancouver (0.06%), and given the size of Hobart I could see the problem would grow exponentially in a very short space of time. For comparison, Brisbane's rental market around that time was 3.2% and the capital cities figure was around 2.2%.

Shocked and intrigued, I made other enquiries and discovered that Hobart City Council, in particular one Councillor, was very much aware of the impending problems. The HCC Director of Planning had been instructed to investigate likely sites across Hobart for as soon as possible infill and brownfield development and UTAS researchers had proposed a research project on the economic benefits of peer to peer accommodation.

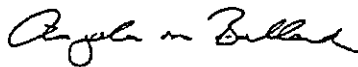
It struck me at the time that the AirBnB juggernaut (which offers no protections for longer term tenants even if they could afford \$130 per night) was such that if I were to move to Hobart for the Principal Program Officer role on offer then I would have to look at buying. With my research-based understandings of Australian rental systems, I did not want to be subjected to the vagaries of a turbo-charged property market that severely impact people living a rental life. And so, I turned my attention to what I could possibly afford at my stage of life. Almost nothing was available at the lower end of the market. I considered making an offer on one property – a 27 m² bedsit in Battery Point. That sold for \$338 000 - well over my intended best offer, and \$50 000 over the 'offers over' price! I also investigated land and began scouring Council monthly planning reports for recent small subdivisions. In conversations with planning officers where I mentioned the huge number of AirBnB properties relative to ordinary rental, I learned of Directive #3 from the Minister for Planning. This directive overrides Councils' ability to make their own planning decisions and regulations with regards to short term, peer to peer accommodation.

So, there it is, a Planning Minister's Directive at variance with and in opposition to not only Councils' attempts to rein in what is becoming a scourge across tourism based cities and towns worldwide, (especially small ones) but also to the Tasmanian Government's own housing policy and programs. The cascading effect has ostensibly derailed the Private Rental Access Program, and housing prices across all housing market segments in Hobart and Launceston have bolted. That a Minister of Housing and Director of Housing in 2017 appear to have either not been consulted by Planning, nor warned

Planning about the potential impacts of an overarching Directive relative to housing, remains problematic. The data was easily available for all to tap into. Various parties (myself included) were sensing that data and warning of impacts on housing supply but Government, at several levels, either did not have sufficient strategic capability to see the emerging issues or were not prepared to take on board advice and expertise when offered. These shortcomings have likely contributed to this crisis.

I would be willing to contribute strategic advice and expertise with regards to designing potential policy and program interventions in response to this complex issue in future, should the Government be open to doing things differently. We need to understand the nature (ontology) of actual problems before we embark upon designing interventions, in response to problems and there are frameworks that have been applied in housing systems that support such decision-making and planning.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Angela M Ballard', written in a cursive style.

Dr Angela M Ballard