

**ADEQUACY OF THE REGULATION OF SHORT-TERM  
HOLIDAY LETTING IN NEW SOUTH WALES**

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**Date Received:** 1/12/2015



# Inquiry into the Adequacy of the Regulation of Short-Term Holiday Letting in NSW

*Airbnb Submission*

## About Airbnb

Founded in August of 2008 and based in San Francisco, California, Airbnb is a trusted community marketplace for people to list, discover, and book unique accommodation around the world.

Our company and the Airbnb community are leaders in the new Sharing Economy, a movement that will represent a significant part of the world's future economic growth. Millions of micro-entrepreneurs are now empowered to help make ends meet using their underutilised assets. This movement is distributing economic opportunities across diverse neighbourhoods and providing millions of people with a trusted platform they can use to benefit their families, earn additional income as a host or find unique lodging opportunities as a guest.

Since 2008, over 60 million guests have had a safe and positive experience on Airbnb. We have worked hard to provide tools and resources that promote transparency and trust, and we are proud to be a global leader in providing education on these issues for our community.

Simply put, Airbnb allows anyone to belong anywhere. Our platform helps strangers see a city as a local does and lets hosts become ambassadors for the communities they love, using communication, payment, and trusted tools to empower users around the world.



## Airbnb in New South Wales

Airbnb has been gaining immense traction in New South Wales. New South Wales' vibrant host community has welcomed nearly 420,000 guests during the past twelve months which represents a year-over-year growth rate of 167%. We have a large community of people across New South Wales for whom sharing their home is now part of their lifestyle. In fact, there are now approximately 20,000 active listings in New South Wales and Sydney ranks as one of Airbnb's top ten cities for most properties on the platform.

In an Economic Impact Study that Airbnb conducted in Sydney, we found that the majority of hosts (85 percent) rent their primary residences occasionally and earn a modest but significant amount of extra income that they use to help make ends meet. In Australia, the average host earns A\$7,100 per year and hosts approximately 51 nights per year.

Airbnb's community is also an important contributor to New South Wales' economy. Between November 2014 and November 2015, it is estimated that Airbnb-related spending in New South Wales generated roughly AU\$ 540 million in economic impact for New South Wales.

## The Benefits of Home Sharing

There are a range of benefits associated with home sharing, including positive social and environmental impacts. For hosts, the economic benefit of Airbnb is often life-changing, and for cities, it is revitalising for neighbourhoods and small businesses alike.

As highlighted in the recent Productivity Commission Draft Report on Business Set Up, Transfer and Closure in its chapter on New Business Models, The Digital Economy and Regulation, new digital



businesses like Airbnb offer broad economic benefits from improved utilisation of existing resources.<sup>1</sup>

The economic benefits of home sharing are distributed across at least three categories:

1. Positive impacts on consumers and the tourism industry,
2. Positive impacts on neighbourhoods and local businesses, and
3. Positive impacts on residents and households.

### Positive Impacts on Consumers and the Tourism Industry

The growth and mainstream adoption of home sharing is leading to fundamental changes in how people travel and experience destinations. These trends are resulting in increased travel, increased spending, and an engagement with different parts of a city than visitors have typically visited.

Our data shows that Airbnb attracts new visitors who stay longer than traditional tourists, spend more on local businesses, and are more likely to be return guests to the market as a result of their experience. These realities fundamentally strengthen the tourism industry and create additional opportunities for growth without requiring new investment or infrastructure on the part of the city.

- 35 percent of Airbnb guests report that without Airbnb, they either would not have traveled at all, or would have shortened their trip.
- In addition, on average, Airbnb guests stay 2.1 times longer and spend 1.8 times more than typical visitors.

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<sup>1</sup> Productivity Commission Draft Report on Business Set Up, Transfer and Closure, Page179



This additional travel and spending has happened while travel in traditional accommodations has also continued to grow. Hotel occupancy and room rates in Australia continue to soar as “gains made nationally over the past five years are now double that lost during the global financial crisis, with both occupancies and room rates at levels never previously recorded”.<sup>2</sup> The latest data demonstrates that the hotel industry is continuing to do well in New South Wales as room demand, occupancy rates, average daily rates and revenue all continue to grow.<sup>3</sup>

## Positive Impacts on Neighbourhoods and Local Businesses

In addition to changing how guests travel, Airbnb has changed where guests stay when they travel. By staying in less concentrated neighbourhoods, Airbnb guests distribute the economic impacts of travel to neighbourhoods that have not traditionally received the benefits of the tourism industry.

- 74 percent of Airbnb properties in major cities are located outside of traditional hotel districts.
- Not only are guests staying in different parts of the city, but research indicates that 42 percent of guest daytime spending remains in the neighborhoods in which they stay.

This means that more money is being spent outside of traditional tourist neighbourhoods - strengthening local communities and businesses. Such investments in local commercial districts benefit both hosts and non-hosting residents by improving the viability of local service providers such as cafes and shops which might otherwise operate at a more marginal level.

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<sup>2</sup> <http://www2.deloitte.com/au/en/pages/media-releases/articles/hotel-markets-push-further-into-record-territory-260215.html>

<sup>3</sup> <http://www.destinationnsw.com.au/wp-content/uploads/2014/09/STR-Global-snapshot-Sep-2015.pdf>



## Positive Impacts on Residents and Households

Since Airbnb was founded in 2008, hundreds of thousands of hosts worldwide have welcomed guests into their homes. Hosting fundamentally helps hosts make ends meet, keeping residents in communities amid increasing living costs and income inequality.

Airbnb hosts' income levels closely reflect the income distribution of Australians across the country, and the economic benefits often allow them to remain in their communities:<sup>4</sup>

- 52 percent of Airbnb hosts live in low to moderate income households.
- The average Airbnb host in Australia earns roughly A\$7,100 per year, helping them make ends meet.
- 48 percent of the income hosts earn through hosting on Airbnb is used to pay for regular household expenses like rent and groceries.
- 53 percent of hosts report that income earned from hosting has helped them stay in their homes.

Airbnb hosts rely on this supplemental income to help pay bills and contribute to their savings, and the income has also played an important role in neighbourhood resilience.

## Home Sharing in New South Wales and Around the World

Holiday homes and Bed & Breakfast establishments have a long history of accommodating visitors in New South Wales. However, home sharing is still a relatively new phenomenon. The Internet now enables anyone to rent out the home they live in (whether a

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<sup>4</sup> Airbnb internal data based on surveys of hosts and guests in key markets around the world. (2012- 2015)



spare bedroom or their entire home while traveling) to short-term visitors. Although professional holiday rental operators and B&B operators may use Airbnb as a booking platform in New South Wales, the majority of Airbnb hosts are regular individuals renting out space in their own homes. As a result, this submission is focused on home sharing.

In New South Wales, the rules for an individual who occasionally wishes to rent out spare space in their home differ from Council to Council. Most Councils do not have a clear policy for home sharing. Hosts have been threatened with fines as high as \$1.1 million for occasionally renting out spare space in their homes from Councils such as Leichhardt and Newtown.<sup>56</sup> Even Councils which have spent a lot of time carefully considering the impacts of short term holiday rentals, such as Byron Shire Council, do not have clear guidelines for individuals who wish to occasionally rent out their homes. In the FAQ document about holiday letting, the Council provides this confusing response:

*“Q. I actually live in Byron Shire, can I just rent my house or unit over Christmas or Easter if I go away?”*

*A. There is no single answer to this question as it will depend on the circumstances in each case including the type of approval for the building, the length of time it is holiday let, the area in which it is in and any impacts etc. The proposed controls are aimed primarily at the situation where a house or unit is rented out for tourist accommodation for the majority of the time and the owner lives elsewhere. If you genuinely live at the house or unit (if*

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<sup>5</sup> <http://www.dailytelegraph.com.au/newslocal/inner-west/annandale-airbnb-operator-risks-11-million-fine-every-time-he-opens-his-home-to-international-travellers/story-fngr8h4f-1227441197152>

<sup>6</sup> <http://www.smh.com.au/nsw/councils-threaten-home-owners-with-1-million-fine-for-renting-rooms-20140926-10mchq.html>



*asked you may need to prove this) then Council may not require you to seek permission for an occasional holiday rental while you are away. [However, this may not always be the case depending on any statutory or case law changes on this issue]....”<sup>7</sup>*

Most jurisdictions around the world place no restrictions on someone’s right to share their home with a paying guest. Where such restrictions have been introduced, they have usually been designed to apply to properties being used exclusively for rentals to tourists (e.g. places where nobody lives at any point during the year).

For the most part, individuals who are sharing their primary residence with others on an occasional basis are not considered “business”, and have not changed the use of their property. It remains predominantly residential, with some ancillary use as sleeping accommodation for visitors (whether tourists or not) from time to time.

Over the last couple of years, a number countries (and cities) have changed and clarified their rules to explicitly address this kind of accommodation – whether in tourism regulations (to validate the use of private residences for visitors) or in housing regulations (to clarify that hosting in your home is not a planning or zoning “change of use” that requires permission).

#### **Victoria:**

In Victoria, the courts have ruled that short-term rentals are a permissible use of residential units under both the Building Code of Australia<sup>8</sup> and owner corporation rules.<sup>9</sup>

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<sup>7</sup> [www.byron.nsw.gov.au/files/pages/holiday-letting/Frequently\\_Asked\\_Questions.pdf](http://www.byron.nsw.gov.au/files/pages/holiday-letting/Frequently_Asked_Questions.pdf)

<sup>8</sup> *Genco v Salter* [2013] VSCA 365 (12 December 2013) (<http://www.austlii.edu.au/cgi-bin/sinodisp/au/cases/vic/VSCA/2013/365.html>)

**Queensland:**

Queensland passed legislation (which Airbnb welcomed) that gave local Councils greater powers to take stronger action against holiday homes which were being used as “party houses”, but otherwise home-sharing is generally permissible in Queensland.<sup>10</sup>

**Tasmania:**

While Tasmania has not made any formal changes to its planning legislation, the Government has announced that it is embracing the Sharing Economy.<sup>11</sup>

**France:**

France updated its housing law in 2014.<sup>12</sup> It gives larger cities in France the right to introduce a permission system for secondary (and other non-primary) properties – but makes it clear that primary residences (e.g. lived in at least eight months of the year) can be shared with visitors – either in full or in part – without any authorisation or permission.

France has also amended its financial legislation to make it possible for online marketplaces to collect and remit tourist taxation on behalf of their hosts. Airbnb started collecting tourist tax on behalf of our hosts in Paris on 1 October 2015.

**Amsterdam:**

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<sup>9</sup> Owners Corporation PS501391P v Balcombe (Owners Corporations) [2015] VCAT 956 (29 June 2015) (<http://www.austlii.edu.au/cgi-bin/sinodisp/au/cases/vic/VCAT/2015/956.html>)

<sup>10</sup> <http://www.dilgp.qld.gov.au/resources/factsheet/planning/regulating-party-houses-fact-sheet.pdf>

<sup>11</sup>

[http://www.premier.tas.gov.au/speeches/ceda\\_state\\_of\\_the\\_state\\_address\\_2015](http://www.premier.tas.gov.au/speeches/ceda_state_of_the_state_address_2015)

<sup>12</sup> <http://publicpolicy.airbnb.com/major-step-forward-paris-france/>



Rather than address home sharing through an exclusion to housing law, Amsterdam introduced a new policy to explicitly recognise and regulate it.<sup>13</sup>

Primary residences may be shared – again, either in part or in full – on a short-term basis if the host ensures that rentals are “quiet, fair and safe”.

Rentals are limited to four guests, and hosts are responsible for ensuring the good conduct of those guests, minimising nuisance to neighbours. The city operates a hotline for complaints, and provides useful advice for hosts on how to welcome guests safely and respectfully.

Tourist tax is applicable to this kind of rental, and Airbnb has reached an agreement with the city to collect the tax on the hosts’ behalf and pass it directly to the city.

### **London:**

The United Kingdom parliament passed the Deregulation Act earlier in 2015.<sup>14</sup> It clarifies that the use of residential property as occasional guest accommodation in London is not an automatic “change of use” that requires permission (which had been the situation since 1973).

The new rules allow any residential property (primary, secondary or other residence) to be used for short-term rentals for up to 90 days each year without the need for permission.

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<sup>13</sup> <http://www.amsterdam.nl/wonen-leefomgeving/wonen/informatie/verhuren/particuliere/>

<sup>14</sup> <https://www.gov.uk/government/news/measures-to-boost-sharing-economy-in-london>



It is the responsibility of the host to ensure that guests do not cause nuisance to neighbours. The usual noise and nuisance laws apply – as they do to all residential property.

Specific fire safety rules apply to paid-for accommodation, but these place appropriately light obligations on property that is used for normal residential purposes for most of the year. As properties are used more intensively for tourism, tighter rules are applied. This approach appropriately recognises the difference between someone sharing their own home occasionally, and a business operating with a large number of bedrooms in purpose-built premises.

Hosts are able to earn up to £7,500 per year from renting part of their primary residence without having to declare that income, nor do they pay income tax on it.

The UK has also declared its ambition to lead the global “sharing economy” by reducing regulations and encouraging citizens to share their assets with others.<sup>15</sup>

### **Lombardy (Italy):**

In September 2015, the region of Lombardy (with Milan as the main city in the region) approved new Tourism Regulations that are well-adapted to non-professional home sharing.<sup>16</sup>

Lombardy residents are free to share their homes, and occasional home sharing is explicitly classified as a non-professional activity. Hosts will not have to comply with complex registration requirements designed for professionals, or have to display

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<sup>15</sup> <https://www.gov.uk/government/publications/unlocking-the-sharing-economy-independent-review>

<sup>16</sup> <http://publicpolicy.airbnb.com/milan-embraces-airbnb-simplifies-home-sharing-rules/>



signage outside their homes. Instead, hosts will benefit from new, streamlined notification requirements.

In advance of the world Expo in Milan, the city committed itself to embracing the potential of the collaborative economy, passing a “sharing city” resolution.

**Portugal:**

Portugal reformed its tourism laws in 2015 to reduce red-tape and bureaucracy for all sectors of the industry, and to confirm that people are allowed to share their homes (in whole or in part) with guests.<sup>17</sup>

Hosts are required to give an online notification for income tax purposes. No approvals or permissions are required, and hosts are listed on the local lodging database with minimal data available publicly – appropriate for private individuals who are not engaged in business activity.

Previously onerous requirements for inspections and certificates have been removed, but municipalities retain the right to inspect properties for safety and basic standards.

**Hamburg:**

As in France, the city of Hamburg acted to clarify that rules restricting tourist accommodation in residential areas do not apply to primary residences.<sup>18</sup>

The Hamburg housing law gives residents the right to use all of their home to host guests for up to 50% of the year. Alternatively, they can use 50% of their home to host guests all year round.

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<sup>17</sup> <http://publicpolicy.airbnb.com/portugal-overhauls-tourism-laws-embrace-home-sharing/>

<sup>18</sup> <http://publicpolicy.airbnb.com/happy-hosting-hamburg/>



### **Nashville**

In February 2015, Nashville's Metro Council approved a new definition of short-term rentals and regulation that explicitly allows short-term rentals throughout the city.<sup>19</sup> All properties are registered with the Metro Codes Department for an annual fee, and hosts are responsible for remitting room, occupancy and sales taxes to the city. Each property can rent a maximum of four sleeping rooms, with two people per room plus four.

### **Philadelphia**

In June 2015, Philadelphia became the largest city in the U.S. to pass legislation specifically enabling people to share their homes for up to half a year.<sup>20</sup>

### **San Jose**

In December 2014, the San Jose City Council approved legislation allowing residents to share their homes. Short-term rentals are allowed as an additional use in all zoning districts that allow residential use. The ordinance imposes no limit on the number of days a host may share their home if the host is physically present during the stay, and a 180-day limit when the host is not home during the guest's stay.<sup>21</sup>

## **Responsible Hosting, Trust and Safety**

Airbnb's community is growing quickly because it is built on trust - it is the foundation of our business. To date, over 60 million guests

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<sup>19</sup> [http://www.nashville.gov/mc/ordinances/term\\_2011\\_2015/bl2014\\_951.htm](http://www.nashville.gov/mc/ordinances/term_2011_2015/bl2014_951.htm)

<sup>20</sup> <https://phila.legistar.com/LegislationDetail.aspx?ID=2284628&GUID=BD14B7C9-3FBB-4DD3-8932-90DC4AEABC8E>

<sup>21</sup> [http://sanjose.amlegal.com/nxt/gateway.dll/California/sanjose\\_ca/title20zoning\\*1?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanjose\\_ca](http://sanjose.amlegal.com/nxt/gateway.dll/California/sanjose_ca/title20zoning*1?f=templates$fn=default.htm$3.0$vid=amlegal:sanjose_ca)



have stayed on Airbnb, and on a peak night earlier this year, nearly 1 million people stayed in an Airbnb around the world.

We appreciate that Airbnb's guests and hosts will come into contact with neighbours and other local residents, which is why we place great emphasis on the importance of responsible hosting. Information on the standards that we and our community of travellers expect is published on our website.<sup>22</sup>

Our hosts are provided with information and guidance on how to welcome guests to their homes in the most hospitable and neighbourly way. We have recently established a hospitality program based on nine core standards that we encourage all hosts to meet.<sup>23</sup>

To give hosts the extra peace of mind that they need to open their homes to visitors, Airbnb has developed its Host Guarantee Program<sup>24</sup> and Host Protection Insurance<sup>25</sup> to help protect Australian hosts.

Hosts are required to provide safe spaces for guests, and agree to ensure that all applicable fire and safety regulations are satisfied. Airbnb continues to develop its home safety program which in 2015 included making it easier for hosts to obtain smoke and CO detectors through the Airbnb site, distributing 25,000 free smoke and CO detectors to hosts around the world and partnerships with reputable fire and safety organizations such as the Greater New York Red Cross to educate our host community.<sup>26 27</sup>

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<sup>22</sup> <https://www.airbnb.com.au/help/responsible-hosting>

<sup>23</sup> <https://www.airbnb.com/hospitality>

<sup>24</sup> <https://www.airbnb.com.au/guarantee>

<sup>25</sup> <https://www.airbnb.com.au/host-protection-insurance>

<sup>26</sup> <https://www.airbnb.com.sg/home-safety>

<sup>27</sup> <http://blog.airbnb.com/airbnb-partners-with-greater-new-york-red-cross/>



Core to the experience of travelling on Airbnb is a system of reviews – where host and guest rate each other after a stay. Both sides of the arrangement therefore build up their own reputation, which is visible to other users of the Airbnb site. Potential guests can see reviews of a host's home to identify both positive and negative feedback, and hosts can look at similar assessments of any potential guests. We encourage plenty of communication prior to a booking, so that both host and guest can be comfortable that they are a good match.

Guests and hosts may also undergo an ID verification process to provide greater levels of trust to the rest of the community. Airbnb's third party provider offers a system whereby guests and hosts can scan a piece of government-issued identification (such as a passport or driving licence), which the provider then processes securely and verifies independently.

Guests and hosts are also encouraged to link their Airbnb profiles to their existing online identities – on Facebook, Twitter and LinkedIn. This provides even more insight into people's personalities and interests, as well as providing more assurance that people are representing themselves accurately.

To provide this level of safety and confidence for our guests and hosts, we have invested significant resources in responsive 24-hour customer service. Our teams are on hand to help resolve any problems or issues that may arise – although all but the smallest fraction of stays on Airbnb pass with no problems at all.

Airbnb encourages hosts to take extra steps to ensure that their homes are safe.<sup>28</sup> The number of incidents we see is incredibly low which is a demonstration of the efficacy of Airbnb's trust & safety team, tools and programs.

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<sup>28</sup> <https://www.airbnb.com.au/support/article/509>



In addition to the trust and safety measures referenced above, hosts are strongly encouraged to help their guests understand any rules and restrictions that apply to their building, or to their immediate area. We encourage guests to be mindful of neighbours and keep noise and disruption to an absolute minimum.

Airbnb's two-way review system is very important for maintaining the quality within the Airbnb community. Not only does it help hosts and guests have more information about each other, it creates effective incentives for guests to treat their hosts' homes and communities respectfully.

We believe that Airbnb Hosts are courteous neighbours and responsible members of their communities, while Airbnb Guests generally treat Hosts' properties with respect. Hosts who occasionally rent out their primary residences will take care to ensure that the behaviour of their Guests is appropriate, just like when individuals have friends or family stay with them for short periods of time. Indeed, Hosts who are renting out their primary residences are more likely to accept only Guests with proven track records of responsible behaviour, rather than risk inviting bad Guests into their homes.

## Taxation

The Australian Tax Office (ATO) recently released clarifying guidelines<sup>29</sup> for participants in the sharing economy with examples of how different types of services are to be taxed. Airbnb welcomed this clarity provided by the ATO, as hosts now have a clearer understanding of their tax obligations. Airbnb sends an annual notice to hosts in Australia informing them of the total amount of

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<sup>29</sup> <https://www.ato.gov.au/Business/GST/In-detail/Managing-GST-in-your-business/General-guides/The-sharing-economy-and-tax/>



income they have earned through Airbnb, which both reminds them of their obligation to pay income taxes on the income they earn through Airbnb and helps make reporting their income easier.

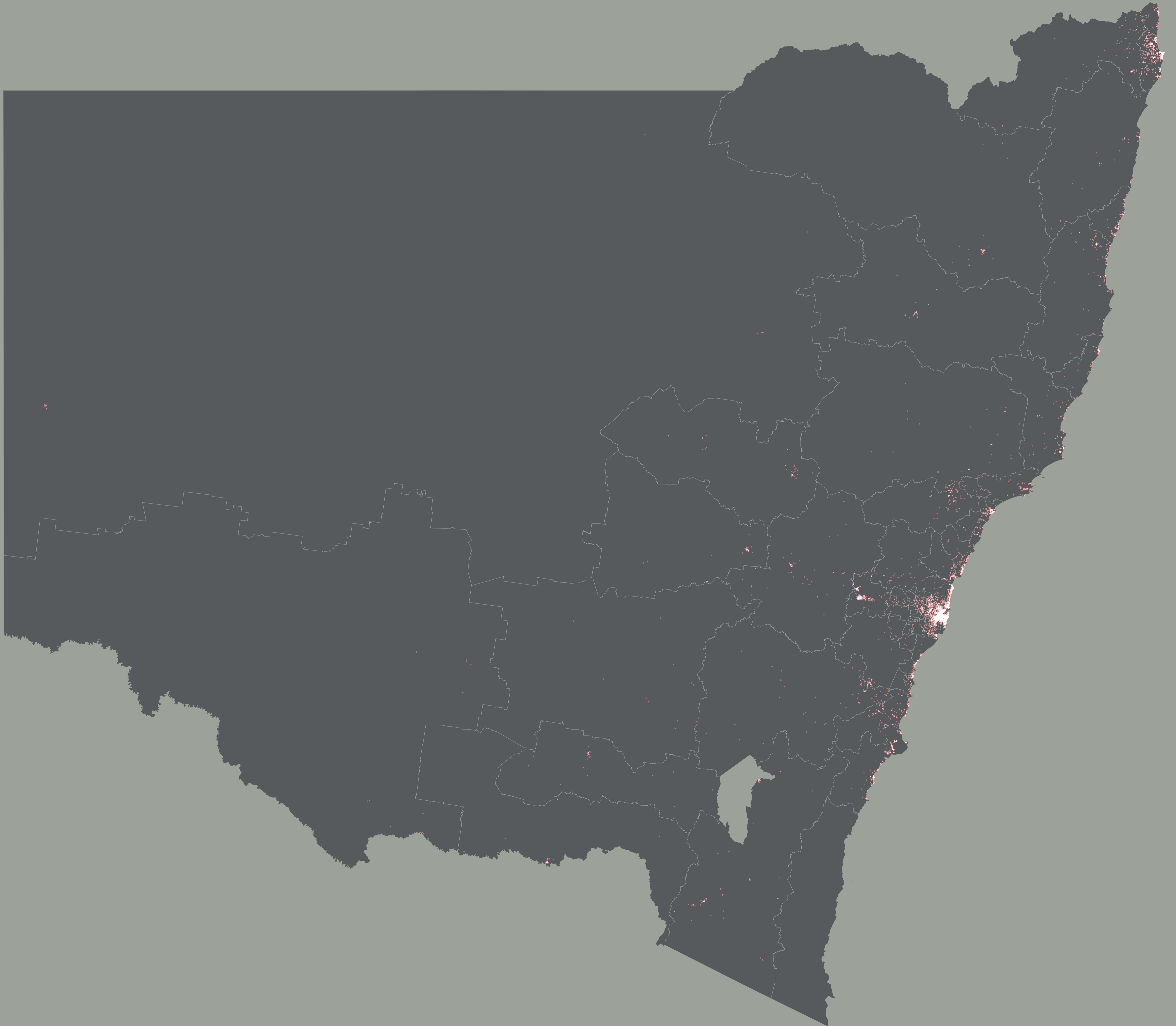
## Recommendations

Airbnb's recommendations policy recommendations are quite simple:

- The New South Wales Government should put in place a State Planning Policy which makes it clear that individuals are allowed to occasionally rent out the homes they live in without the need for burdensome approvals or licenses.
- As different communities have different needs, concerns and issues, the State should give Councils the flexibility to make their own decisions about professionally-managed holiday homes.

## Attachments:

- Heatmap of Airbnb listings throughout New South Wales
- Airbnb Economic Impact Study, Sydney 2013



**Airbnb:**

**Economic  
Impact on  
Sydney and  
its Suburbs**





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# Sources

The following report is based on extensive data about Airbnb hosts and visitors to Sydney.

Survey: Conducted an email survey of guests who used Airbnb to visit and hosts who hosted in the past year.

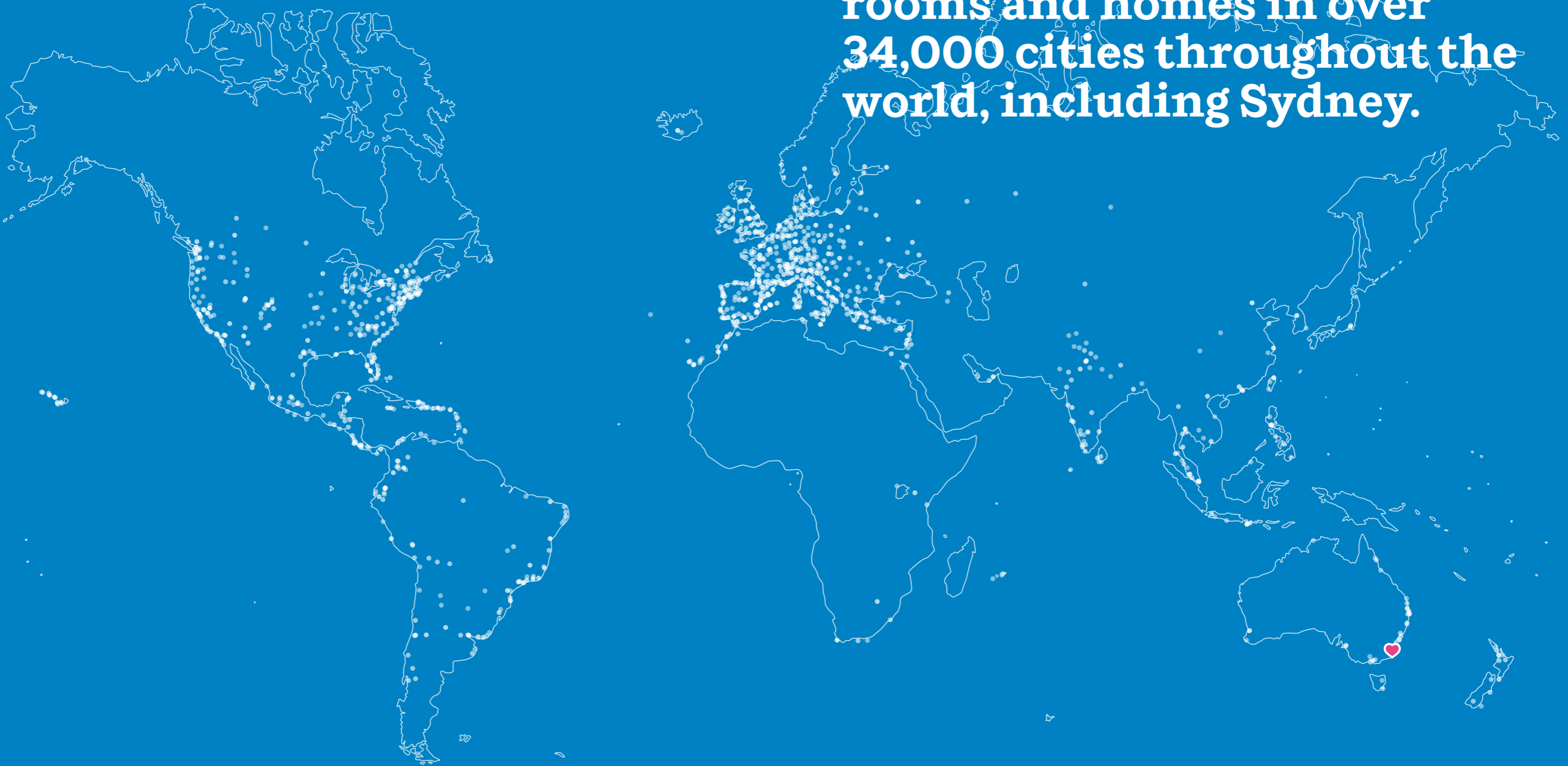
Booking Data: Analysed bookings for a one year period of August 2012 – July 2013.

BIS Shrapnel Pty Ltd reviewed all data and calculations and conducted the total impact analysis.

Additional sources include: Australian Census, Tourism Research Australia, Australian Bureau of Statistics, Colliers International, and Hotelbase.

# Airbnb

Airbnb is an online community marketplace that allows people to list and book rooms and homes in over 34,000 cities throughout the world, including Sydney.



# The Sharing Economy

Airbnb and its Sydney community are leaders in a new global economic trend: The Sharing Economy.



“[Airbnb] is the most prominent example of a huge new ‘sharing economy’, in which people rent beds, cars, boats and other assets directly from each other, coordinated via the internet... technology has reduced transaction costs, making sharing assets cheaper and easier than ever—and therefore possible on a much larger scale.”

– The Economist, 9 March 2013



**In the past year,  
the Airbnb  
community  
in Sydney  
consisted of**

**2,205**  
Local Hosts



**30,480**  
Inbound Guests



**79,804**  
Outbound Guests

Note: Includes hosts who hosted in Sydney and guests who traveled to or from Sydney August 2012 – July 2013.

**... and Airbnb supported**

**\$214m**  
in economic activity

**1,642**  
jobs

Note: All dollar amounts in this document are in Australian dollars. Airbnb total economic impact and jobs supported were calculated according to analysis by BIS Shrapnel Pty Ltd. Economic activity and jobs generated do not account for substitution effects and include visitors who would have come to Sydney without Airbnb.

## EXECUTIVE SUMMARY

**Airbnb conducted a study of its impact in Sydney and found that this form of sustainable community-based tourism affects the city in three significant ways.**

### Supporting Households

**60%** of hosts use their Airbnb income to pay their rent or mortgage.

Airbnb helps local households stay afloat—many hosts rely on their Airbnb income to make ends meet.

### Growing and Diversifying Tourism

**89%** of Airbnb guests want to “live like locals”.

Airbnb appeals to a new segment of travellers seeking authentic and diverse neighbourhood experiences.

### Activating Suburbs

**80%** of Airbnb properties are outside the main hotel areas.

Airbnb allows guests to stay in traditionally less visited suburbs and to support the local businesses there.

# Supporting Households

Airbnb hosts in Sydney are a diverse group that varies in age, occupation, household type and income, and neighbourhood. The majority of hosts rent their primary residences occasionally (37 nights per year) and earn a modest but significant amount of extra income (\$4,505 per year).

This income makes a real difference to hosts: 31% say that they rely on it to make ends meet. They spend on average 47% of their Airbnb income on essential living expenses such as rent, mortgage payments, household bills, and groceries. Additionally, 48% of hosts say that Airbnb has helped them to stay in their home.

Airbnb also allows hosts to pursue their dreams: about 27% of hosts are freelancers, entrepreneurs, or self-employed and 28% said that Airbnb has allowed them to have a more flexible working schedule to pursue personal projects and launch new businesses in Sydney.

Note: Income is a weighted average based on the number of days the property was on Airbnb in the past year in order to reflect accurate averages. Averages are for hosts with only one listing, the typical Airbnb host.  
Source: Survey of 280 Airbnb hosts in Sydney who hosted August 2012 – July 2013; Airbnb booking data August 2012 – July 2013.

## What hosts are saying:

“While it is HUGELY important for our mortgage, it also helps us with child care fees for our children, making it more affordable for me to return to work as a mother of young children. We would struggle financially without the Airbnb income.”

“It pays for my grandmother’s care.”

“For some time I was in a desperate situation (unemployed) and thought I might need to sell my home and move somewhere cheaper. The income from Airbnb meant that I could stay here.”

“Offset our startup costs of our cooking school business in Italy.”

“Being a supplementary income it is vital to our staying in our home.”

“Supplements our income and has been vital in helping my partner retrain in a new career.”

“For paying for our living expenses, and financial support for our university studying children.”

“It has helped to remain living in my home after I left my longterm type of employment. It covers the mortgage, the bills and usual living expenses.”

“To cover the period between permanent flatmates for the second room.”



Source: Survey of 280 Airbnb hosts in Sydney who hosted August 2012 – July 2013.

The typical Airbnb host rents out the home in which he or she lives.

My primary residence

85%

WHAT BEST DESCRIBES THE PROPERTY YOU RENT ON AIRBNB?

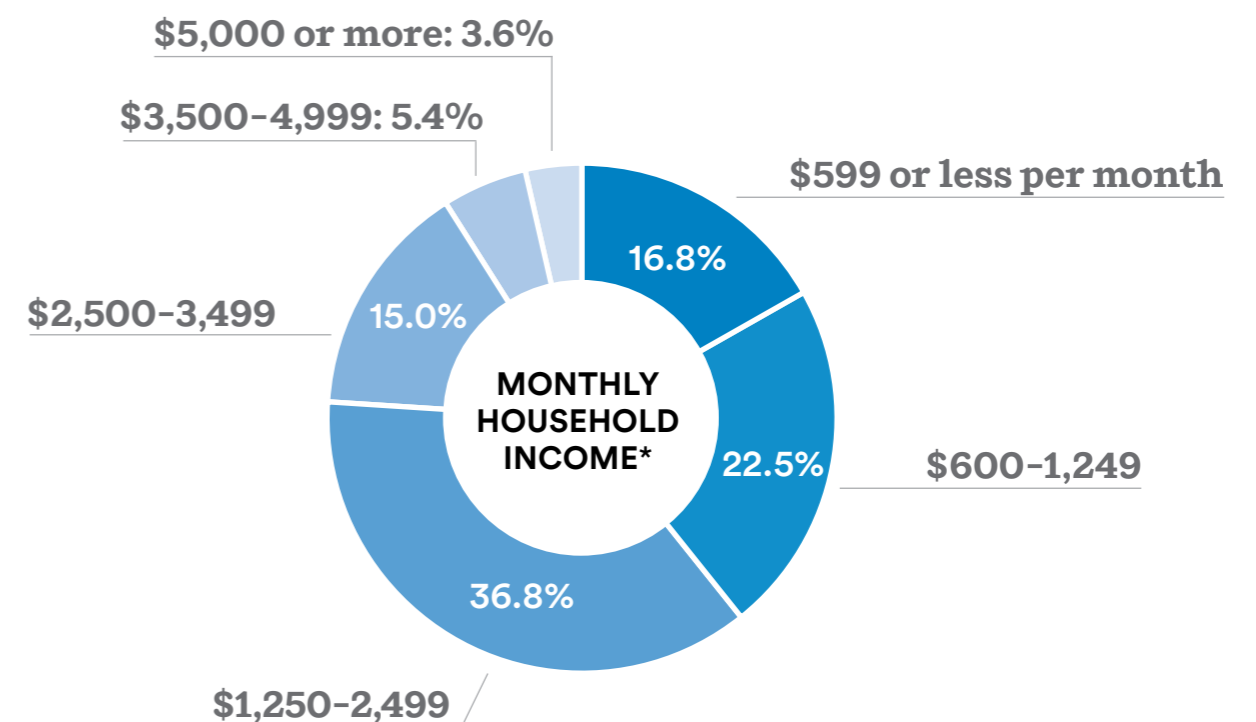
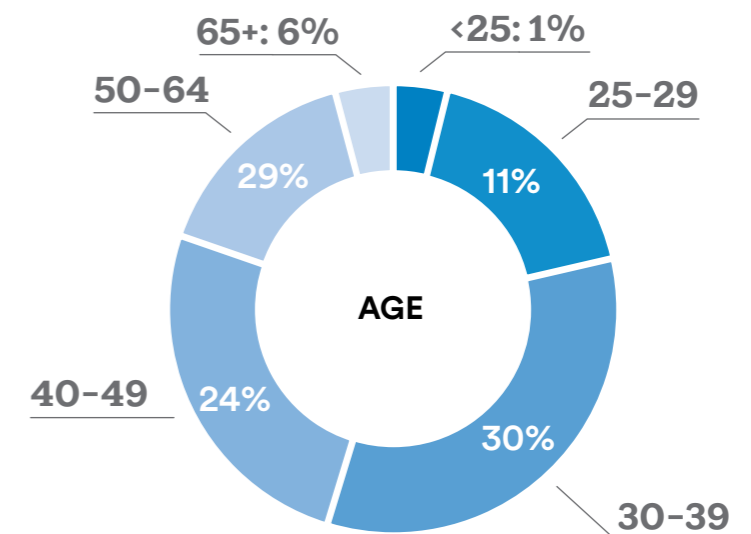
15%

A secondary residence or other property

Source: Survey of 280 Airbnb hosts in Sydney who hosted August 2012 – July 2013.

Airbnb hosts are diverse in age and many are middle class.

44 Average host age



46% of Airbnb hosts earn at or below Sydney's median household income (\$1,447 per week).

Source: Host income data from survey of 280 Airbnb hosts in Sydney who hosted August 2012 – July 2013. Median household income from the 2011 Australian census.

# They work in various industries:

- 14%** Education and Training
- 10%** Health Care and Social Assistance
- 10%** Information Media and Telecommunications
- 9%** Professional, Scientific and Technical Services
- 9%** Arts and Recreation Services

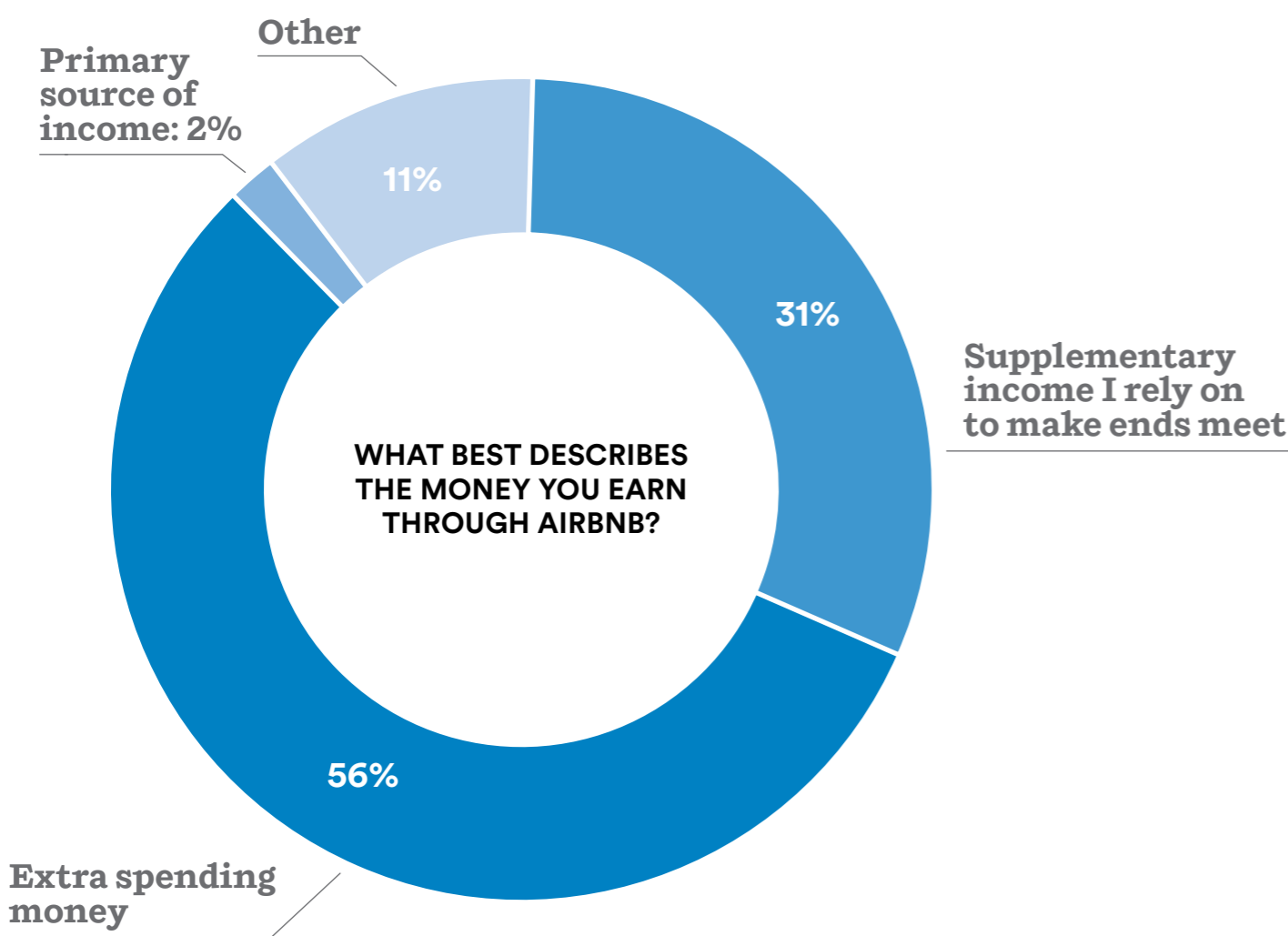
# Many have non-traditional forms of employment.

- 27%** are freelancers, entrepreneurs or self-employed
- 28%** use the additional income to launch a new business or pursue personal projects

Hosting has helped this creative workforce succeed on their own in Sydney.



# Hosts earn a modest, yet significant, amount of extra income.

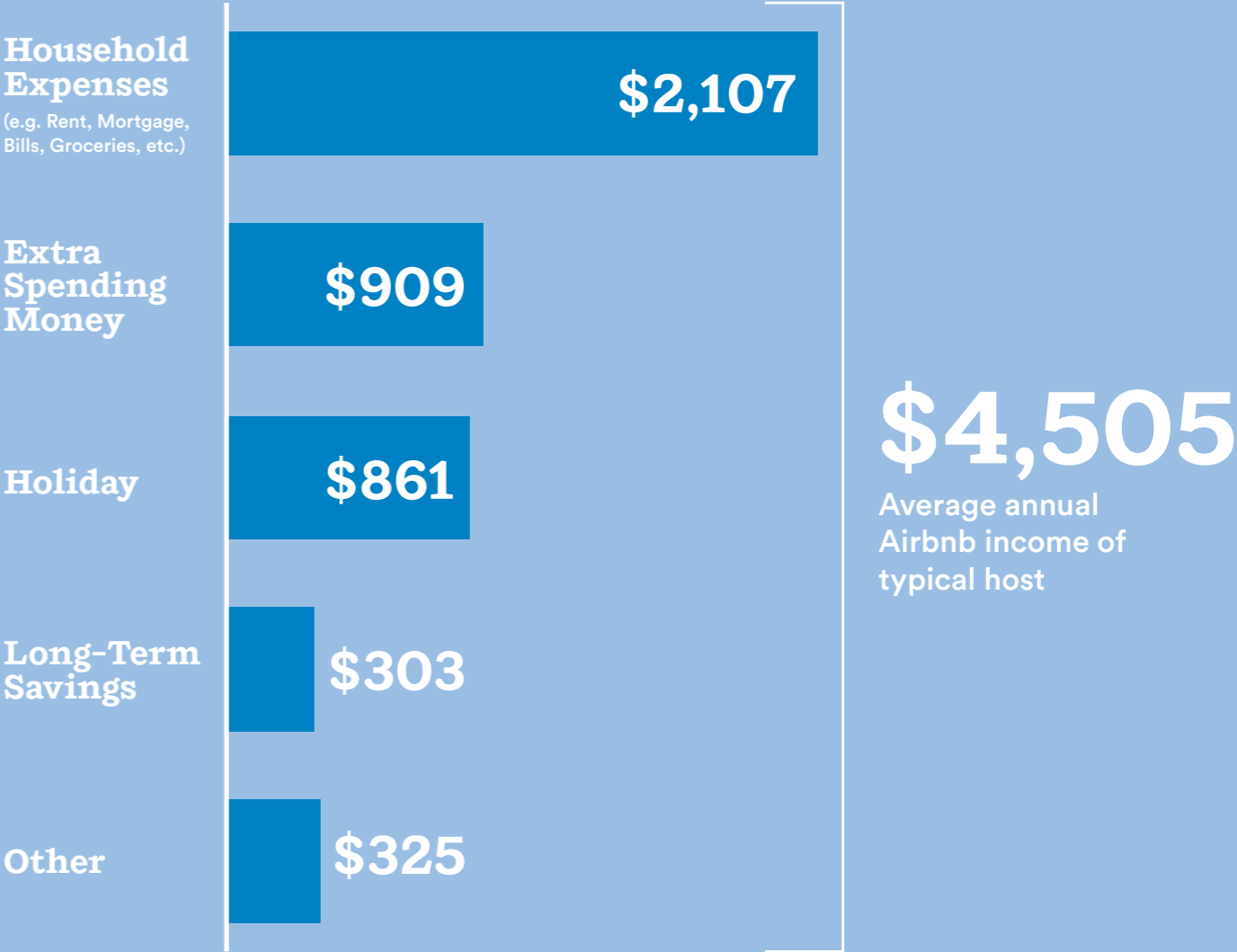


**\$4,505** Average annual Airbnb income of typical host

**37** Average nights booked per year

Note: Income is a weighted average based on the number of days the property was on Airbnb in the past year in order to reflect accurate averages. Averages are for hosts with only one listing, the typical Airbnb host.  
Source: Survey of 280 Airbnb hosts in Sydney who hosted August 2012 – July 2013; Airbnb booking data August 2012 – July 2013.

# Hosts spend 47% of this income on important household expenses.



Note: Airbnb income represented is before taxes and does not reflect income tax or other taxes that hosts may pay on this income.  
Source: Survey of 280 Airbnb hosts in Sydney who hosted August 2012 – July 2013; Airbnb booking data August 2012 – July 2013.



**Many hosts  
say that Airbnb  
helps them to  
afford housing  
costs.**



**48%**

**say hosting helped them  
stay in their homes**

**38%**

**of hosts live in a single-  
income household**

**31%**

**of hosts rely on their Airbnb  
income to make ends meet**



Source: Survey of 280 Airbnb hosts in Sydney who hosted August 2012 – July 2013.

# Growing and Diversifying Tourism

Airbnb spurred significant economic activity in Sydney in the past year, much of it new.

## Growing Tourism

Airbnb helps Sydney attract new and returning visitors: 31% of guests would not have come to Sydney or stayed as long without Airbnb, and 63% said they are more likely to return to Sydney because of Airbnb. Airbnb guests spend more time and money in Sydney than hotel guests. Airbnb guests spend significantly more: on average \$1,822 per person per trip (compared to \$1,071 for average Sydney visitors).

## Diversifying Tourism

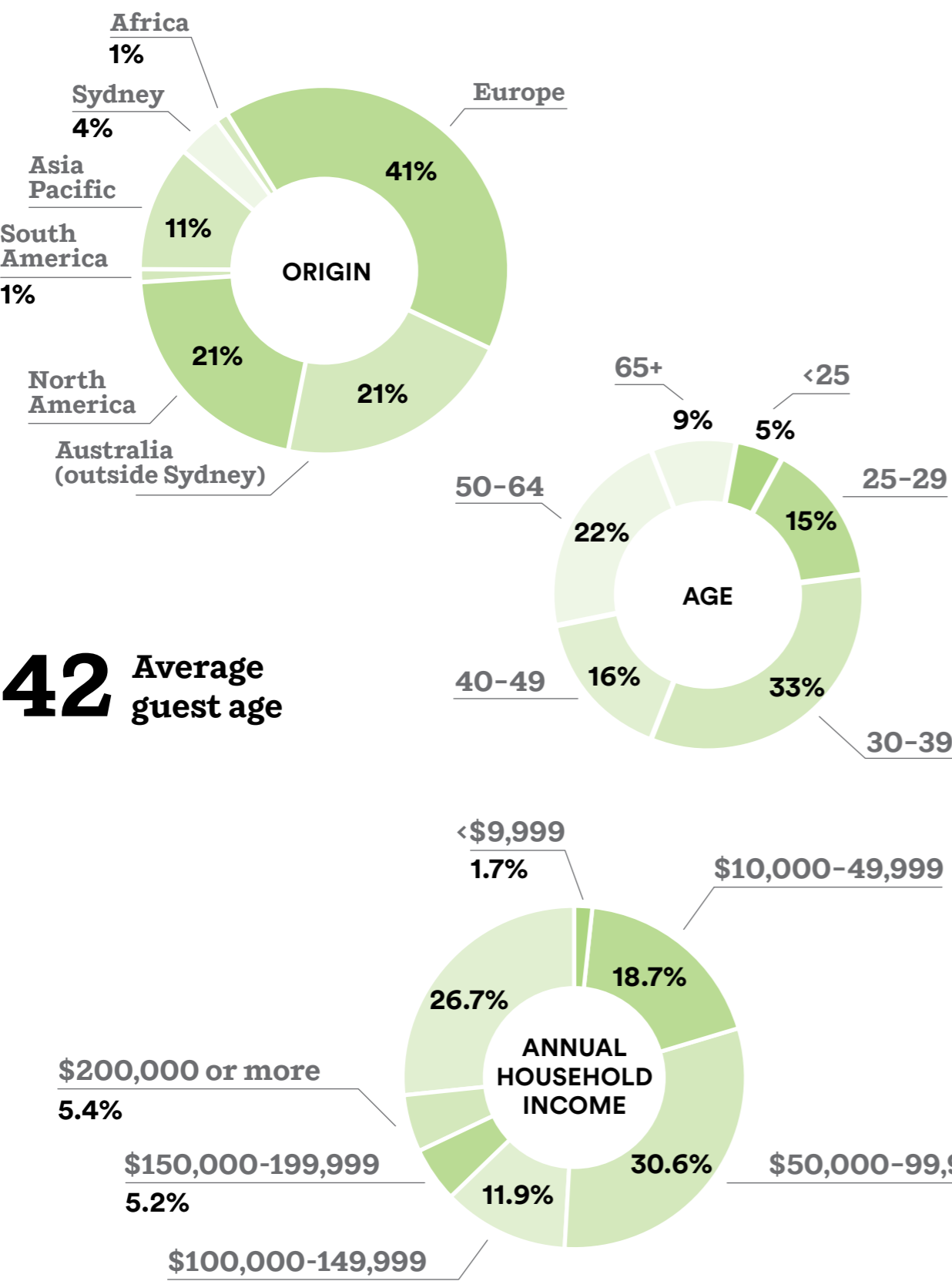
Airbnb guests are very diverse in age, income and nationality. However, the majority are highly educated with 76% having at least a university degree, and 75% being international (compared to 27% of average Sydney visitors). They travel on Airbnb because they are looking for authentic experiences: 89% want to “live like a local” and 80% want to explore a specific local suburb. Some are looking for more convenience: 31% were travelling with children, relatives or friends and 86% wanted more amenities than hotels offer.

Airbnb is complementary to the existing tourism industry in Sydney. While Airbnb has grown, hotels have added capacity and occupancy rates continue to rise.

Note: Average spending was calculated by adding average daily rate (ADR) per person and average daytime spending per person and multiplying by average length of stay.  
Source: Survey of 484 Airbnb guests who visited Sydney August 2012 – July 2013; Airbnb booking data August 2012 – July 2013.



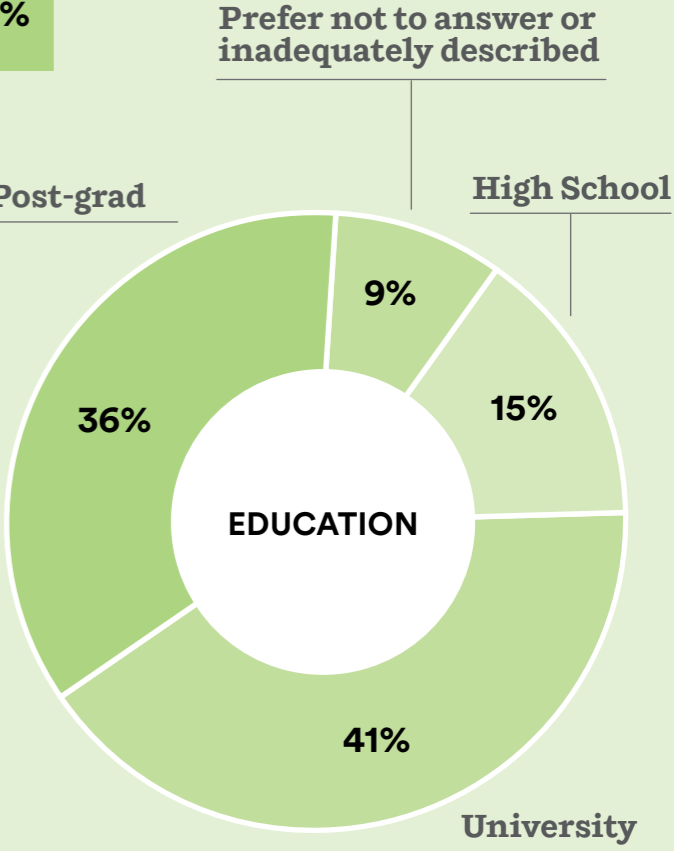
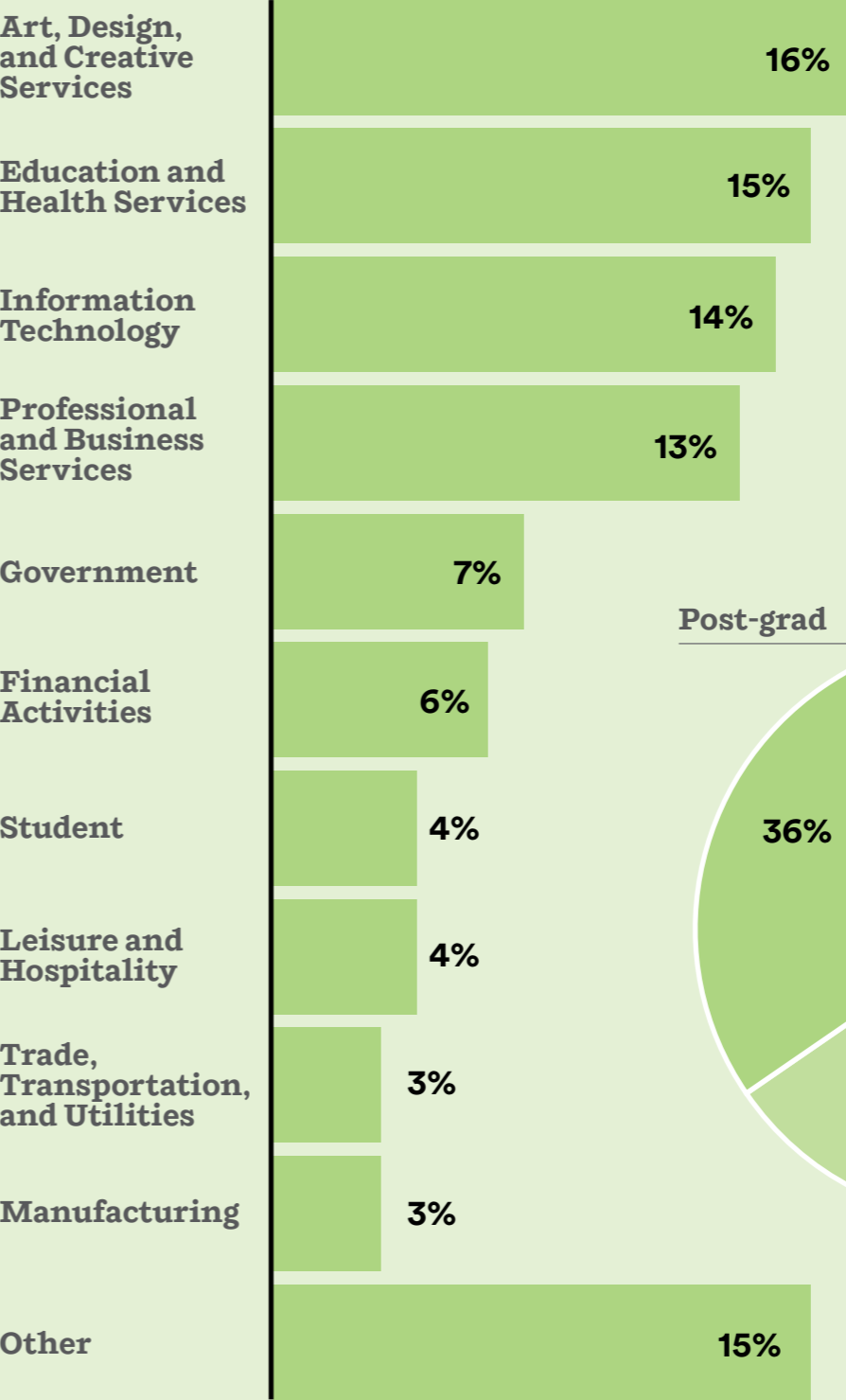
# Airbnb attracts a diverse group of visitors.



**42** Average guest age

# Airbnb guests are highly educated and professional.

## EMPLOYMENT



Source: Survey of 484 Airbnb guests who visited Sydney August 2012 – July 2013.

# Airbnb attracts guests who have different preferences and needs.

# Airbnb grows tourism by attracting new visitors who are more likely to return.

## AUTHENTIC LOCAL EXPERIENCE

**89%** of guests want to “live like a local”

**80%** of properties where guests stay are located outside the 5 main hotel districts

**48%** visited Sydney for the first time

**31%** said they would not have come or stayed as long without Airbnb

**63%** say Airbnb made them more likely to return to Sydney  
(visiting on average 9 times in the past 5 years)

## FAMILY AND GROUP FRIENDLY

**31%** of guests travelled with their children, relatives and friends

**86%** of guests wanted more amenities than a hotel offered (e.g. kitchen, multiple bedrooms)

# Airbnb guests spend more.

Airbnb  
Visitors

\$1,822

Total  
Spending  
per Visitor

Hotel  
Visitors

\$1,071

Total  
Spending  
per Visitor

71%

say they spent during  
the day the money  
they saved on Airbnb  
accommodations

Note: Spending is per guest per trip, and includes accommodation, food, beverages and other spending, and is multiplied by average length of stay.  
Source: Survey of 484 Airbnb guests who visited Sydney August 2012 – July 2013; Airbnb booking data August 2012 – July 2013; 2012 Regional Tourism Profiles.



# Activating Suburbs

Airbnb distributes visitors and their dollars to suburbs that traditionally have not benefited from the tourism industry: 80% of Airbnb properties are located outside the main hotel areas (Central Business District, Haymarket, Potts Point, Surry Hills, and Darlinghurst) and 80% of guests use Airbnb to explore a specific suburb.

Airbnb guests spend substantial amounts in these suburbs: 46% of their daytime spending is in the suburbs where they stay. Much of this spending goes toward local neighbourhood businesses and organizations that otherwise would not benefit as significantly from the tourism industry: 74% of Airbnb guests enjoy cultural and heritage experiences and 18% enjoy indigenous experiences while visiting Sydney.



# Airbnb guests prefer to experience authentic Sydney through its diverse suburbs.

80%

wanted to explore a specific suburb

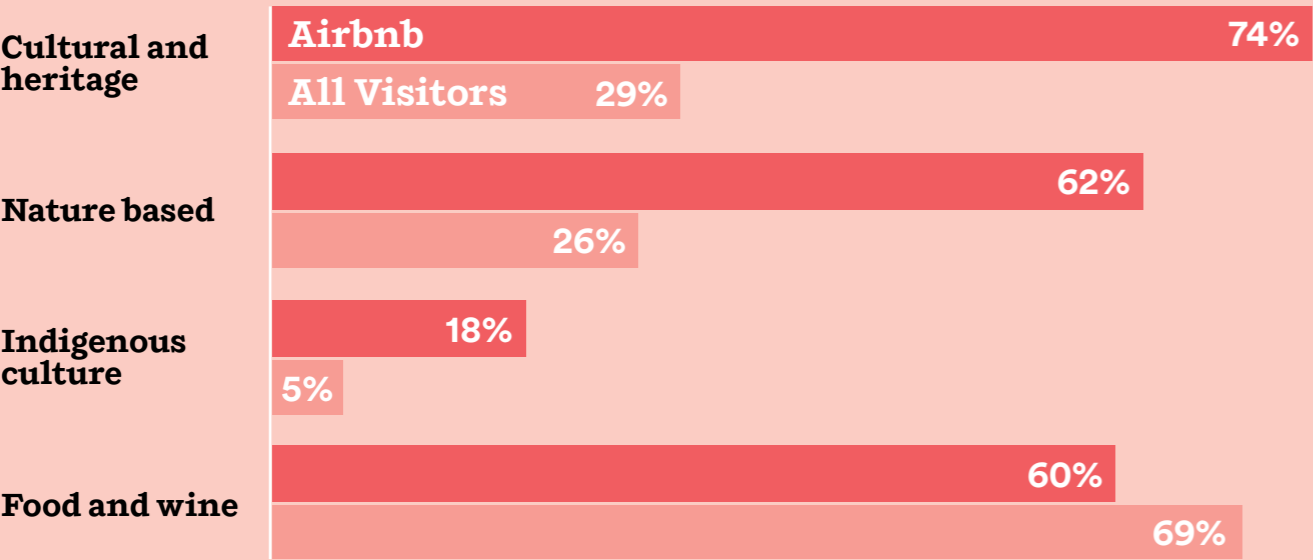
86%

said the Airbnb location was more convenient than a hotel's

92%

would recommend the Airbnb property to a friend

## KINDS OF EXPERIENCES GUESTS ENJOY IN SYDNEY



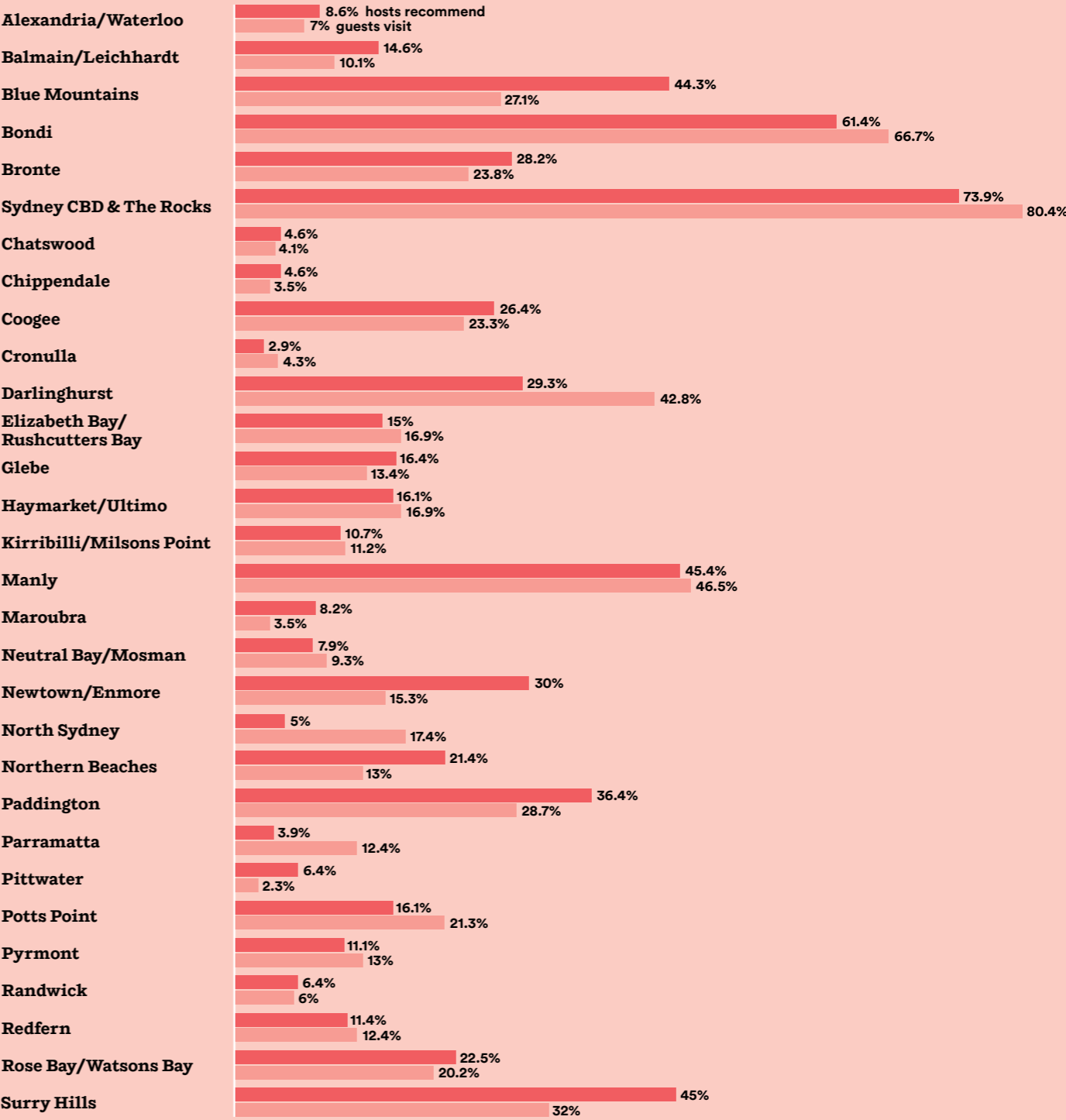
Note: Airbnb survey questions aligned with the Regional Tourism Profiles 2012 data for direct comparison. Responses do not add up to 100% as respondents were able to select more than one answer. Source: Survey of 484 Airbnb guests who visited Sydney August 2012 – July 2013; Regional Tourism Profiles 2012.

# Hosts help their guests discover less-visited locales.

98%

of hosts suggest local restaurants, cafes, bars and shops in their neighbourhoods.

## HOSTS RECOMMEND THAT GUESTS VISIT MANY DIFFERENT AREAS IN AND AROUND SYDNEY, AND GUESTS FOLLOW THOSE RECOMMENDATIONS:



**These activities occur primarily in suburbs that don't have many hotels, where Sydney residents and businesses have not traditionally benefited from tourism.**

**CASE STUDY: RANDWICK**

**38** Hosts **407** Guests stayed in the past year

**\$223,822** Total Guest spending in Randwick

**\$142,422** to local households  
**\$81,400** to local businesses

Note: Guest spend includes accommodation spend plus local daytime spend in the suburb where the guest stayed as reported in the survey of 484 Airbnb guests who visited Sydney August 2012 – July 2013. These suburb calculations were based on a smaller subset of respondents in the same survey and extrapolated values may not be as statistically significant as the aggregate set.

● HOTEL ● AIRBNB LISTING

**80% of Airbnb properties are located outside of the five main hotel areas.\***

**46%** of visitor spending occurs in the suburb where they stay

The average visitor spends  
**\$1,042** at local businesses in the suburb where they stay

**Airbnb distributes this spending impact across Sydney's diverse suburbs.**

**Distribution of Airbnb properties (pink) and hotels (blue) as of June 2013**

\*The areas with the highest share of hotels were selected: Central Business District, Haymarket, Potts Point, Surry Hills, and Darlinghurst. These neighborhoods hold more than 53% of all Sydney hotels.  
Source: Airbnb property data as of September 2013; Hotelbase.

Source: Survey of 484 Airbnb guests who visited Sydney August 2012 – July 2013; Airbnb property data as of September 2013; Hotelbase.



**The Airbnb community is contributing to a new economy. This sustainable, community-based form of tourism supports households, grows and diversifies tourism, and activates Sydney's suburbs.**

