

Short-term rentals under the microscope: finding the smartest way to regulate



What this research is about

This research investigates a range of short-term rental accommodation (STRA) models across Australia and their impacts on housing markets and communities. It identifies the policy responses most likely to resolve the competing demands for short- and long-term rental housing.

Why this research is important

Many communities are concerned about the housing market and neighbourhood impacts of STRA. Platforms like Airbnb have increased demand for residential property and enabled owners to finance housing investment in new ways. Understanding the range of STRA models, provider motivations, and impacts in different metropolitan and regional settings is key to effective policy development and regulation.

Based on

Final Report No. 460: *Short-term rental accommodation: models, impacts and policy responses*

Authored by

Nicole Gurrán, University of Sydney
Caitlin Buckle, University of NSW
Laurence Troy, University of Sydney
Zahra Nasreen, University of Sydney
Laura Crommelin, University of NSW
Peter Phibbs, University of Sydney
Pranita Shrestha, University of Sydney
Declan Redmond, University College Dublin
Jason Harrison, University of NSW

Publication date

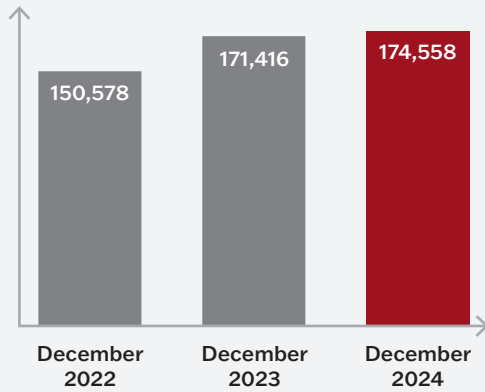
May 2026

View the report



At a glance

Total short-term rental listings continue to rise in Australia, reaching 174,558 at the end of 2024.



Higher profit isn't the only motive for hosts; many list properties to recover the costs of a second home.



Short-term rental use goes beyond tourists to students, relocators, project workers and emergency housing.



Interventions in Victoria, Tasmania, WA and NSW provide insights into the effectiveness of regulations.



Key findings:

International approach to STRA offers a roadmap

Rising concern internationally about the impact of STRA on house prices and rental costs has translated to strong restrictions, particularly in Europe and North America.

By contrast, the Australian states and territories have been relatively slow to respond, and local governments lack reliable data to monitor and enforce compliance with existing regulations.

Measures used internationally include:

- strong registration and reporting requirements
- limitations on the number of booking nights or locations where STRA can operate
- imposing taxes or levies
- strengthening protections for long-term renters.

These measures could be further developed in Australia.

Host motives go beyond higher returns

STRA owners and hosts are not necessarily motivated by higher rental returns.

Changes to residential mobility and hybrid or remote work have increased demand for second residences, and many providers are motivated to recover costs associated with maintaining a second home.

Other motivations include responding to demand for flexible or temporary housing and navigating regulatory or tenancy challenges in the long-term rental sector.

Understanding motivations and financial considerations is important when designing policies to limit or reverse the conversion of long-term rental properties to STRA.

Policy actions:

Build regulation on best practice

Leading practice in STRA policy internationally and domestically emphasises the importance of:

- clear, reliable and timely data to monitor STRA activity and market impacts
- enforcing existing regulations through platform reporting, user-based registration and compliance mechanisms
- protecting long-term rental housing supply and the rights of renters by restricting the conversion of long-term homes to STRA
- spatial policies recognising key tourism locations that may be appropriate for unrestricted STRA
- financial tools, such as fees, rates, or levies to fund the infrastructure and services associated with short-term visitors.

‘Understanding motivations and financial considerations is important when designing policies to limit or reverse the conversion of long-term rental properties to STRA.’

Adopt an all-of-government response

Local governments in high-demand areas need support in developing and implementing policy responses that limit conversion of permanent accommodation to STRA, protect long-term renters from displacement, and offset the housing market and infrastructure impacts of high visitor demand.

All levels of government have a role to play. The Federal Government can reduce rental market impacts of the STRA sector through national housing policy, taxation and housing assistance. State and territory governments can support STRA registration, land use regulations and renter protections, while enabling local governments to respond to specific community and housing market impacts.

Facilitate STRA use as emergency housing

There is a strategic opportunity to use the short-term housing sector as emergency housing in response to crisis events and demand shocks.

This will require coordination and resourcing, as well as collaboration across short- and long-term rental housing providers, social landlords and the emergency sector.

Develop support programs

States can support local councils and housing providers by establishing programs to support property owners wishing to transition from STRA and/or to make properties available as temporary or crisis accommodation.

Retain levies for local purposes

Resources collected through financial levies on STRA should usually be spent in the local area to help alleviate housing and infrastructure pressures created by short term visitors.

Compel platforms to share data

Government leadership is needed to ensure platforms supply the detailed and timely property-level data needed to enforce regulations and monitor impacts.

‘There is a strategic opportunity to use the short-term housing sector as emergency housing in response to crisis events and demand shocks.’

Research design:

The project used mixed methods to examine the spread of STRA across Australia, as well as provider types and business models. It also considered impacts on housing markets and communities, and potential regulatory responses.

The research involved an international policy review, development of a national typology of STRA models, financial analysis, and analysis of spatial distribution. Case studies examining STRA and intersections with housing markets in Greater Sydney, the NSW South Coast and Tasmania were undertaken, along with interviews with STRA managers and providers, local government and other stakeholders.

To cite the AHURI research, please refer to:

Gurran, N., Buckle, C., Troy, L., Nasreen, Z., Crommelin, L., Phibbs, P., Shrestha, P., Redmond, D., Harrison, J. (2026) *Short-term rental accommodation: models, impacts and policy responses*, AHURI Final Report No. 460, Australian Housing and Urban Research Institute Limited, Melbourne.

Available from the AHURI website at ahuri.edu.au/research/final-reports/460
