

PRDnationwide Research

Airbnb

What is Airbnb?

- Airbnb was founded in 2008 in the United States. It is an online platform that connects hosts and travellers around the world.
- In November 2012 Airbnb announced their focus on Australia and has since taken off.
- It is estimated that over 700,000 people have stayed in 75,000 properties over the past 12 months with Sydney ranking as Airbnb's 10th largest global market.
- There has been an increasing trend in users of Airbnb due to improved safety, cheaper accommodation options, wider range of lodging options and the availability of full kitchens and laundries.
- There are currently 40,000 Airbnb listings in Australia, which has doubled over the past 12 months.
- Airbnb hosts earn an average of \$7,100, which adds up to close to \$300 million in income each year.

The Average Australian Host



Earns
\$7,100 a year



Rents out their listing
51 nights a year



Charge an average of
\$157 per night

1 in 200

Australian Homes



Are now listed on
Airbnb

70%

of Australian's use



Airbnb Internationally

10th largest

Airbnb market



Globally

Airbnb Australia

Capital City Analysis*

Advertised Factor	Brisbane	Sydney	Melbourne
Dual/Separate Living	22.0%	23.0%	12.0%
Ability to Extend	22.0%	14.0%	6.0%
Ability to Convert	26.1%	26.5%	n/a
Average Price Difference	23.4%	21.2%	9.0%

- The asking price for houses with dual living, extension or conversion capabilities were compared to the suburb median in order to determine price differences.
- Suburb median: median price of houses of similar characteristics to houses with dual living capabilities – i.e same number of bedrooms, bathrooms, carpark, and land area.
- Based on sale price of houses sold from 1st January 2015 to 1st October 2015 – ensure similar property cycle characteristics
- On average, price differences for houses with dual living capabilities are higher in comparison to the suburb median.

How do agents promote dual living?

Examples:

- “Dual occupancy living”
- “Retreat with separate kitchenette”
- “Ground floor granny flat with spacious bedroom, lounge and dining area, kitchen, self-contained laundry and separate entry”
- “Huge separate study or guest bedroom”
- “Option of a fifth bedroom”
- “Granny flat potential”
- “Downstairs area completely self contained with bedroom, lounge room, kitchenette and bathroom”
- “Self-contained unit”
- “Plenty of land to build an extra unit”



Airbnb Australia

Variations between Airbnb Regulations

Summary of Major City Councils Airbnb Regulations

Brisbane For providing rooming accommodation to individuals other than students, hosts are referred to the Residential Tenancies and Rooming Accommodation Regulation 2009.

Mixed regulations depending on relevant Councils, for example:

Sydney

- Tourist accommodation not permitted in residential zones or apartment buildings (Sydney City);
- Allowed only as bed and breakfast in some areas with consent (Manly)

Melbourne Legal in the state of Victoria.

➤ “Rules around short term rentals in Australia are disjointed, confusing and convoluted.”

The Sharing Economy and Tax:

- The proportion of floor area that is set aside to produce income has tax implications.
- Hosts can claim a portion of their mortgage as a tax deduction, as well as depreciation on certain items.
- Hosts must pay capital gains tax proportional to time and space rented out.
- Hosts must register for GST if annual turnover is above \$75,000.

Airbnb Australia

Popular Airbnb Suburbs

Suburb	Average price growth since the introduction of Airbnb		Vacancy Rate Sep-15	Rental Yield		Rental Yield in 2012 (year airbnb was introduced)	
	House	Unit		House	Unit	House	Unit
Sydney							
Darlinghurst	10.3%	10.3%	1.3%	3.5%	3.9%	5.0%	3.7%
Surry Hills	14.9%	12.7%	1.3%	3.6%	3.9%	5.5%	4.3%
Pymont	21.8%	10.0%	1.5%	3.7%	4.1%	5.5%	5.9%
Forest Lodge	12.4%	-0.2%	1.3%	3.7%	3.7%	3.3%	2.4%
Melbourne							
Fitzroy	9.3%	4.9%	1.7%	3.4%	4.0%	1.9%	4.6%
Melbourne CBD	0.4%	-1.4%	4.4%	4.7%	5.1%	5.9%	4.2%
St Kilda	5.8%	-0.2%	2.4%	3.9%	4.2%	4.2%	3.9%
Richmond	10.6%	1.7%	1.4%	3.0%	4.0%	4.3%	2.9%
Brisbane							
Brisbane City	n/a	2.1%	2.6%	n/a	6.0%	n/a	6.2%
West End	9.3%	4.9%	3.5%	3.2%	4.4%	3.7%	5.0%
Mt Gravatt	8.2%	6.0%	2.2%	3.3%	4.7%	4.1%	4.7%
New Farm	6.6%	3.4%	2.2%	2.3%	4.0%	3.5%	4.3%

THANK YOU!!

Any Questions???