

Occupancy Rates and Short-Term Rental Accommodation

The Milton-Ulladulla area has long been known for its tourist and visitor economy. The tourism sector directly supports approximately 440 jobs within the Milton-Ulladulla Study Area¹ (accounting for 8% of all jobs), with supporting industries such as retail trade, and accommodation and food services also contributing to the local economy.

Like many coastal towns and villages, this translates to a high proportion of unoccupied dwellings that are used as holiday homes. The emergence of online short-term rental accommodation (STRA) platforms in recent years has also led to change within the tourism sector, resulting in a perceived increase in the number of homes being used for tourist and visitor accommodation, rather than long-term rentals.

The Australian Bureau of Statistics (ABS) records dwelling occupancy rates through its five-yearly Census². Occupancy rates have consistently varied between localities within the Study Area. For example, since 2006, the percentage of unoccupied dwellings in Mollymook and Mollymook Beach has stood at about 40%, while Milton has been much lower at about 10%. Interestingly, the rate of unoccupied dwellings decreased in all Study Area localities at the date of the 2021 Census, as shown in Figures 1 & 2.

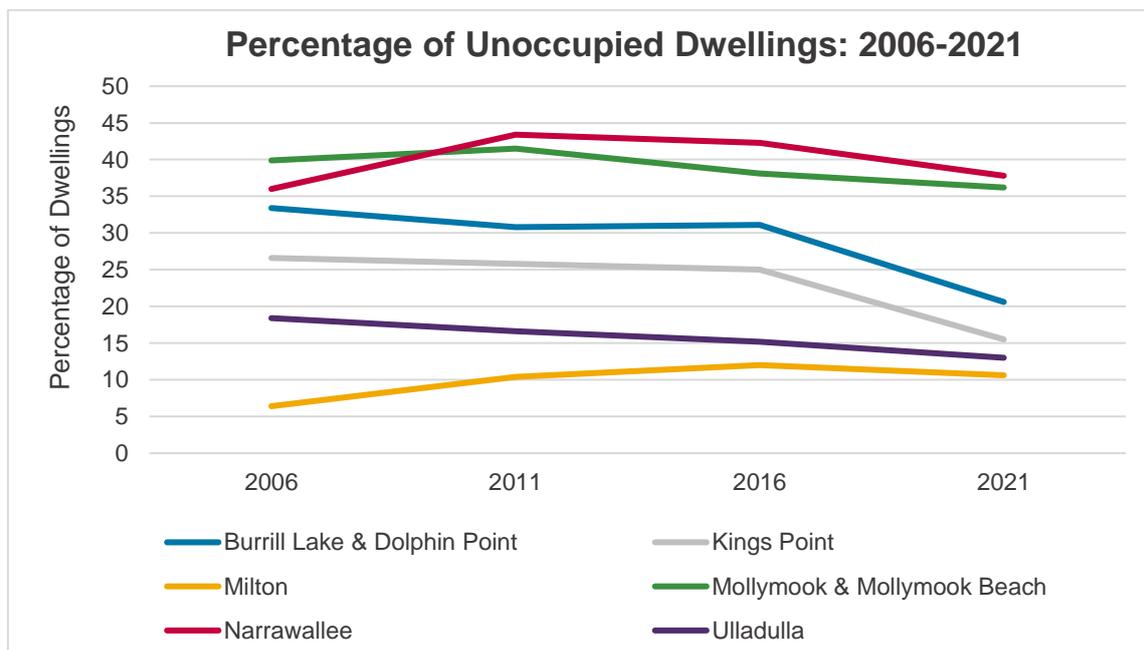


Figure 1: Percentage of unoccupied dwellings within the Study Area over five-yearly Census periods from 2006-2021.

¹ Employment data sourced from REMPLAN

² Dwelling 'occupancy' is determined by the returned Census form and where a person is located on Census night. If a form is not returned and the ABS are not provided with further information, the dwelling is deemed to be unoccupied. This is influenced by many factors, including:

- Rental properties that are in-between tenancies;
- Properties that are listed for sale or awaiting transfer; or
- People who are away from their home on Census night due to work, health or personal reasons.

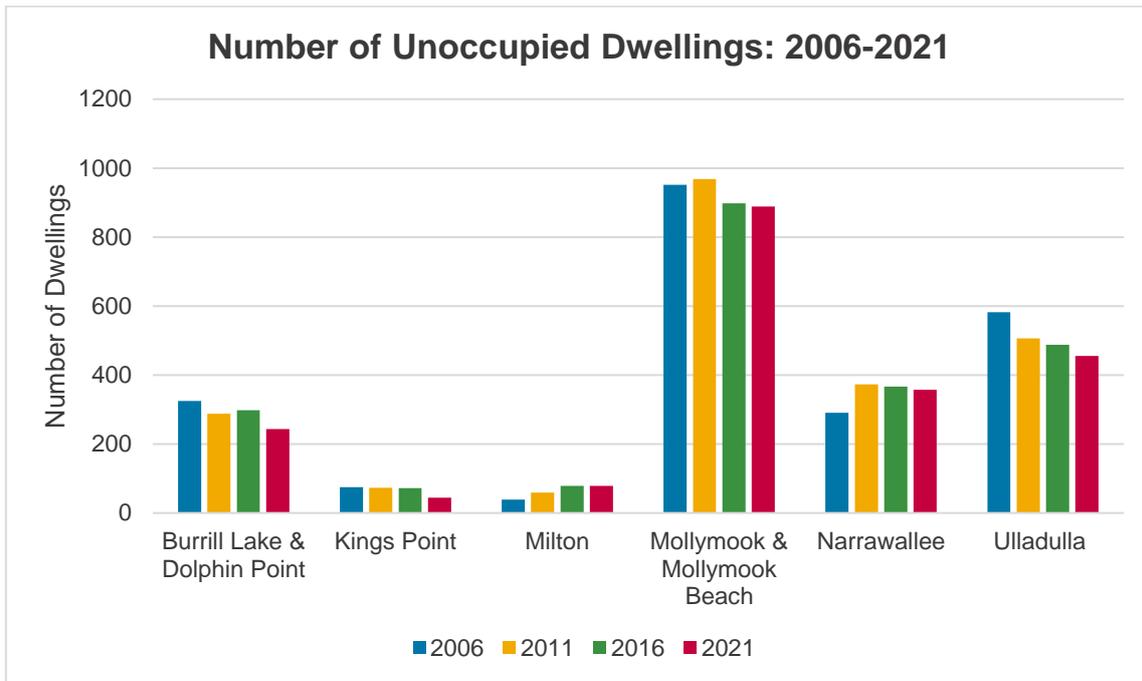


Figure 2: Number of unoccupied dwellings within the Study Area over five-yearly Census periods from 2006-2021.

It is unclear whether the recent decline in unoccupied dwelling rates is the beginning of a long-term trend, or reflects short term factors. Further research will need to be undertaken to better understand the external influences on dwelling occupancy rates, and the potential impacts of STRA, or changes to it, on housing availability and affordability on local housing markets.

The occupancy data suggest that there may be a need to plan for more dwellings than population forecasts suggest, to allow for a proportion of homes being used as holiday accommodation and the like.

In addition, Council has recently resolved to investigate land use planning options to potentially help better manage the amount of STRA available within the broader Shoalhaven, including its use / operation. The outcomes of this work, when known, will potentially also be implemented within the Study Area and may impact future STRA use / numbers.