

2025 Changes to Short Term Rental Accommodation Laws

The NSW Government is currently reviewing the STRA regulations in response to rising rents and housing shortages. While no concrete legislative changes have been enacted for 2025 as of this date, the following key areas are under serious consideration:

What's Changing in 2025? (Proposed Changes Under Review)

1. Potential Reduction of the 180-Night Cap

- A key area of review is the statutory **180-night annual limitation for non-hosted STRA within Greater Sydney**. A reduction in this cap, potentially to **90 nights per annum**, is being seriously contemplated.
- Proposals for even more restrictive limits, such as a **60-night cap** as advocated by certain local councils (e.g., Byron Bay), may influence broader legislative changes or empower further local council action.

2. Tougher Enforcement and Penalties

- The government is considering the implementation of **more stringent enforcement mechanisms** and **increased financial penalties** for non-compliance with STRA regulations. This includes, but is not limited to, failure to register, exceeding permissible nightly limits, and breaches of fire safety standards.
- An increase in proactive compliance audits is also anticipated, potentially increasing the risk for

unregistered or non-compliant STRA operations.

3. Enhanced Local Council Regulatory Powers

- A potential outcome of the current review is the conferral of **greater discretionary authority upon local councils** to determine and enforce STRA limitations within their respective local government areas.
- This could result in significant variations in STRA regulations across different regions, potentially ranging from outright prohibitions in specific zones to more permissive frameworks in others.

4. Consideration of New Levies on STRA Properties

- The introduction of a **new levy or tax specifically targeting STRA properties** is under active consideration by policymakers. This approach mirrors recent developments in other jurisdictions, such as Brisbane's implementation of differential council rating for STRA properties.
- The primary policy objective of such a measure is to incentivise the return of properties to the long-term residential rental market.

Implications for Strata Schemes and Lot Owners

The proposed amendments to STRA legislation carry significant implications for strata schemes and individual lot owners:

- **Potential Impact on Investment Returns:** Stricter nightly caps, particularly for non-hosted STRA, may directly reduce the revenue-generating potential of affected properties.

- **Increased Compliance Burdens:** More rigorous enforcement and potentially enhanced safety requirements could lead to increased operational costs for STRA hosts.
- **Regulatory Uncertainty:** The prospect of divergent STRA regulations across different local council areas may introduce complexity and uncertainty for owners with properties in multiple locations.
- **Diminished Profitability:** The imposition of new taxes or levies would directly impact the financial viability of STRA ventures.
- **Differential Impact on Hosted STRA:** Properties operating under a hosted model are likely to be less directly affected by the anticipated changes primarily targeting non-hosted arrangements.

Recommendations for Strata Schemes and Lot Owners

Given the dynamic nature of STRA regulations in NSW, it is imperative for owners corporations and lot owners to:

- **Remain Vigilant:** Continuously monitor official announcements and legislative updates issued by the NSW Government regarding STRA.
- **Assess Investment Strategies:** Evaluate the potential impact of the proposed amendments on existing and prospective STRA investments.
- **Ensure Full Regulatory Compliance:** Conduct thorough audits to verify adherence to current registration requirements, fire safety standards, and any applicable local council regulations.
- **Engage with Legal Counsel:** Seek expert legal advice from strata law specialists to understand the implications of the evolving legal landscape and to ensure ongoing compliance.
- **Consider By-law Amendments:** Owners corporations may need to review and potentially amend their strata by-laws in

response to legislative changes or local council policies.

The anticipated amendments to NSW STRA legislation in 2025 signify a potentially significant shift in the regulatory environment. Proactive engagement with legal counsel and a commitment to staying informed are crucial for navigating these changes effectively and safeguarding the interests of strata communities and individual lot owners.

Easter 2025 and STRA Peak Period: Don't Let Outdated STRA By-Laws Catch You Out.

Is your strata community prepared for the Easter short-term rental surge? Outdated by-laws can lead to disputes and compliance issues.

[IS YOUR STRA BY-LAW UP TO DATE – DO YOU NEED A REVIEW?](#)



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Since 2002 Adrian has specialised almost exclusively in the area of strata law. His knowledge of, and experience in strata law is second to none. He is the youngest person to have been admitted as a Fellow of the ACSL, the peak body for strata lawyers in Australia. [Profile](#) I [Linked](#)

Contact Us

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