

Short term accommodation – Could selling a property put its use rights at risk?

For property owners, real estate agents, architects, certifiers, draftsmen and town planners, Noosa Shire Council's proposal raises a significant question: what happens to a property's value if its existing short-term accommodation use rights are lost when it is sold?

The proposal seeks legislative change.

At stake are property values, future income and whether affected owners would receive compensation.

What is the Council proposing?

In a press release dated 21 October 2026, Noosa Shire Council reported that it had proposed a resolution at the Local Government Association of Queensland conference seeking the removal of existing short-term accommodation use rights when a property is sold.

The press release states, in part:

> *"We're calling for legislative changes allowing Councils to extinguish those existing use rights when a property changes hands. It's a fair and gradual approach that would help return more homes to the long-term housing market over time to help ease our local housing shortage."*

Council had also outlined its position in a press release dated 12 August 2026:

> *Cr Wilkie said Council has proactively encouraged the transfer of short-term accommodation back into permanent housing.*
>
> *"The introduction of the Local Law in 2022 has seen 363 approved (licensed) properties cancelling their approvals and a further 112 approvals not renewed," he said.*
>
> *Cr Wilkie said Council will continue to advocate for the removal of existing use rights when properties change ownership for residential properties used for short term accommodation to help boost supply of permanent dwellings.*

Would removing use rights address the housing shortage?

Council's position should be considered alongside the University of Queensland's 2023 study[1], which concluded that short-term accommodation was likely to have little, if any, impact on the rental market in Queensland. The study identified limited dwelling supply, combined with strong demand for accommodation, as the key driver of rental market disruption.[2]

Who bears the cost?

If implemented, the proposed changes could affect both the resale value and the income a property can generate post sale.

A purchaser may have paid a premium for a property with short-term accommodation use rights. If those rights cannot

pass to the next owner, that premium could be eroded, exposing the seller to a capital loss.

The financial consequences are likely to be particularly significant in tourist hot spots where short-term accommodation is tightly regulated.

For property owners, the concern is the potential loss of income and capital value. For real estate agents, it is how a change in use rights could affect a sale and buyer expectations. For advisers such as town planners, certifiers, architects and draftsmen it is the proposed treatment of existing use rights and the balance between housing objectives and established entitlements.

A fair outcome needs more than a change of law.

The *Planning Act 2016* currently provides the potential for compensation where a planning scheme change removes existing rights. Yet the legislative changes proposed by Noosa Shire Council make no mention of compensation for extinguishing short-term accommodation use rights. This raises a fundamental question of fairness: if government removes an existing right without the owner's consent for the benefit of the wider community, why should that owner bear the financial loss alone?

Removing existing use rights on sale could mean significant financial losses to owners.

Property owners should have an opportunity to challenge the removal of their existing use rights and/or recover their loss through compensation. That is an argument for fair treatment.

A proposal with the potential to affect thousands of property owners throughout Queensland warrants meaningful consultation, a clear explanation of its likely housing benefits and proper consideration of compensation and opportunities to challenge the loss of rights.

While short-term accommodation remains contentious, a fair response requires meaningful consultation and a balance between the rights of all ratepayers – not a solution that leaves particular property owners bearing the cost of a policy intended to benefit the community as a whole.

Written by Andrew Williams, Director, and Lestar Manning, Consultant.

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[1] 'A Review of the Impacts of Short-term Rental Accommodation in Queensland' by Professor Shaun A. Bond, Professor Alicia Rambaldi, Professor Jonathan Corcoran, Associate Professor Thomas Sigler and Dr Frank Zou, June 2023.

[2] At page 56.

Please contact **Andrew Williams** or **Lestar Manning**, our Short-Term accommodation team leaders, if you would like to discuss how these proposed changes could affect your property.

All references to legislation are references to the legislation current as at 10 Nov 2026.
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