

**Submission
No 204**

**ADEQUACY OF THE REGULATION OF SHORT-TERM
HOLIDAY LETTING IN NEW SOUTH WALES**

Organisation: [REDACTED] Owners Corporation
Name: Mr Brian Adams
Position: Chairman
Date Received: 30/11/2015

[REDACTED] Response to the NSW Government's
Inquiry into Short Term Holiday Letting in NSW

[REDACTED]

[REDACTED]

Introduction

This response is submitted by an owner occupier who is also the chairman in the residential block, [REDACTED], who, in addition, is an investor and committee member in other nearby city Strata's since 1993.

This Strata [REDACTED] was established in 1999 and it consists of 156 Lots in floors 10-27, this Strata also includes 5 basement levels of Parking and a street level Foyer off [REDACTED].

Additionally, the floors 0 to 9 were created into a hotel, which included a health club and a large foyer with reception rooms, a café and restaurant. This was named, the [REDACTED], and developed by the [REDACTED]. After the Sydney Olympics the [REDACTED] Developer converted the hotel and facilities into a residential strata, named the Grand, [REDACTED] of 136 Units.

The shared common facilities that are used by both Stratats are managed by a BMC under terms and conditions defined in a SMS agreement.

The [REDACTED] is located in [REDACTED] close to other residential High-Rise e.g. [REDACTED], [REDACTED] and the [REDACTED] and to the Western Side close to the Barangaroo developments including the towering Casino.

All these residential High-Rise have restrictions on the use of their apartments for both Business and Short-term rentals and also have by-laws banning their use for such purposes.

Summary of our concerns

The [REDACTED] Owners Corporation fully supports the necessary actions with regards to any impacts of short-term rental due to:

1. The Current NSW Government Inquiry into Short-Term Holiday Letting.
2. The issues concerning some Short-Term rental penetration into [REDACTED]
3. Similar issues in our immediate neighbour [REDACTED].

Note: As a way of emphasizing the seriousness of the impact of Short-Term Rental, a recent SMH article on this subject is appended, and bear in mind that the adjacent Barangaroo complex is planned to have a Casino on the site much closer than the one causing problems at Docklands.

This article expresses the major fears and risks for owners and residents in Multi-residential stratats if significant penetration of Short-Term Rental is allowed to occur, particularly when disguised under a sub-tenancy, when typically the main agent leases to another agent/individual for a long term

lease and that agent/individual rents out the premises on a short term without the Main Strata Management being involved in the qualification of the new occupants. Not only do holiday short stays happen, but also all manner of undesirable occupants can be let into these multi-dwelling units.

The appended article on Dockland highlights what could occur when ganglands figures, illegal sex workers and slum landlords penetrate, not to ignore the problem of backpackers over crowding apartments

Currently the [REDACTED] is located in a somewhat residential suburb, which ambience is expected to change as the adjacent Barangaroo is finalised with that new Casino and we need to be well prepared to deal with this short stay problem. We have had problems in the past with Drug Dealers and Escort Agencies which we managed by directly drawing owners and agents attention to this situation, however more recently using the sub-agency arrangement and although we have a by-law prohibiting Short Term Leasing, it is difficult, in practice, to effectively enforce.

We have asked the Sydney Town Hall to assist, however their method is to prosecute, which requires well-documented cases and this takes too long to be effective.

A key recommendation for this Inquiry is for the development of effective and responsive deterrents and penalties that either the Owners Corporation or Authorities can utilize to stop illegal use of their dwellings.

Other Concerns

1. Security and Access Controls

In a secure building, such as the [REDACTED], an owners and/or residents access and facilities are somewhat controlled by the Owners Corporation Staff, this is managed with extreme protection for the residents rights, however if legislation could be established that, with the appropriate authorization being signed off, that illegal tenants could be prohibited.

2. Airbnb & Stayz

These are most likely short stay and not compliant with both our by-law and the City of Sydney restriction of Strata use, in our case. They may, however, be more difficult to discover if the Key transfers are off site and the visitors are not using vehicles.

Concluding Remarks

Currently, there are three main issues:

1. We have a growing number of illegal breaches of our by-law and we need your assistance to provide a more effective method of control.

2. We share our building with another strata particularly some Common Property and Services, which blatantly abuses the City of Sydney restrictions of short term rental use. and in doing so creates risks towards the Life-styles of the [REDACTED] residents.

3. We are most concerned about the NSW Gov. Inquiry into holiday short term matters, and we are most interested that the outcome strengthens the policing. Particularly as we noted the recent article in the SMH about Docklands with concern, particularly as the Packer Casino will be built adjacent to us in Barangaroo.

We look forward to some appropriate outcomes of the Inquiry and we are willing to cooperate with any further information to assist any required clarification.

Yours sincerely

Brian Adams

[REDACTED]
[REDACTED]

The Sydney Morning Herald

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Ganglands, not Docklands: new high-rises harbour the ganglands crowd

Chris Vedelago, Cameron Houston
Published: October 18, 2015 - 12:15AM

Originally conceived as a lifestyle destination for inner-city professionals and empty nesters, the gleaming towers of Docklands have instead become a popular haunt for gangland figures, illegal sex workers and slum landlords.

The Sunday Age understands apartments and short-stay hotels in the suburb are increasingly being used as "safe houses" and party spots for those on the wrong side of the law, including a number of the city's most influential up-and-coming drug dealers.

Criminals worried about safety but still keen to flaunt their rising wealth and power are attracted to luxury apartments in Docklands buildings where secure underground car parks and extensive CCTV systems are standard features.

Another drawcard is the area's proximity to Crown Casino and King Street's strip clubs, the traditional playgrounds for Melbourne's underworld.

Sources say booming profits from the ice and meth trade are funding moves into the area for a new generation of criminals, and the trend is accelerating amid fears about the growing drug-related violence in the northern and western suburbs.

"As soon as these new guys start to see a bit of money they buy a flash car, Louis Vuitton man bag and get a place in Docklands or Port Melbourne," a source said. "They're young, violent, just don't give a shit and post all about it on Facebook."

The Sunday Age understands that a drug dealer suspected of committing at least two murders and a string of drug-related standovers moved into a Docklands high-rise amid fears his activities were making him a target for revenge.

Tensions have been rising in Melbourne's underworld following a spate of shootings, fire bombings and murders over the past two years, many of which have occurred in suburban residential areas.

There is a perception that the security features of the high-rises – secure underground car parks, multiple locked doors and lobby CCTV cameras – make it harder to be ambushed by criminals or caught unawares by police.

Docklands is already home to a number of notorious residents including ex-bikie enforcer Toby Mitchell and alleged gangland boss Rocco Arico.

Arico has been [charged](#) following an investigation by the Purana anti-gangland taskforce into allegations of extortion and blackmail following a drug deal that went bad. A raid of his Docklands apartment allegedly uncovered a gun, ammunition, drugs and stack of cash.

Mitchell, who has been living in Docklands for nearly three years, was [arrested and charged](#) with drug trafficking in September after police stopped his car and a search allegedly uncovered a commercial quantity of ice.

A number of businesses in the precinct have also been linked to known and suspected criminals, including a major western suburbs drug trafficker, members of the Calabrian mafia, and an accused money launderer and loan shark.

Convicted drug trafficker Fadi Haddara is often sighted in the Docklands area and has been photographed on a yacht in the harbour.

A proliferation of short-stay hotels and other fly-by-night accommodation providers is also offering opportunities for illegal sex workers and drug dealers to ply their trades.

Residents have been fighting a legal and planning battle to block apartment owners from temporarily letting out their premises via sites like AirBnB, which they claim have become a magnet for poorly behaved holidaymakers.

But the Docklands Community Association has also told residents Victoria Police are concerned about drug trafficking out of residential buildings in the area. "Police stated that short-stay apartments were main places to watch," the DCA warned.

Law enforcement sources say illegal sex workers have also been using short-stay apartments in the Docklands and CBD to service clients they meet via advertisements on sites like Gumtree.

The latest figures from the Crime Statistics Agency show Docklands has experienced a massive jump in crime, up 58 per cent in the past financial year and nearly double what it was five years ago.

A Victoria police spokeswoman said the crime data should be considered in the context of the large population increase seen in the precinct in the past few years but that drugs remain "ongoing challenge" for police in the Docklands and CBD.

"Police regularly meet with local residents and sit on local community groups, where issues of concern can be discussed," she said.

The precinct has also become a magnet for slum housing operators who target vulnerable tenants such as foreign students and illegal workers, charging them each more than \$100 a week to live in a two-bedroom apartment crammed with up to 10 others.

Feeding into the problem is a soaring residential vacancy rate caused by expensive buy-in prices, high rents and a perception the precinct is poorly designed and serviced.

It is estimated nearly a quarter of all apartments and units in Docklands are unoccupied. The vacancy rate could be as high as 33 per cent for investment properties, putting enormous pressure on landlords to get tenants.

University of Melbourne urban geographer Dr Kate Shaw said the high rate of unoccupied units is a direct result of the type of housing being built there. "The building product is explicitly targeted to the investor market," she said.

Dr Shaw said the decision to "let the market" determine the shape of the Docklands was now having "unintended consequences".

"Those unfortunate owner-occupiers who believed the marketing hype and bought into the sparkling Docklands dream are finding themselves sandwiched between some of the most predatory and the most vulnerable segments of our society."

cvedelago@theage.com.au

This story was found at: <http://www.smh.com.au/victoria/ganglands-not-docklands-new-highrises-harbour-the-ganglands-crowd-20151017-gkbt2g.html>
