

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

Name: Name Suppressed
Date Received: 5/11/2015

Partially Confidential

As Chair of the Executive Committee of [REDACTED], a residential strata plan comprising 292 apartments located at [REDACTED], I welcome the opportunity to provide the following submission on behalf of the Owners Corporation to the subject inquiry.

As evidenced at [REDACTED], the Owners Corporation have specific concerns about the increasing incidence of short-term/holiday letting being undertaken in residential apartment buildings in NSW contrary to approved development consent/residential zoning. These concerns include:

- The increased incidence of short term letting of apartments through online providers. With reference to item c) The growth of short-term and online letting, and the changing character of the market of the terms of reference of the inquiry, the rising popularity of services such as Airbnb and other online accommodation service providers is facilitating increased short-stay accommodation to the detriment of resident owner-occupiers and bona fide tenants. This is evidenced in terms of:
 - Higher cost to owners through increased use and subsequent maintenance of community facilities and services, accelerated wear and tear of common property from frequent move in/out associated with short stay lets and increased concierge, building management and security time required to manage transient guests.
 - Increased security concerns resultant from access provided to a security controlled building by an increasing and unsupervised number of guests unknown to concierge/building management/security.
 - Impacted resident amenity from increased noise, incorrect use of resident and visitor parking arrangements etc.

- Enforcement of breaches of development consent/residential zoning requirements. With reference to item e) Regulatory issues posed by short-term letting including customer safety, land use planning and neighbourhood amenity, and licensing and taxation of the terms of reference of the inquiry, the current regulatory environment appears divided with local Councils involved both inconsistent in approach and seemingly unwilling or unable in some cases to act despite evidence of non-compliant activity being undertaken. With restrictions in current legislation concerning an owners corporations ability to prohibit short-term letting of apartments through by-laws (e.g. the current restriction under sec 49 of the Strata Schemes Management Act 1996 restricting the passing of a by-law that interferes with an owner "dealing" with their property), owners corporations such as ourselves are largely reliant on the relevant authority (i.e. local Councils) to enforce their planning rules which, as mentioned earlier, is not necessarily forthcoming in all cases.

We welcome the Inquiry's review of these matters and urge action be taken re the growing incidence of short-term letting activity in order to protect the rights of owner-occupiers and bona fide tenants in apartment buildings in NSW.