

**Submission
No 211**

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

Organisation: Waverley Council
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WAVERLEY COUNCIL

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15 April 2016

Committee on Environment and Planning
Parliament House
Macquarie Street
SYDNEY NSW 2000

Attention: Mr Mark Coure, MP

**Late submission to Inquiry:
Adequacy of the regulation of short-term holiday letting in New South Wales**

Waverley Council makes the following late submission in relation to a current Legislative Assembly inquiry conducted by the Environment and Planning Committee. The inquiry is investigating the adequacy of regulation for short-term holiday letting in New South Wales.

In February 2016, Waverley Council became aware that the submission date had ended and registration to speak at the public hearing had also closed. Discussions however between Waverley's Economic Development team, David Hale – Environmental Planning Committee, and Bronwyn Weir – Department of Finance and Innovation confirmed Waverley Council can make a late submission.

This submission highlights Waverley's commitment to being included in the ongoing discussions and subsequent recommendation. The submission is framed in relation to issues facing Waverley in relation to short-term holiday letting in Waverley. Council noted that any changes recommended in NSW will position Waverley and the surrounding region at the forefront of any changes.

Background

Waverley Council represents the highest concentration of short-term rentals in NSW. The majority are accessed through peer to peer digital platforms like Airbnb and Stayz. Data sourced directly from *Airbnb* (January 2016) indicates the number of listings in Waverley is represented by 1 listing / 11 private dwellings versus the next highest, City of Sydney being 1 listing / 23 private dwellings.

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A summary of short term accommodation both traditional and new is as follows:

- Traditional accommodation (established hotels, motels and serviced apartments) in Waverley includes approximately 14 providers that collectively offer nearly 900 rooms/serviced apartments. They have an average of 3.5 to 4 star rating in quality.
- Airbnb alone offers nearly 3000 listings in Waverley which represents a larger market than the local traditional accommodation market combined.
- The Waverley Local Government Area represents 18.75% of all Airbnb listings in Sydney as of January 2016. The inclusion of Stayz reflect similar numbers.
- Bondi Beach and North Bondi collectively have the highest concentration of Airbnb at over 800 listings available.
- Airbnb is now the largest accommodation provider in Waverley and Eastern Sydney.

Current Local Policy

The use of a property for short term rental is dependent on land zoning as outlined in Waverley Local Environmental Plan 2012. While Waverley acknowledges each Council is responsible for determining where short-term accommodation is permissible according to zones and in what instance, the current 3000 plus listings is beyond Council's capacity to proactively address non-compliance. In this instance, Council intervenes on a case by case basis where issues are brought to Council's attention through amenity impacts and the like.

In Waverley Local Environmental Plan 2012 'tourist and visitor accommodation' is prohibited in all residential zones. The Waverley LEP defined short term accommodation as follows:

Tourist and visitor accommodation means a building or place that provides temporary or short term accommodation on a commercial basis and includes any of the following:

- *Backpackers accommodation*
- *Bed and breakfast accommodation*
- *Farm stay accommodation*
- *Hotel or motel accommodation*
- *Serviced apartments*

Excludes:

- *Camping grounds*
- *Caravan parks*
- *Eco-tourist facilities*



In recent land and environment court rulings, short-term rental of a house/ apartment is also not permitted unless separate development consent is provided.

Issues to Consider – feedback from Councillor Workshop

A Councillor workshop held in March 2016 noted a series of issues Council expects the inquiry to be addressing. These range from accountability and regulation to economic and are summarised in the table below.

| Regulation | Issue to consider |
|----------------|---|
| Accountability | Short term rentals are considered accommodation providers yet have little accountability, insurance and unregulated like traditional providers. |
| | Strata schemes do not appear to be used in managing short-terms rentals through bylaws either by outlawing or conditioning rentals. |
| | Unclear whether a single unit in a small block is used continually on Airbnb without a register or access to records. |
| | Limited responsibility for the owner for short-term rental of a property, and the responsibility of the tenant appears unclear. |
| Regulatory | Insurances for damage to service. |
| | Council is ill prepared for dealing with the intensification of short term visitors to properties in lower density and the resulting amenity impacts on neighboring properties. |
| | Short term rentals can present an opportunity for backpackers to open everywhere yet no limitation appears to exist on numbers within a single premises – house or unit. Conflict between backpackers and short-term rentals like Airbnb and Stayz. |
| Regulatory | Appropriateness of state government legislation and local government legislation in circumstances where LGAs vary. |



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| | <p>Council has limited powers to visit a site or dwelling without notice when the premises is being used as a short-term rental. The intent of gaining access is for safety and protecting the amenity of existing long-term residents.</p> <p>Council powers to issue a notice of intention to an individual is inefficient. Council has no power to do anything more than the owner.</p> <p>Powers of police and Council Officers are limited and inefficient when the issues occur outside of Council parameters and legislation.</p> |
| Economic | <p>Council acknowledges that it's facing a situation where there is an undersupply in short-terms rentals where demand is significantly great, a consequence of Bondi and surroundings being one of Sydney's most visited tourist destinations. This market response however is not being managed.</p> <p>Economic impacts on business – positive and negative and dispersing tourists beyond traditional commercial centres.</p> <p>The correlation between low-yielding properties or those lacking demand that are placed on Airbnb.</p> <p>Worsening housing affordability by converting long-term stock to short-term thus causing an undersupply lifting prices for long-term.</p> |
| Public Education | <p>A lack of understanding by real estate agents, strata managers and management companies on a clearly defined process and permissibility.</p> |
| Amenity | <p>Impacts on large apartment blocks where only select unit dwellings are short-term rentals. The DA process is too lengthy.</p> |
| Research | <p>Limited information exists for Councils to fully understand the context and issues involved from the perspective of tenants and</p> |



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| | renters. Is there a correlation between low yielding properties and those in accessible or desirable locations? |
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Waverley Council requests the Inquiry to consider the above-mentioned issues. The Economic Development Team are happy to be consulted for further round table discussions, workshops or the testing of possible solutions, policy or otherwise.

Should you have any questions, require assistance or further information about any of the above, please contact George Bramis on [REDACTED]

Yours sincerely,



Peter Monks
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Waverley Council