Submission

Short Term Rental Accommodation

Lakeshores Management (NSW) Pty. Ltd.
Trading as Lakeshores Holiday & Short Stay Accommodation
97 Turea St
Blacksmiths
Lake Macquarie
NSW 2281
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Our Background

Lakeshores Management has managed Short Term Rental and Holiday Accommodation in Lake Macquarie NSW since 1996 and over that period has hosted over 22,000 people, families or groups.

Lakeshores has worked closely with both the Lake Macquarie Tourism Association and Lake Macquarie City Council to promote this family friendly and popular area.

The Company currently manages over 45 properties in the area, and employs 3 full time and 6 part time staff. We run a highly professional business operation and which includes our own Code of Conduct

Lake Macquarie

Lake Macquarie is primarily a family orientated holiday destination with many other forms of tourism in the mix. It includes sporting events, short term corporate stays, short term temporary and crisis housing, visiting family and friends, weddings, conferences, social events and medical tourism.

Sporting events such as the international and national sailing championships, state basketball, surf lifesaving titles, and the Special Olympics would not be able to be held in the area without Short Stay Accommodation.

This type of accommodation is also essential for natural disasters (floods, fire, storms damage, etc.), temporary housing for people moving into the area and for residents moving from one permanent residence to another.

Over the years, Lakeshores has also hosted many corporate visitors, including staff from Rail Corp, Telstra, various construction Companies, The NBN Co., Dredging Companies, etc., etc.
Short Stay Accommodation has been found to be low impact with few complaints, while being worth many billions of dollars to the national economy and to NSW.

**Long Term (LTRA) and Short Term Rental Accommodation (STRA)**

Rental accommodation, regardless of the length of stay, is a temporary commercial arrangement between a dwelling owner and another individual with the only variance being the period of time.

In NSW, Long Term Rental Accommodation (LTRA) is governed by the NSW Government’s [Residential Tenancies Act 2010](https://www_act.nsw.gov.au/). This Act does not cover any agreements to occupy residential premises for less than 3 months on a holiday.

Rental Accommodation for less than this 3 month period has been, historically, governed by the NSW Government’s [Innkeepers Act 1968](https://www_act.nsw.gov.au/).

This Act defines STRA as being sleeping accommodation that has been engaged by or for a guest or guests, commencing on a day on which he or she is entitled to use that sleeping accommodation and ending on the day on which he or she ceases to be so entitled.

It does not provide any limits on the length of stay.

The Legislative Assembly Committee on Environment and Planning found that - short term letting of a residential property as a residential use of the same character as longer term letting or traditional letting. (page 18).

While the Options paper refers to short term holiday letting, the term ‘holiday’ should be removed, as it does not fully describe the use.

Neither definition of LTRA or STRA is contained in the Lake Macquarie City Council’s LEP. Technically, therefore, since Rental Accommodation isn’t listed under Permitted land use, all rental accommodation is a prohibited use.

**Perceived issues with Short Term (Stay) Rental Accommodation**

The main perceived issue is how Councils can protect neighbourhood amenity without being caught up in red-tape, bureaucracy and tying up resources in a generally low pact industry.

The perception that houses with more than 5 bedrooms are likely to be used as “Party Houses” is flawed thinking and illustrates a misunderstanding of the Industry and how it operates. Properties with 5 bedrooms or more must still satisfy all Development Application provisions, include parking.

Further Government or Local Council restrictions would have absolutely no impact on how the property was used.

No property owner would deliberately set out to establish a “Party House” simply because of the risk of property damage.
Parties are more likely to come from the number of guests attending the property at any one time rather than the number of bedrooms a property has or even the number of beds. A 2 bedroom cottage with a backyard or garage is just as likely to be used for such purposes and these situations can only be controlled by hands on property management by either the owner or his agent.

**Code of Conduct**

The Short Term Rental code of conduct is a powerful document that sets out standards for the owner/manager and guests.

NSW Fair Trading has already endorsed several voluntary codes of practice developed in consultation with different industry groups. *“These codes have resulted in better customer/trader relations by establishing agreed minimum standards of behaviour and conduct for handling various trading situations”*. Ref: NSW Fair Trading website

A Code of Conduct would provide Councils with the standards and the ability to respond to any complaints by following up with the owner/manager of the property.

**The Options Paper**

The paper has presented four options -

- Self regulation
- Strata regulation
- Planning regulation
- Registration.

**Self regulation is the only acceptable option** for this industry which has been found by the Committee to have low-impact, few complaints and to be worth many billions of dollars to NSW. It includes the code of conduct, complaints management, education and monitoring and reporting and is, by far, the best option.

Any other form of regulation will result in additional costs for government, hosts of STRA properties and users. It will also increase complexity to the STRA industry, which may outweigh its value.

STRA is already subject to land use planning and consumer regulation, and generally complaint levels are low.

*Any other form of regulation would “transfer resources from managing problem properties to managing compliant ones. The pragmatic response which councils take now to responding to complaints would be replaced by the task of administering the registration of all STRA, the vast majority of which are not causing problems”* page 13 Options Paper

**Education**

This is a very important part of short term rental accommodation and will need time and effort to have the desirable outcomes. The dramatic increase in the OTA presence over the last 4 years - Airbnb, Stayz, Booking.com etc., has meant that it is very easy now to have an online short term rental property without even being in the same town or state.
This is no doubt reflected in the strata issues with the thousands of apartments built in Sydney and Melbourne over the past few years.

Management of a property, whether it’s a house, cottage, flat, unit or apartment, needs a local person or manager to handle guest problems and neighbour amenity issues. Owners need to be aware of everyone’s rights and responsibilities in this growing industry.

Our Conclusions

As a long term, professional Holiday and Short Stay Property Management Company, we strongly suggest that the NSW Government and/or Local Councils -

- Adopt the Self Regulation Option
- Clearly define both short term rental accommodation and long term rental accommodation and add both to their Local Environmental Plans as a permitted land use with exempt development
- Adopt an Industry prepared Short Term Rental Accommodation Code of Conduct as held by the Department of Fair Trading.
- Allow all approved residential properties to accept Short Term Rental Accommodation
- The property owner or property manager to be available to respond to and handle guest problems and neighbour amenity issues within a one hour time frame, 24 hours a day, 7 days a week.
- Councils to encourage local industry bodies (Business Chambers of Commerce, Tourism Associations) to provide education to Property Owners/Managers of STRA’s Council to have the authority to investigate complaints regarding breaches to the established Code of Conduct, and to work with owners/managers to protect neighbourhood amenity.
- Have the ability to withdraw the permission for a particular property to be used as STRA if another complaint is received concerning the same property within a nominated period. (i.e. 2 years).

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References
The Legislative Assembly Committee on Environment and Planning. October 2016
Short-term Holiday Letting in NSW - Options Paper. July 2017
NSW Fair Trading Website
Residential Tenancies Act 2010
Innkeepers Act 1968