SCA (NSW) SUBMISSION ON SHORT-TERM HOLIDAY LETTING OPTIONS PAPER

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31 October 2017

Director, Housing Policy
Department of Planning and Environment
GPO Box 39, Sydney NSW 2001

By submission to STHL@planning.nsw.gov.au

Dear Sir/Madam,

RE: SUBMISSION ON SHORT-TERM HOLIDAY LETTING (STHL) OPTIONS PAPER

Strata Community Australia NSW (SCA NSW) is the peak industry body for Strata and Community Title Management in New South Wales. Membership includes strata managers, support staff, committee members and suppliers of products and services to the industry. SCA (NSW) has in excess of 3,000 members who help oversee, advise or manage a combined property portfolio with an estimated replacement value of over $400 Billion. SCA (NSW) corporate strata management members account for over 75% of all strata lots in NSW. SCA (NSW) proudly fulfils the dual roles of a professional institute and consumer advocate, hence represents a balanced view on behalf of owners and managers.

SCA (NSW) continues to stand by its below policy position which we have held since 2012 with regard to Appropriate Uses of Buildings, which captures schemes where STHL occurs. We also acknowledge the divisive nature of the STHL debate and the need to balance individual property rights against those of lot owners and occupiers who may be impacted by the conduct of STHL.

The issue is complex and has emerged in a relatively short period of time, with management practices, planning reviews and legislative change required to address STHL in the context of global shifts in technology platforms facilitating these forms of short term property transactions. We commend the State Government for undertaking a considered review with broad stakeholder engagement to ensure that all relevant viewpoints can be considered.

SCA (NSW) Policy Position- Appropriate Uses of Building- STHL

The nature of strata living requires lot owners and their tenants to reside in close proximity. Modern building design coupled with by-laws has evolved to address many of the issues that residents face. However, it remains the case that a small number of residents can (intentionally or otherwise) place substantial burdens on the majority of residents, examples of these inequities include:

- Short term letting in buildings not designed for that purpose;
- Excessive, ongoing or inappropriate noise;
- Overcrowding;
- Disparate wear and tear on common property;
- Excessively disproportional utility usages;
- Increased risk of fires and hazards;
- Increased expense burden to residents by way of:

SCA (NSW) | Submission on Short-Term Holiday Letting Options Paper_31 October 2017 2 | P a g e
Increased wear and tear on common property; and
Excessive or inappropriate use of utilities;
- Impact on the value of the lot;
- Increased levels of community friction and resultant police and NCAT complaints;
- Isolate individuals and/or decrease the social cohesion of communities; and

NSW Fair Trading has set out in their ‘Strata Living’ document that STHL falls within the jurisdiction of local councils, however planning laws vary from council to council and many councils are not motivated to enforce their laws.

Owners corporations, owners and tenants can be faced with the issues identified above with no apparent, timely or effective recourse if council is unwilling to enforce their planning laws or the relief available to them under the strata legislation is incapable of addressing the issues occurring in a scheme. In most part the concerns are of a behavioural nature, in which case prohibition may not be the most effective solution. It is likely that compliance will be delegated to Owners Corporations or strata managing agents, and without more effective management controls and intervention powers, the underlying behavioural issues will not be addressed.

Therefore, it is the view of SCA (NSW) that there be legislative reform to either address the issues identified above or to permit owners corporations to implement management solutions to moderate and manage behaviour with more robust and timely intervention powers to address those issues. These solutions could extend to options such as:

- Lodgement of bonds for lots undertaking STHL;
- More effective and timely enforcement options. Swifter by-law intervention measures with penalties;
- Requirement to disclose STHL activities, and provide contact details for responsible entity;
- Requirement to comply with rules (tailored and adopted for individual schemes);
- Requirement to contribute increased costs in maintaining schemes;
- Insurance obligations on hosts and guests and limitation of liability for Owners Corporations;
- Obligations to utilise licensed on-site or off-site letting agents.

We would be pleased to meet with you to discuss any issues raised in our submission, or generally.

If you have any questions or require further information please do not hesitate to contact Chris Duggan on (02) 9492 8200 or at president.nsw@strata.community

Yours sincerely,

Chris Duggan
President - SCA (NSW)