

31 October 2017

Director Housing Policy

Department of Planning and Environment

GPO Box 39, Sydney NSW 2001

Dear Director,

Short Term Holiday Letting in NSW

I represent the Strata Committee for Strata plan No. know as We would like to make a submission on the paper:

Short Term Holiday Letting in NSW Options Paper July 2017.

Southpoint is a single building 15 stories high with 116 apartment units over 11 floors including 14 three bedroom units and 102 two bedroom units. Included in the complex are two floors of car parking, a tennis court, a 30 metre swimming pool and a gymnasium. The building occupies the airspace above the Southpoint Shopping Centre. The building has an on-site manager and round the clock on-site security and is accessed by swipe card or key pad input for both the entrance doors and the car park or by activation of the doors from each unit.

We are of the view that a building of this type, close to the Eastern Beaches and the Airport, with good access to the CBD and with well maintained and quality facilities would be attractive for short term lets. It would be a major concern to us if short term letting became common in our building. We would expect that this would lead to issues including:-

- Overuse of the facilities,
- Potential for noise and similar problems, and,
- Compromising of the building security.

In relation to overuse of facilities, it could be expected that short term letting would result in overuse of the facilities, especially the swimming pool and the gymnasium. This would potentially "crowd out" the long term residents.

In relation to the potential for noise, it could be expected that short term lets, holiday makers if you like, would be far more likely than long term residents to create noise, and at inconvenient times,. They may also be less likely to be concerned with causing offence to other residents or obey requests from security.

In relation to security, residents are issued with a device to allow access to entrance doors and the car park. Control of these devices is vested with the Building Manager. It would be difficult for this control to be effectively maintained when many devices would have to be provided to short term let agents or owners for distribution to their clients. We would expect this to lead to a serious erosion of the building security. It should be noted that many residents of the building either purchased units or obtained long term leases primarily because of this level of security.

We understand that this issue has become more prominent because of the rise of booking systems such as Airbnb. We would, however, submit that should the issue of short term lets be essentially unregulated, there would be a profusion of letting strategies conducted by many providers and be likely to result in overnight or weekend stays for parties, "backpackers" and many others who may not conform to the likely more sober clients of Airbnb or equivalent. This may cause serious problems in buildings such as ours.

In relation to the policy options presented in **Figure 1: Potential Options** of the Option Paper we would make the following comments.

Industry Self Regulation would be practically useless on the basis that the "Industry" is nothing more than a collection of booking sites many residing overseas. We would also refer to the previous point that many short term lets would not all come through the major players such as Airbnb and these minor players may not be party to Industry Self Regulation. As a more cynical point, we would add that Industry Self Regulation hasn't always been a raging success in other industries.

Planning Regulation would be impractical and difficult for (usually under-resourced) Local Government to police. We could not expect LG Inspectors to make policing of short term lets a major priority.

In relation to Regulation, we submit that a simple instrument allowing the making of a Strata By-Law in relation to short term lets would be the appropriate response. It would allow the majority of owners to decide the issue of short term lets in their building and establish clear guidelines for owners, residents, letting agents and their clients and prospective owners and tenants.

We are therefore of the view that the question of whether a residential strata building be available for short term letting should be a decision for the majority of owners as expressed in a By-Law. We would request that any Act/Regulation related to this subject include a provision to allow a Strata by majority decision to include a specific By-Law to prohibit or allow short term letting of units within the Strata and conditions relating to such.

Thank you for the opportunity to make a submission

Yours faithfully,

Anthony Mitchell

Chairman Strata Committee

Strata No. SP 75128