

Admin, LACO

Subject: FW: Enquiry into Short Term Accommodation In WA- sub no. 109

From:

Sent: Thursday, 24 January 2019 10:01 AM

To: Committee, Economics & Industry Standing <laeisc@parliament.wa.gov.au>

Subject: Enquiry into Short Term Accommodation In WA

To Whom It May Concern

As I understand, there is currently an enquiry underway into short term accommodation in WA.

I am an owner/occupier living in a small Strata complex of 8 apartments. For the past 6-8 months two of the owners have been using their apartments for short term accommodation use, without any approval from the local Council to do so. Both properties have been, and are being, advertised on the Airbnb platform. Now that the local Council is aware of these two properties and their business ventures, they have approached the owners and both owners have (in December 2018) lodged applications with the City for Change of Use from Residential to Bed & Breakfast and Change of Use to Short Term Accommodation. Both of the Applications are currently under review and at this point in time no final determination has been made in regards to granting approval or otherwise.

I, and some of my other neighbours, have submitted responses to the abovementioned applications. The common feeling amongst us is that we do not want this type of usage at our small complex.

Already we are experiencing ongoing issues with parking problems and lack of management with the rubbish bins, on the part of the owners who have submitted the applications. We are also concerned with issues about security and personal safety (with the sharing of common property areas, including shared stairwells), the increased risk of damage to common property, noise and antisocial behaviour, uncertainty in regards to the area of insurance and public liability, as well as the lack of accountability on the part of the owners and operators. We are also concerned about what powers the local government authorities have to address and resolve problems effectively when they occur, once they have granted approval for such a change of use.

The myriad of problems associated with short term accommodation usage, particularly in Strata complexes are widely documented, not only in popular tourist and holiday areas but also in many streets and suburbs of metropolitan Perth. The negative impacts of this type of usage are felt by the other residents, whether they be long term tenants or owner/occupiers and it is the quality of life of these people that is suffering.

I respectfully suggest that the following topics be given thorough investigation and consideration during the parliamentary enquiry:

The impact of short term accommodation usage in Strata complexes and the possibility of disallowing this type of usage dependant on the size of the complex (the number of overall units/apartments in a complex). For example, if less than 12 units/apartments comprise the Strata complex, then there is to be no short term accommodation use at all (including the Bed & Breakfast variety).

If approval is granted in Strata complexes (and smaller ones also) that limits be applied in so far as ratios (eg. if there are 12 apartments in the complex, a maximum of 2 apartments only can be used for any form of short term accommodation use). I have recently found out from my local Council that when approval is granted for a change of use it is granted to the "property" as such, and not the owner of the property. Therefore when an owner sells, the subsequent owner of the property has immediate approval to use the property for the same purpose. Without strict and enforceable limits in this regard, Strata complexes, and

especially ones on the smaller end of the scale, could become dominated by owner/investors running short term accommodation businesses, further escalating all the problems already being experienced and increasing the likelihood and severity of future problems. If possible, limits should also be set to the number of days in a calendar year that a property in a Strata complex can be used for short term accommodation purposes.

Clear definitions of what constitutes short term accommodation use is required. For example, at the property where I am an owner/occupier, one owner has applied for a change of use to Bed & Breakfast. In this application the owner has stated that he will always be living in the apartment himself and will be acting as a host, making only one bedroom available in the two bedroom apartment and limiting his paying "guests" to 2 adults at a time (who will occupy the same bedroom). The other owner is using his entire two bedroom apartment as a short term accommodation rental and does not live in the apartment at all, at any time, and he is applying for this type of change of use. So one is a type of "hosted" arrangement where the owner is a permanent resident in the apartment and the other is a completely commercial venture where the owner is not on site at all.

If approvals are granted by the local government authorities there needs to be a strict code of conduct in regards to behaviour of guests, building standards and maintenance and ideally the ability to revoke approvals subject to complaints and non-compliance.

Insurance obligations of owner/operators of short term accommodation properties needs to be clearly defined and complied with. The obligation for the owners of these types of properties to have the correct and valid insurance cover at all times should be mandatory and enforced. There is a great deal of ambiguity and confusion as to what Strata insurance "covers" when a property in a Strata complex is used for short term accommodation purposes and in part this is due to how short term accommodation use is defined. If an entire apartment is used for this ongoing purpose and the owner does not live in the apartment at all, then it may no longer be considered as a "residence", but rather a "business". In this instance many Strata building policies will not extend to this type of usage and this could potentially cause many expensive problems when there is a matter of damage to common property or personal injury.

Perhaps it could also be implemented that the owners who are using their properties as Bed & Breakfasts or short term accommodation rentals in Strata complexes, are required to contribute additional funds to the Strata levies (or a special sinking fund set up for this purpose), as a result of this type of usage and the increased impact it has on wear and tear and damage to common property areas.

In a Strata complex, and in a small one such as mine, neighbours live in very close proximity to one another and we, (as do many, many other people around the world), have very real and valid concerns regarding our personal safety, security and quality of life in the place we call our permanent home. Living next door to, and sharing our common property areas, with strangers every night (who do not go through any kind of legitimate or thorough screening processes or background checks) does not make me feel comfortable in my own home and does not contribute to a sense of security or community in the place which is my home.

Online platforms such as Airbnb, and owner/operators of short term accommodation properties are concerned with their own interests and when it comes down to it, place all the responsibility to "do the right thing" on the shoulders of those who use their services (whether "guest" or owner/operator). They have very little regard, obligation or accountability to the people who are negatively effected by their business model and operations and this is to the detriment of people like myself, who want to protect and maintain the biggest and most valuable asset we have - OUR HOME - and our quality of life in that home.

It seems to me that the original concept behind the Airbnb phenomenon has gone completely out the window and it has grown into a monster. It's not just about homeowners occasionally opening the doors of their homes to host a paying "guest" for a few days a couple of times a year, or a visitor to a foreign country having the unique opportunity to stay with a "local" during their holiday. It has rapidly escalated into what seems to be an uncontrollable burgeoning business model - seeing more and more investors buying

properties and using them entirely for the purpose of short term accommodation. It is clear that this is having a negative impact, on many levels, and the only ones who are benefiting from this are the investors and owner/operators of these businesses. Clear and enforceable rules, standards and regulations are desperately required, coupled with real and enforceable consequences when these are not upheld or complied with. In addition to this, there needs to be LIMITS set, so as not to diminish the ability of other residents and neighbours in the vicinity to fully enjoy the right to peaceful, safe and secure occupation of their homes and indeed the ability to have some "peace of mind" when it comes to the negative financial impact which these short term accommodation businesses can bring to them.

I appreciate your consideration of my comments and hope that they will be taken on board during this enquiry.

If my comments are to be published in the public domain, I respectfully request that my personal details (including my name, email address and phone number) be withheld and remain private.

Thank you.

Kind regards