



# 2011 Residents' Association Inc.

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## *Submission to NSW Government Department of Planning and Environment regarding Short-term Holiday Letting in NSW*

*31 Oct 2017*

### Short-term letting threatens affordable housing and quality of life

In New South Wales and in many other places around the world a new business model has arisen involving the short-term holiday letting of single or multiple rooms in residential dwellings as well as of whole residential properties.

This innovation is touted as the "sharing economy" and is promoted by big businesses (such as AirBNB) and many government officials as a way of providing economic benefits to local economies and to the wider tourism economy.

According to many media reports, both in Australia (including *The Sydney Morning Herald*, *The Australian*, and the *Echo Net Daily*) and abroad, the results for local residents, families and local economies are far from benign.

Quiet residential neighbourhoods are deluged with short-term visitors, many of whom are noisy partygoers, leave waste and litter, increase traffic and parking problems, and decrease the safety, security and amenity of local residents in their own homes and streets.

Despite repeated assurances by regulators and legislators, newspaper reports on residents' experiences in many locations across the state of NSW (from Kings Cross to Byron Bay) show that it is difficult, if not impossible, to eliminate such anti-social problems associated with short-term holiday lettings, exacerbated as they are by absentee landlords and real estate agents who operate at arm's length and by short-term letting clients who are "here today and gone tomorrow" and thus unlikely to pay any fine or undergo any penalty.

Self-regulation, codes of conduct, limits to days stayed, lengths of stay and to the number of rooms that can be rented, and changes to strata management regulations will likely not help in any meaningful way. All of these will be, in effect, evaded, skirted around or ignored by landlords and agents who are unwilling to lessen the rental income they receive in the order of hundreds of dollars per night per room.

The promoters of short-term holiday letting promote their commercialisation of residential apartments and houses by pointing to very high rental returns for landlords. This may be true but at the same time it cause decreases in availability of residential properties for normal long-term NSW renters along with skyrocketing rents that those tenants are unlikely to be able to afford.

Legitimate local businesses such as the well-regulated bed and breakfast establishments (which have on site hosts, comply with fire and other safety regulations, and generally try hard to fit in with their local communities) find it very difficult to compete with the mostly unregulated short-term letting model.

The short-term letting landlords have also been widely reported as paying little taxation and employing few people – the antithesis of the economic benefits that tourism is supposed to bring.

All of these deleterious effects will sharply increase, as they have in recent years in Byron Bay, as the numbers of short-term lettings increase and the number of short-term letting rooms and premises rises.

In summary, the short-term holiday letting strategy will generate some income for government and for landlords but at great personal and financial cost for local residents.

These include problems for those residents who already live in the area – and for young people and other NSW residents who are seeking affordably priced accommodation – in those areas of NSW where short-term holiday lettings are introduced. They also include greatly lessened quality of life in people's own homes. Residents, workers and children find it hard to get a good night's sleep.

In response to the NSW Government's "Short-term Holiday Letting in NSW" Options Paper, the 2011 Residents Association says short-term holiday letting is against the interests of residential amenity and affordable residential housing (whether purchased or rented). There is already a raft of legislation and case law in place that is designed to protect these and they should be more regularly enforced.

We ask the NSW Government, its Department of Planning and Environment, and Ministers Anthony Roberts and Matt Kean to reject current proposals to allow increased levels of short-term holiday lettings of residential premises – or parts thereof -- in our communities. Such short-term lettings of residential premises that have been permitted to date (partly through lack of oversight and regulation) should be wound back.

The costs, both in residential amenity and financially, of increased short-term holiday lettings of residential properties far outweighs any claimed increased income they might earn and any claimed social benefits.

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