

Short-Term Rental Accommodation

Survey 1: Registration Scheme for Short Term Rental Accommodation

Strata Community Association (WA) Submission

11 March 2022

Introduction

Strata Community Association WA (SCA WA) was born in 1989 due to some passionate individuals who determined the need for a unified industry body to bring about understanding, awareness and uniformity in the Strata Industry. The 'Industry Body' should also when necessary provide representation to Government on whatever amendments may be required to the Strata Titles Act.

The aim of SCA WA is to:

- provide a structure and forum for better communication between regions
- enhance the responsibilities of industry members in a nationally consistent manner
- enable representation at a national level to the Department of Education, Science and Training and other statutory bodies.

Based on the 2020 Australasian Strata Insights Report, more than 90,000 Western Australian residents live in apartments with 51,798 strata schemes and 251,425 lots registered. Australia-wide, more than 2.2 million people live in flats and apartments, the vast majority being strata titled.¹ This figure does not include other forms of strata title such as townhouses and community titled developments. Nor does it include businesses operating in strata titled commercial buildings. The estimated value of property under strata title in Australia in 2020 exceeds \$1.3 trillion.²

As the growth of apartment and strata living has intensified over the last decade, the strata management strata services industry has grown in lock step to serve it. Strata managers navigate through a maze of legislation and regulation ranging from actual strata specific legislation, regulation, workplace, health and safety issues and building codes as well as measures applicable to the management of body corporate funds.

For further information about this consultation, please contact Shaun Brockman, National Policy and Advocacy Manager, SCA. Shaun.brockman@strata.community.

¹ Hazel Easthope, Sian Thompson and Alistair Sisson, *Australasian Strata Insights 2020*, City Futures Research Centre, UNSW, Accessed at <https://cityfutures.be.unsw.edu.au/research/projects/2020-australasian-strata-insights/>

² Ibid, p6

SCA (WA)'s Response to the Short-Term Accommodation Review

Q1. What is your name?

Shaun Brockman

Q2. What is your email address?

Shaun.brockman@strata.community

Q3. What region to you live in?

Perth (SCA WA Office)

4. Do you own or manage short term rental accommodation.

Yes (industry body whose members manage short-term rental accommodation)

Q5. If you own or manage short term rental accommodation, where is the accommodation located?

All over Western Australia (can select Perth if necessary)

6. If you do not own or manage short-term rental accommodation, what is your interest in the position statement?

Other (Industry Body)

We represent the peak strata industry body, the Strata Community Association WA.

7. Are you responding on behalf of an organisation?

Yes.

Organisation Name: Strata Community Association WA Inc

8. In the interest of transparency, submissions received on the draft Position Statement and Guidelines may be published. Do you want your name removed from your submission?

No

9. If you have comment to provide on the development of the proposed registration scheme only, please supply below and your comments will be forwarded to the Department of Local Government, Sport and Cultural Industries. You may be contacted by the Department via the provided email address.

There are significant governance difficulties with the exemptions regime. The governing of the suggested exemptions will be extremely challenging.

There is currently no practical function in place to ascertain and regulate whether or not accommodation is truly operating as hosted or unhosted accommodation, nor to determine and monitor the frequency or length of stay for a guest(s).

The implementation of these exemptions will serve to further misrepresent the landscape of short-term accommodation, through incentivising incorrect or dishonest reporting of a given accommodation circumstance.

Behavioural issues, including noise complaints, damage to common property, parking disputes and an overall lack of knowledge about strata facilities are the major issues faced by strata managers as they manage schemes that have at least one lot undertaking short-term accommodation letting. The below recommendations are intended to provide practical solutions for people living in strata and strata managers, to effectively minimise these issues.

SCA (WA)'s three major recommendations to improve short-term letting in strata complexes are as follows:

1. Institute a Registration Scheme:

SCA (WA) is very supportive of the intention of the Department of Local Government, Sport and Cultural Industries to implement a state-wide registration system scheme for short-term rental accommodation.

Globally, most major cities, including San Francisco (where Airbnb originated), New York, Paris, Japan, Los Angeles and Berlin, for example, already require a registration for short term letting.

The introduction of this scheme will provide not only important information on the extent of short-stay accommodation market in WA but will allow for better accountability and regulation of the industry. From a strata management perspective, this would be very useful to try to governance reduce issues of short stay accommodation in strata communities.

2. Institute Management Plans:

In some grouped and multiple dwelling schemes which are predominately used as residences, short stay use may create conflict with and between owners and residents over noise, anti-social behaviour and compromised security.

An effective resolution to these issues would be the mandated introduction of a standard management plan, as a part of the registration scheme for short-term rental accommodation, that outlines information such as:

- Appropriate use of common property and shared facilities, including referencing any by-laws that may regulate the use of common facilities
- Waste management practices
- Parking requirements

- Security Access
- Safety requirements, including fire evacuation procedures
- Accommodation complaints processes
- Any other general information relating to short-stay use in a given accommodation.

The government could provide a prescribed form template online, that outlines all the information necessary to suitably conform to the requirements of a given accommodation. The resultant management plans may then be recorded and distributed to each short-stay tenant as they take up occupancy.

Introduction of a management plan of this kind could reduce the frequency of behavioural issues of short-stay tenants that may negatively impact other tenants in a grouped or multiple dwelling.

3. Institute a Complaints Registry:

Strata managers generally do not reside in the schemes that they manage, and as a result the onus is often on other strata residents to report complains relating to short-stay accommodation within the scheme. Complaints most commonly relate to the conduct of short stay tenants, including use and damage of common property, noise etc...

Currently, there is no formal mechanism to report complaints relating to the behaviour of short-stay tenants, nor is there a registry or record of complaints made, beyond any internal record keeping by strata companies. Therefore, it would be beneficial to consider the implementation of a centralised complaints registry, that would allow for the documentation of the kind and frequency of complaints linked to a given short-stay accommodation. A high frequency of complaints may indicate poor management practices of property managers and/or landlords.

A complaints registry of this kind would work most effectively if integrated into the proposed short-stay registration scheme and may be used as a resource to utilize in the regulation of short-stay accommodation, within the approval process to determine whether or not a lot should be allowed to renew.

Recommendation 1: Rather than an exemptions regime, institute a workable registration scheme, alongside well-defined and easy to implement management plans and a complaint registry for short stay schemes.

Summary and Recommendations

SCA (WA)'s position on the survey questions and issue of short-term letting is drawn from our membership's extensive strata-scheme management experience, our knowledge of how the issues play out on the ground, our legislative and regulatory experience, and the experience of our strata service industry legal partners.

The recommendations we have made are practical, can be easily implemented and maintained if carried out with industry and consumer consultation and drawing on global examples and will be more effective than an exemptions regime.