

CITY OF BELMONT

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Enquiries :

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Dear Sir/Madam,

CITY OF BELMONT SUBMISSION – INQUIRY INTO SHORT-STAY ACCOMMODATION BY THE ECONOMICS AND INDUSTRY STANDING COMMITTEE

Thank you for the opportunity to make a submission on the inquiry into short-stay accommodation by the Economics and Industry Standing Committee.

In recent times digital platforms like 'Airbnb' and 'Stayz' have facilitated a change in the scale and nature of short-stay accommodation by providing an easy means for landowners to rent out their homes to people who would have otherwise been accommodated through more traditional and regulated accommodation services. This has increased the presence and availability of short-stay accommodation in residential areas, thereby triggering a range of concerns for the City of Belmont, including:

1. The adequacy of the State planning framework in providing standardised requirements and assessment criteria;
2. Amenity impacts on residents living alongside properties used as short-stay accommodation;
3. The adequacy of building standards for residential dwellings in accommodating short-stay accommodation, particularly in terms of accessibility and fire safety;
4. The potential impact of short-stay accommodation on community displacement and viability, housing affordability, availability and inequality;
5. The enforcement burden of short-stay accommodation on local government resources;
6. Local economic impacts associated with competition to the hotel industry and the potential flow-on effects such as loss of employment.

These issues are discussed below.



State Planning Framework

The land use planning framework operating in Western Australia offers limited guidance to the City of Belmont concerning the management of short-stay accommodation.

The Model Provisions contained under Schedule 1 of the *Planning and Development (Local Planning Schemes) Regulations 2015* provide standard land use definitions to be incorporated into each local government's Local Planning Scheme. The Model Provisions contain three specific land use definitions that relate to short-stay accommodation, including 'Bed and Breakfast', 'Holiday Accommodation' and 'Holiday House' however, these definitions do not encompass all types of short-stay accommodation. This is a serious regulatory shortcoming that contributes to inconsistencies between local governments that leads to confusion across all stakeholder groups and the wider community.

Furthermore, beyond the Regulations, there is no State Planning Policy, or Development Control Policy that sets out controls or provides strategic advice concerning the management of short-stay accommodation. The Western Australian Planning Commission's Planning Bulletins 99 – Holiday Homes, 49 – Caravan Parks and 83 – Planning for Tourism are silent on the sharing economy, have no statutory weight, and fail to offer any meaningful guidance for decision makers.

Amenity Impacts

A key concern with respect to the use of dwellings for short-stay accommodation is to ensure that the use will not adversely impact on residential amenity of surrounding properties. Potential amenity impacts include:

- Unruly and antisocial behaviour of short stay guests;
- Larger numbers of people and cars than would ordinarily be expected in a suburban precinct;
- Poor management of guest parking, rubbish collection, and use of common property facilities, including pools and gyms.

The assessment of development applications that propose to use residential properties for short-stay accommodation have involved applicant's preparing a management plan that seek to minimise amenity impacts. Notwithstanding, it is acknowledged that there are inherent difficulties with policing the implementation of these management plans and there is a significant reliance on operator self-regulation and neighbour complaints.

The City of Belmont is within close proximity to Perth City and Optus Stadium; is located along the iconic Swan River and en-route to Perth Airport. Consequently, the City of Belmont is experiencing a growing trend of short-stay accommodation "party houses" where residential properties are regularly leased, hired or rented on a short-term basis for housing parties. This use of a premises is more consistent with an event venue rather than residential accommodation. Party houses are generally confined to un-hosted short-stay accommodation where a guest rents out a person's entire residence. In these circumstances, there is no onsite owner/operator/manager to which complaints can be made and immediately addressed. This places an increased burden on the City to respond to complaints.

Fire Safety and Accessibility

A building containing residential apartments is considered a Class 2 building. The use of residential dwellings for short-stay accommodation is not required to comply with the higher Class 3 construction requirements in relation to fire safety and accessibility. Traditional tourist accommodation providers are subject to increased requirements including fire prevention controls like maps to exits, fire doors, fire extinguishers, sprinklers and smoke detectors, and disability access provisions such as ramps, hand rails and increased corridor and door widths. There is a concern that a lack of fire safety and equal access considerations in short-stay accommodation could put people at risk of injury and undermine the provision of equal access to premises for persons with a disability.

Housing Displacement, Affordability, Stock and Inequality

There is a concern that the use of residential dwellings for short-stay accommodation will affect housing affordability and availability. As a growing number of homes are purchased specifically for short-stay accommodation purposes, the available housing stock in the long-term rental market could decrease. If short-term letting earnings are factored in the price of housing, this could translate into higher purchase prices for those seeking long-term housing.

Housing displacement for those who have lived in long term affordable rentals that have been converted to short-stay accommodation is also a concern. If long-term rental availability declines, competition for properties intensifies and low-income families may be forced farther away from high amenity locations with employment, education and training opportunities, health and other services.

There is a concern that many short-stay accommodation hosts are commercial operators: they have multiple entire-home listings, or control many private rooms. By providing additional means to monetise housing by those who already have access to it, and compounding the challenges facing those who do not, short-term rental accommodation helps to reinforce an inequitable housing landscape.

Community Viability

The rapid growth of short-stay accommodation could affect community viability by removing properties which might otherwise be rented to long-term tenants who would then become active members of the community. Permanent Belmont residents have raised concerns with the City over transient populations and a resultant loss of a 'sense of community'. Some permanent residents are disturbed by a hotel-like atmosphere in their strata complex's and are worried about having a succession of strangers in their shared public spaces.

Enforcement Burden

While short-stay accommodation generates a relatively low level of complaints, those that are brought to the City's attention are real and serious. Western Australia has existing laws and regulations aimed at managing neighbourhood disturbances such as excessive noise and unruly behaviour. Notwithstanding, the process for making a complaint is cumbersome and can take time to enforce. It is difficult to gather evidence and prosecute short-stay guests and pursuing a case can be costly. The City requires the necessary tools to target rogue operators quickly and give neighbours confidence.

Local Economic Impacts

Traditional tourist accommodation providers (e.g. hotels and motels) in the City of Belmont are a substantial contributor to the local economy, through both direct and indirect employment. The hotel industry claims that the business models of short-stay accommodation platforms offer unfair economic advantages as they are not regulated like traditional tourist accommodation providers. In particular traditional accommodation providers, argue that short-stay accommodation is advantaged economically as residential properties are constructed to a lower BCA compliance standard.

There is also a concern that short-stay accommodation contributes less to a local economy than traditional tourist accommodation as tasks normally undertaken by staff would be managed by landowners. For these reasons, there is a concern that the proliferation of short-stay accommodation in the district could undermine and threaten the financial viability of the hotel industry within the City of Belmont.

Other Factors for Consideration

Whilst there are concerns surrounding the use of residential dwellings for short-stay accommodation, there are several positive aspects that should be considered, including increased economic and tourism activity, better utilisation of housing, opportunities for additional income generation and enhancing the experience of tourists.

Increased Economic and Tourism Activity

The use of residential dwellings for short-stay accommodation can have economic benefits for community as a whole as tourist expenditure may be directed to local amenities such as restaurants, bars and shops. Short-stay accommodation could be encouraging the growth of a new tourism market as it expands the choice of lodging options for travellers. It could also improve access to and the affordability of accommodation for family and group travel. The price advantage of online platforms could also result in less popular tourist destinations becoming more attractive, thereby benefiting the local economy of areas that traditionally would not attract tourists. Short-stay accommodation may also make it easier to manage temporary surges in accommodation demand such as for major sporting events at Optus Stadium.

Better Utilisation of Housing and Opportunity for Additional Income Generation

Short-stay accommodation can facilitate more efficient use of housing, some of which is arguably underutilised. There is a possibility that short-stay accommodation taps into underutilised capacity within existing housing stock. Common examples of underutilised housing assets include extra bedrooms or homes left vacant while long term residents are on vacation.

Renting out an underutilised asset such as a spare room or dwelling could supplement a household's main sources of income. This additional income could be used to mitigate housing/living expenses, to pay down debt or increase savings and protect hosts in the event of unexpected repairs or housing market downturns.

Host-Guest Relationships

Both the host and guest of short-stay accommodation can experience another culture, whether that be through a conversation, a meal or a guided tour. This can be a learning opportunity for

hosts and guests, and can help develop a greater understanding of diversity, culture and community.

Conclusion

The Parliamentary Inquiry into short-stay accommodation to inform appropriate regulation is welcomed. It is necessary for the Parliamentary Committee to consider the impact of short-stay accommodation on neighbourhood amenity, community viability, the housing market and the local economy. The adequacy of the existing planning framework and building standards for short-stay accommodation, particularly in terms of accessibility and fire safety, should also be considered.

Whilst amendments to the current regulatory framework governing the management of short-stay accommodation in Western Australia are required, it is important that the introduction of any controls governing short-stay accommodation is well-thought-out to ensure that requirements are enforceable as well as reasonable.

I welcome any questions or discussions you may wish to have on this matter.

Yours sincerely,



NATASHA GRIGGS
ACTING DIRECTOR COMMUNITY AND STATUTORY SERVICES

cc. Hon. Rita Saffioti MLA – Minister for Transport; Planning; Lands

cc. Ms Cassandra (Cassie) Michelle Rowe MLA