

8 February 2019

Dr David Worth
Economics and Industry Standing Committee
Legislative Assembly Committee Office
Level 1
11 Harvest Terrace
West Perth WA 6005
By Email and Post

Dear Dr Worth,

**Submission to the Economics and Industry Standing Committee
Re: Inquiry into Short Stay Accommodation**

Astra Apartments (Astra) appreciates the opportunity to submit feedback to the inquiry planning investigating Short Stay Accommodation (SSA) in WA. We address our concerns and provide recommendations in this submission.

The response to the growth of online booking engines and the subsequent expansion of SSA businesses has unintended consequences for Astra, and other businesses providing medium and long-term furnished accommodation in a business-to-business or business-to-government model that is NOT holiday letting.

Executive summary

'Corporate Housing' should be inserted into the Local Planning Scheme 2015, and exempt 'corporate housing' from current SSA definitions.

Who we are

Astra has been providing full sized and high quality furnished residential apartments to corporate and government staff who require a temporary residence while working away from home since 2002. Need for our services typically arise when corporate and government representatives are working on specific projects, are on secondment or have been relocated interstate. Traditional hotel and serviced apartment accommodation is inappropriate for our client base, with room sizes being too small and expensive, lacking privacy, and not properly facilitating pleasant and flexible residential living.

Astra operates under a business-to-business and business-to-government model. We furnish leased apartments, and then sub-lease them to our clients. We currently hold corporate apartments in the CBD areas of Perth. Nationwide we have 630 apartments with recent expansion to New Zealand

Our clients come from:

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Astra and SSA Regulation

Average occupancy duration in Astra's apartments is [redacted] with some stays lasting over one year. On account of this, Astra's business would be considered a short-term rental accommodation arrangement, which applies to all stay arrangements under three months. Astra would potentially be grouped with other SSA operators who operate holiday, tourist and visitor businesses, and not corporate housing arrangements as are provided by Astra. Astra, as a facilitator of SSA, would therefore be subject to the proposed regulations. Astra would also be subject to by-laws made by owners' corporations that prohibit a lot being used for the purposes of SSA.

Astra does not provide short-term accommodation, nor does it serve the leisure/ holiday sector. The only 'service' Astra provides is a weekly clean, if required, similar to how tenants would ordinarily procure the services of a cleaner. Otherwise, occupants enjoy a private residential experience as they would under a Residential Tenancy Agreement. We are consistently trying to distance ourselves from the brand attached to the dominant players in the booking engine short-term rental market, and the unwelcome behaviours they have attracted. Unlike these players, Astra is a fully insured business entity in an established global industry of corporate housing. We pay taxes and other required financial obligations, and abide by local regulations. Despite this, moves to regulate SSA will have a substantial and adverse affect to our business activities.

Beyond affecting Astra's business and that of similar corporate housing businesses in WA, the reforms do not consider the wider economic impact of limiting accommodation options for a skilled and geographically flexible workforce. The availability of professionally-managed and quality apartments in convenient CBD locations contributes to the competitiveness of WA on a global stage. Without this flexibility, corporations and government departments requiring temporary residential solutions for their staff will experience less choice and increased costs, possibly encouraging them to look elsewhere than WA to base their project teams.

In light of this, other states regulations and proposed planning amendments, may lead to them being favoured over Western Australia by corporates and government departments. The NSW and Victorian amendments are aimed at preventing the same SSA impacts targeted by the WA legislation, predominantly the interference with the peaceful enjoyment and safety of other residents. Unlike the WA framework, which proposes to apply to stay arrangements under three months, the proposed Victorian amendments are only concerned with providers of stay arrangements up to 7 days. Astra would not be caught under this regulation because, as is discussed above, average occupancy duration is [redacted] weeks.

Recommendations

Corporate housing providers like Astra can be clearly distinguished from booking engine providers of short-term residence operating in the leisure sector. Unlike these providers, Astra operates in the corporate housing sector, providing furnished apartments for corporations and government departments requiring, on average, [redacted] weeks residence while working away from their home office. WA regulation should reflect these differences between Astra and short-term residence providers by exempting businesses in the corporate housing industry from such broad rental term limits.

Corporate housing providers like Astra can be clearly distinguished from DIY booking engine providers of short-term / holiday / leisure residence. They should therefore be treated differently.

Another method of recognising the difference between corporate housing providers from booking engine providers would be to define 'corporate housing' separately from SSA in the LPS, or by exempting 'corporate housing' in the land use definitions.

Corporate housing is an established global industry. Occupants live and work in quiet private residential environments with low risk of wear and tear or disturbance to neighbours. West Australian regulation should reflect how the operation of our business and the corporate housing industry in general differs from SSA and other accommodation options.

Once again, we thank you for the opportunity to provide feedback.

Yours faithfully



Modern, spacious,
executive accommodation

LOCATIONS

NSW
Chatswood
Haymarket
Liverpool
Macquarie Park
Neutral Bay
North Sydney
Norwest/Hills District
Parramatta
Rhodes
St Leonards
Sunny Hills
Sydney CBD
Wollongong

SA
Adelaide
VIC
Docklands
Glen Waverley
Melbourne
CBD
Southbank
South Yarra
St Kilda Road
NT
Darwin

WA
Perth CBD
QLD
Brisbane CBD
Fortitude Valley
South Bank
ACT
Canberra Civic
Canberra Kingston