



**ocn**

THE INDEPENDENT  
VOICE OF STRATA  
OWNERS

# Short Term Letting in Urban Strata Schemes July 2021



PREMIUM SPONSOR



PREMIUM SPONSOR



MAJOR SPONSOR



MAJOR SPONSOR



MAJOR SPONSOR



MAJOR SPONSOR



# Short Term Letting in Urban Strata Schemes

1. Short term Rental Accommodation Framework
2. State Environmental Planning Policy
3. DA Conditions and By Laws
4. Premises Register
5. Code of Conduct
6. OCN Advocacy

# Rise of Short Term Holiday Letting



## 2008

- Air mattress
- HOSTED in home



- Stay with a local - live like a local
- Home share
- Designed for trust

## 2021

- Commercialised
- Major growth - entire apt
- Property Management Companies
- Instant Booking
- Tourism Rebound



- Competing with hotels
- Serviced apartments
- Internet saturation
- Movement for deregulation



**MASSIVE GLOBAL INDUSTRY**  
**HYPER COMPETITIVE**  
**OTHER PEOPLE'S REAL ESTATE**

# Short Term Letting Framework

Five Instruments	Purpose
State Environmental Planning Policy (Short-term Rental Accommodation)	Declare STR type of 'residential accommodation'. Exempt development pathway. No Local Council consent required.
Strata Schemes Management Act 2015 (NSW) - New Section 137A (1)	Provides clear legal authority to adopt by law by special resolution to prohibit STR where not 'principal place of residence'.
Environmental Planning and Assessment Act (Short-term Rental Accommodation) Regulation 2019	Fire Safety Standards specific to STR apply to Strata Schemes and Torrens Title housing.
Register for STR Premises	Every dwelling used for STR <u>MUST</u> be registered (existing use) Start: 1 Nov. 2021
Code of Conduct for STR Industry	Platform must not list unregistered premises. Hosts must notify OC; and hold public liability insurance. Guest obligations re noise, nuisance and damage.

# Short Term Rental Planning Policy

---

## State-wide Planning Policy - Exempt Development – No consent from Local Council

- STR - < 3months
- Residential Use
- Exempt if **Otherwise Lawful**
- Must be Registered
- Must have Fire Safety Certificate
- Must comply with STR Fire Standard
- Un-Hosted whole House/Apartment
- 180 days
- plus 21 day + letting not counted
- Different guests in different rooms
- No limit on # of occupants
- No limit on # apartments in scheme

Commences 1 November 2021

# Otherwise Lawful, Conditions, By laws & leases

---

## SEPP Short Term Rental Accommodation 2021

51 (g) the use of the dwelling for the purposes of short-term rental accommodation must **otherwise be lawful**.

**Note.** In addition to the requirements set out in this Part, adjoining owners' property rights, the applicable common law and other legislative requirements for approvals, licences, permits and authorities **still apply**.

For example—

(a) **section 137A** of the Strata Schemes Management Act 2015 provides that a by-law may prohibit a lot being used for the purposes of a short-term rental accommodation arrangement, and

(b) conditions of **development consent**, or a **lease**, may impose additional restrictions.

# You can make a By Law

---

## S137A (1) Short term rental accommodation

A by-law made by a special resolution of an owners corporation may prohibit a lot being used for the purposes of a short-term rental accommodation arrangement if the lot is **not the principal place of residence** of the person who, pursuant to the arrangement, is giving another person the right to occupy the lot.

# Principal place of residence

---

- Your home – your permanent place of abode
- The place you live with your family, where your personal belongings are, and where utilities, electoral enrolment and car license are registered under your name
- You can only have one Principal Place of Residence for tax purposes
- The place where you live as your main home





# Premises register

---

- Must register premises used for STR (hosted or un-hosted)
- Registration does not override your DA or your by law!
- Unique ID generated. Must be displayed.
- Data Sharing MOU with Platforms
- Tenant must up load written consent of Landlord to register

**\*\*The Dept. of Planning takes no responsibility for the integrity of the Register \*\***

# STR Premises Register

---

- Registration does not make STR legal !
- Consent conditions, by law and terms of lease PREVAIL
- Scheme records and STR Register should match
- Register only available to Customer Services and Local Council
- Address and type of dwelling identified

**\*\*Platforms must not list unregistered premises\*\***

# Code of conduct

---

- Host must notify OC that Lot used for STR.
- Host must hold public liability for injury and death
- Residential premises includes common property
- Insurance companies increasingly want to know
- Guest has Code obligations not to cause noise, nuisance or damage
- Code complaints to Fair Trading - arbitrator, warnings, directions
- Two serious offences in two years – exclusion for 5 years (unlikely to happen often)
- Commenced 18 December 2020

# OCN Advocacy

---

- Reduce day cap from 180 to 90 days for Greater Sydney Region
- Remove the additional uncounted lets for 21 days or more
- Strata mechanism for costs and overheads to be charged to Hosts
- Clear legal basis to require disclosure of Guest identity

# OCN BY LAW

---

1

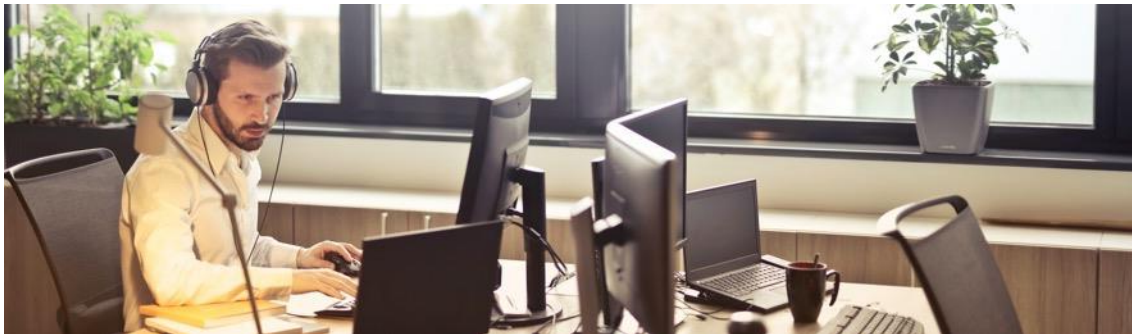
Developed by specialist strata lawyer familiar with overcrowding and short stays via platforms

2

Comprehensive to avoid loopholes  
This is step one to get ready

3

OCN will call. Explain the STR Framework and the by law. Give details of the strata lawyer Fact sheet on the By Law.



# YOUR FEEDBACK!

- Lost their culture of safety and security
- Weekend party goers, major events
- Pop up brothels operating multiple lots
- Volume, high turnover, and behavior
- Last minute bookings and complete strangers
- HOLLOWED OUT COMMUNITIES
- Security fobs copied and lost or handed to who?
- Damage is expensive
- Who pays for extra security?
- Degraded quality of life
- Loss of security, privacy, safety, reputation

