
There goes the party pad

Proposed changes to short term letting in NSW

SPEIRSRYAN

The NSW government has this week announced that it intends to change both the planning and strata legislation to:

1. limit the use for short term letting of any property in the greater Sydney region to 180 days a year;
2. permit owners corporations across NSW to prohibit the use of strata lots for short term letting by passing a valid by-law restricting this use;** and

***But note this restriction will not apply to strata owners who occupy their lot and also let a room out short term. It may also exclude owner occupiers who short term let their whole lot while they are away.*

3. allow local councils outside the greater Sydney area to choose to put a limit on the use of properties for short term letting of 180 days a year.

And here comes a code of conduct...

The NSW government also announced plans to create a mandatory code of conduct for online accommodation platforms offering short term letting like Airbnb and Stayz.

The code of conduct will address the main issues of concern around short term letting - noise levels and disruptive guests.

It is intended to establish a strike out policy administered by NSW Fair Trading where both guests and hosts who commit two serious breaches of the code in a two year period will be banned from all online short term letting platforms for up to five years.

Breaches of the code of conduct will also incur fines of up to \$1.1 million for businesses and \$200,000 for individuals.

How is it going to work?

We don't know the finer details yet - with at least two sets of amending legislation to pass through parliament and a new arm of NSW Fair Trading to establish to administer the code of conduct and adjudicate disputes, it will be interesting to see how the changes play out and if all of the governments 'intentions' are able to be put in place.

What if my strata scheme already has a by-law restricting short term letting?

If all the changes come to pass, a by-law restricting short term letting (of a whole lot) may remain valid and not require re-resolution or amendment. But we will have to wait and see how the amendments to legislation are framed.

For now, it's at least a step in the right direction towards clearing up an area of uncertainty and an attempt to balance the competing concerns of owners, occupiers, investors, owners corporations and short term letting providers.



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