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LAWYERS



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# IS CHANGE IN THE AIR FOR SHORT TERM LETTING?

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## IS CHANGE IN THE AIR FOR SHORT TERM LETTING?

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Is the NSW Parliament about to legalise short-term holiday lettings?

### Introduction

The NSW Parliament is holding an inquiry into adequacy of the regulation of short-term holiday letting in NSW.

The inquiry is being conducted by the Committee on Environment and Planning.

The inquiry invited interested parties to make submissions. It received 212 submissions from interested parties across NSW.

The submission period has now closed. The inquiry also held a series of public hearings earlier this year.

### Stakeholders

At those public hearings the inquiry received evidence from key stakeholders in the regulation of short-term holiday letting in NSW.

This included evidence from:

- local councils and the NSW Department of Planning and Environment,
- major accommodation providers in the holiday letting industry such as Stayz, Airbnb and Tourist Accommodation Australia,
- the insurance industry,
- the Real Estate Institute of NSW, and
- owners corporation networks representing people who live in strata properties and strata residents themselves.

### City of Sydney's Proposal

The City of Sydney made a submission to the inquiry.

In that submission, the City of Sydney controversially recommended that the NSW Parliament change the planning laws across NSW to permit infrequent short-term holiday lettings in buildings approved for residential accommodation.

More specifically, the submission of the City of Sydney recommended that infrequent short-term



holiday lettings in buildings approved for residential accommodation be designated as exempt development which does not require local council approval under the planning laws.

The City of Sydney also controversially recommended that no limitations be placed on the frequency of short-term lettings of rooms or beds in a house or unit where the primary resident is also present because, according to the City, these forms of short-term lettings typically have a lower impact on the neighbourhood.

The City of Sydney also made other recommendations. It recommended that a limit of no more than 2 adults per bedroom be placed on all forms of short-term letting. It also recommended that no alterations or additions to premises used for short-term lettings be allowed (presumably to avoid partitioning of rooms which leads to overcrowding) and that those premises meet relevant fire safety standards. It further recommended that only rooms approved as bedrooms be permitted to be used for short-term lettings.

### **Conclusion**

The Parliamentary Committee has not released its report or made any recommendations to Parliament. So the jury is still out. But if the City of Sydney has its way, some types of short-term holiday lettings will become legal in NSW without needing the approval of the local council or owners corporation.

The Committee is expected to deliver its recommendations to Parliament later this year. To find out more about the inquiry you can read the submission made by the [City of Sydney here now](#).

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### **About JS Mueller & Co**

JS Mueller & Co has been servicing the strata industry across metropolitan and regional NSW for almost 40 years. We are a specialist firm of strata lawyers with in depth and unmatched experience in, and comprehensive knowledge of strata law and levy collection.

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