

**Submission  
No 170**

**ADEQUACY OF THE REGULATION OF SHORT-TERM  
HOLIDAY LETTING IN NEW SOUTH WALES**

**Organisation:** L'Abode Accommodation Specialist  
**Name:** Ms Lisa Peterson  
**Position:** Managing Director  
**Date Received:** 8/11/2015

8/11/15

**Inquiry into short-term holiday letting in NSW**

Submission from L'Abode Accommodation Specialists

Attention:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

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(I am happy to be a spokesperson as a licenced real estate agency for the holiday rental industry and would be happy to talk to anyone who has any questions)

My contact details are:

Lisa Peterson - Managing Director

[REDACTED]  
[REDACTED]

**Summary**

I would like to put my submission forward for the government to continue to allow short term holiday lettings throughout Sydney and Australia. L'Abode Accommodation is a licenced real estate agency and professional property management company.

As a fully licenced real estate agent and fully licenced real estate agency with over 8 years property management experience our business has been carrying out holiday lettings for the last 3 years in Sydney.

I would like to see the Australian government take a leaf out of the New Zealand legislation, whereby any landlord wishing to let out their property for holiday rentals who will be out of the country must appoint a licensed real estate agency to manage their property on behalf of them.

The 'sharing economy'. Is part of this day and age's ever progressing technology and I personally believe that it's not going way and will only continue to grow and provide the people of the world opportunity. It provide choice, innovation and competition. I believe the government needs to move with the times and have clear rules and laws around this growing sector.

It is understandably raising legitimate concerns around regulatory processes and how it is regulated. This should be regulated, I believe the best solution to this problem is allowing owners to rent their property out with specific guidelines in place, however this is going to be hard to police and manage each individual owner. The best way forward from my experience and knowledge of the industry that I can see would be for local property managers who specialise in real estate/holiday rental management to work with the government, local body councils, stratas and neighbours of the community/properties involved by managing owners properties on behalf of them.

"In some areas, the use of these services to permanently rent out homes or apartments for tourism can affect the character and amenity of the local area. It is important to ensure that accommodation services do not put additional pressure on housing affordability or introduce negative social impacts. "Without change, NSW will fail to embrace this innovation which can work for both the service provider and the wider community.

I agree that "Local councils need support to help manage this new sharing economy and the best way forward is to make it a law for owners to appoint a licensed real estate agency who know what they are doing, have the experience to deal with issues that may arise, be able to manage guests effectively and be able to work professionally with local body councils.

I believe that the problems arise in the community when we have owners who are managing the properties themselves but don't know what they are doing.

Time after time we come across problems that have been faced where we see owners who manage the property themselves and problems occur with:

Owners not screening guests properly

Neighbours being left with loud noisy guests having parties all night and not having anyone to call or contact

Rubbish not being managed correctly

owners having no idea what they are getting themselves into

Don't screen guests and the wrong tenants and guests are being put in the property, disrespecting the property, the owners items

Guests disrespect or are not given any details about strata, neighbours and house rules

As a licenced real estate managing the property we can give owners, local body councils, and strata piece of mind and professional management of this growing section by:

- being licensed
- professional and experienced
- only a few points of contacts
- piece of mind, we are on call 24/7
- we have all of the regulatory licenses and credentials
- management of guests

## Questions raised by parliamentary inquiry

QUESTION: How it can be better regulated for the benefit of owners, neighbours, the tourism industry and the state economy.

ANSWER: By allowing licenced real estate agents who know and understand the industry to manage properties on behalf of owners who don't know what they are doing.

Private owners who are renting their properties out are away otherwise why would they rent their property out. Because they are not around to help should any problem occur owners should have to appoint a property manager to manage their property

I think anyone renting their property who is not residing in the town they are in must appoint a licensed real estate agent:

[http://www.fairtrading.nsw.gov.au/ftw/Consumers/Buying\\_services/Travel/Renting\\_a\\_holiday\\_home.page](http://www.fairtrading.nsw.gov.au/ftw/Consumers/Buying_services/Travel/Renting_a_holiday_home.page)

As per the fair training website states money held must be held in a trust account in accordance with:

It is important to remember that holiday accommodation payments – including deposits and security deposits - are regarded as trust money and must be handled in accordance with the *Property, Stock and Business Agents Act 2002*.

[http://www.fairtrading.nsw.gov.au/ftw/Property\\_agents\\_and\\_managers/Agency\\_responsibilities/Holiday\\_rental\\_accommodation.page](http://www.fairtrading.nsw.gov.au/ftw/Property_agents_and_managers/Agency_responsibilities/Holiday_rental_accommodation.page)

Second - is its unclear

[http://www.fairtrading.nsw.gov.au/ftw/Consumers/Buying\\_services/Travel/Holiday\\_home\\_rentals.page](http://www.fairtrading.nsw.gov.au/ftw/Consumers/Buying_services/Travel/Holiday_home_rentals.page)

Agents must ensure that:

- there is a written agency agreement to ensure proper arrangements are in place for the payment of commission and costs (go to the Agency agreements page for more information)
- the owner of the property is made fully aware of the requirements and has provided clear instructions about the management of the property in the agency agreement
- prospective guests are told if they may have to pay a deposit and about any refund arrangements and procedures
- the guest provides clear unambiguous instructions in a written agreement about how any payments made by them are distributed
- any money received is paid into the agent's trust account as soon as practicable
- a trust account receipt is issued to the guest for any money received
- the money is only paid out of the trust account if the guest has given clear written instructions or the accommodation has ended and the contract completed.

As licensed real estate agents and professionals We can educate owners on how this can be done properly and manage guests while in-house.

QUESTION: The inquiry is investigating how short-term holiday letting is currently managed in NSW and comparing it with what happens in other states and overseas.

ANSWER: In New Zealand under the real estate act if a landlord is out of the country for more than 21 days they must appoint a licensed real estate agent to manage their property. The landlord must give the tenant the details of their agent, including their agent's name and contact details, and address for service.

It's unlawful if a landlord doesn't appoint an agent or doesn't provide the tenant with their agent's details. :

Admittedly this is for longer term rentals but this is a great example on why licenced professionals should be managing rentals and even more so in holiday rentals and should be applied for any landlord not residing in their premises or in city/town they live in.

see link:

<https://www.tenancy.govt.nz/ending-a-tenancy/change-of-landlord-or-tenant/change-of-landlord/>

QUESTION: We need to make sure that any new regulation of short-term holiday letting delivers better outcomes for everyone involved, as well as ensuring that local economies continue to grow,"

ANSWER: By implementing tax and legislation to be able to manage the growth and sustain this industry.

QUESTION: Mr Brookes said the inquiry is examining the impacts of current practices on the holiday accommodation market and whether aspects like customer safety, neighbourhood amenity and land use approval need to be addressed through better regulation.

ANSWER: Property managers and licenced real estate agencies already have the answers and work towards managing these issues on a daily basis as they arise - please see below under our business practices on how we manage these issues.

QUESTION: what are we doing as an organization to keep our guests safe, educate our owners and keep neighbours and strata happy?

ANSWER: refer to L'Abode Accommodations risk reduction process

QUESTION: TAX and GST?

ANSWER: We advise owners that they should be paying tax on the income they receive from letting their property out. Having a licensed real estate agency manage properties on owner's behalf, we would be able to effectively deduct this from the owner prior to the funds being released to the owner and paid out to the government, much like the way employers deduct tax from employees.

QUESTION: Scamming: Guest turns up to a property to find this does not exist and they have paid some money online via air bnb, stayz to find the property or person does not exist.

ANSWER: We continuously get these calls from desperate guests from overseas needing urgent accommodation. Being a licensed real estate agency there is some comfort in guests knowing we are a real and legit company that manages properties on behalf of owners with an ABN and real estate licence number. Guests do not have this security with online sites such as air b and b, and stays

## **Business Statistics**

July 2014 - November 2015

- 1328 bookings
- \$2,932,010.14 in sales into the economy
- 506 forward bookings up until February 2016
- which is contributing a further \$1,918,120.99 into the economy
- We hold a \$500 bond from every guests
- over 200 email enquire a day and on average 6 bookings per day

Out of these 1328 bookings

- We have had no parties as we have a very strict no parties policy
- We have received just 10 noise complaints - these complaints were people talking loudly on the balcony and keeping other residence in a strata building awake, where our property managers had contacted the guests as soon as we have found out
- Terri sheer landlord insurance is \$250 access in 3 years we have not had one single claim on landlord insurance - so no damages to any of our properties over \$500 worth.

We believe that having such good statistics as above comes down to our professional ability to screen and only select the best guests staying in our properties.

## **L'Abode Accommodations approach to minimising risk**

### AGENCY

- we abide by the The Holiday Rental Code of Conduct  
[http://c.ymcdn.com/sites/www.hria.com.au/resource/resmgr/Docs/Holiday\\_and\\_Short\\_Term\\_Renta.pdf](http://c.ymcdn.com/sites/www.hria.com.au/resource/resmgr/Docs/Holiday_and_Short_Term_Renta.pdf)
- We also have strict terms and conditions - see below:
- 24/7 on call assistance to both, guests owners or general members of the public
- We are on call should any calls be received from any neighbour, guest, owner or any public persons of concern with any of our properties
- Guest meet and greets - so we know who is staying in all of our properties at all times and can reinforce the terms and conditions of their stay
- Strict no parties policy
- Strict noise kept to a minimum after 10pm every night
- All fire/smoke alarms to be working in every premises - this is owner's responsibility to ensure they are working but is also checked every time a guest checks out as part of our housekeeping duties and checklist
- We provide luxury hotel grade linen that fits in with the hotel standards
- Pools - we don't rent out any properties unless there pools are registered and abide by the pool safety standards
- [http://www.fairtrading.nsw.gov.au/ftw/Consumers/Product\\_and\\_service\\_safety/Pool\\_safety/Swimming\\_pools.page](http://www.fairtrading.nsw.gov.au/ftw/Consumers/Product_and_service_safety/Pool_safety/Swimming_pools.page)

- First aid kits - ensure there is a first aid kit in all of our properties
- Blind chords - abide by the nsw standards as per link:  
[http://www.fairtrading.nsw.gov.au/ftw/Consumers/Product\\_and\\_service\\_safety/General\\_products/Blinds\\_and\\_curtains.page](http://www.fairtrading.nsw.gov.au/ftw/Consumers/Product_and_service_safety/General_products/Blinds_and_curtains.page)
- Licenced real estate agents who hold both a full and current real estate licence and corporation licence
- we hold a fully licensed Trust account that all monies goes into and is audited every year.
- Member of HRIA

#### OWNER:

- Property manual and rulebook left at the property
- owner agency agreement must be signed - also see attached
- Our owners have to ensure all smoke alarms are tested and are working
- Our owners have to fill in property manual
- Our owners have to repair and thing that could be harmful or dangerous
- All properties must be of the building standard and be signed off
- Owners do not have contact with the guest only the property managers - as we are managing the properties are the professionals who know what we are doing if any issues should arise.
- we ensure owners take out terri shceer short term stay landlord insurance which covers 20m legal liability, 60k contents
- Advice to owner on how to prepare the property
- Ensure owners fill out the property guide, which includes nearest fire exit, smoke alarms and where there first aid kit is kept in the property.
- We advise owners they need to pay tax on the income they receive.
- We ask landlords to talk to their neighbours and to give them our business card, should anything happen they can call us anytime day or night.

#### GUESTS

- We screen all guests coming into all of our properties ensuring All guests sign and agree to our terms and conditions which is for the safety of owners and guests Our guests have to fill out and sign a guest registration form to abide by the terms and conditions:
- We send confirmation emails to the guests once booking is made and a trust account receipt is issued to all guests when payment has been taken
- We collect driver's licence/ passport and ensure we know the ages and everybody who is staying in all of our properties and can refer back to that if there are any future issues with police, councils or strata.
- We don't rent any of properties to back packers or groups of young people (thorough screening of guests under the age of 28)
- Larger bonds are received from people under the age of 28 and terms and conditions reinforced prior to accepting the booking, such as our no parties policy and noise kept to a minimum after 10pm at night
- We leave a property manual for the guests with specific instructions on where to park, how to access the property and the strata rules and regulations.
- Guests informed of residential amenities rules to ensure reasonably low impacts from noise, parking and garbage.

### **Example welcome letter**

Welcome to ....., Bondi Beach!

#### **ACCESS INSTRUCTIONS:**

Please contact your Property Manager 1 hour prior to arrival to access the property she will meet you at the property to hand over the keys and show you through the property -

Property Manager:

(Property manager) on +61 .....

.....@[labodeaccommodation.com.au](mailto:labodeaccommodation.com.au)

Arrival - Check in time 2pm (as we have guests leaving that morning) and check out time 10am.

Please note: Due to the high turnover of our properties, we aren't able to offer a late check out.

For after hours/emergencies, please contact Lisa Peterson on [REDACTED]

#### **STRICT HOUSE RULES**

Smoking:

All of our properties are non-smoking properties and you are not permitted to smoke indoors.

Additional Guests:

The number of guests permitted are as per your booking form. Additional guests are not to stay overnight and overcrowding of properties will not be tolerated and result in non refundable termination of the Holiday Booking.

Noise/Strict NO Parties policy:

Please be considerate of your neighbours and keep the noise to a minimum. Excessive noise after 10pm weekdays and Sunday, and 11pm Saturdays (as per Council regulations) will not be tolerated and result in non refundable termination of the Holiday Booking and loss of bond.

Helpful Numbers:

Police, Ambulance and Fire emergencies: 000

Transport Infoline: 131 500

Taxis Combined: 8332 8888

Emergency Repairs outside business hours

Plumber: EG: Bondi Plumber (ph:.....)

Electrician: EG: Bondi Electrical (ph:.....)

Locksmith: EG: Bondi Locksmiths (ph:.....)

## **L'Abode Accommodations Terms & Conditions**

### GUEST REGISTRATION AGREEMENT

1. Read and understand
2. Enter Credit Card details as guarantee
3. PRESS SUBMIT at the bottom of page

I {GUEST\_FIRST\_NAME} {GUEST\_SURNAME} occupying {PROPERTY\_NAME} {PROPERTY\_LOCATION} from the {ARRIVAL\_DATE} to the {DEPARTURE\_DATE} accept full and complete responsibility for the property we occupy on behalf of myself and other guests, to read the property compendium on arrival and;

The Guest acknowledges that L'Abode Short Term Accommodation Specialists (L'Abode Accommodation) does not own any of the Properties it books, but rather acts as an Agent and Manager for the individual Owner of the Properties. The Owner has provided all amenities, furnishings and fixtures at the Property, which can be of varying styles and standards. Each Property is individual and unique with the Owner's sometimes opting to leave some of their Personal items for Guest use at their Property.

L'Abode Accommodation, on behalf of the Property's Owner, accepts bookings for short-term holiday accommodation at the Property with this contract representing the agreement between the parties to which the following terms and conditions apply:

L'Abode Short Term Accommodation Specialists reserves the right to terminate any booking and immediately eject any Guest from the Property for failure to comply with the Terms and Conditions of their booking, in which case there would be no refund of any monies paid and an automatic charging of the security bond on the Guest's stipulated credit card.

### BOOKINGS and PROMOTIONAL INFORMATION

This booking form is issued subject to any prior booking or sale of the Property, with the Guest acknowledging that L'Abode Accommodation has used its best endeavours to maintain the accuracy, currency and correctness of all advertising materials and information given to them with respect to the Property, however nothing in those materials shall be treated as a term or condition of this contract and details are subject to change without notice.

L'Abode Accommodation invites Guests to inspect the Property prior to the booking dates, at a time suitable to the Manager, as the Manager is not liable for and will not issue a refund to any Guest who is not satisfied with or does not consider the Property booked to be suitable as result of any difference of opinion as to the condition or quality of the premises, the surrounds, nor for any temporary defects or stoppages of any utilities. Properties may not appear exactly as pictured or described due to normal Property wear and tear, a change in furnishings or any other changes that may have occurred after the advertising materials were published.

L'Abode Accommodation will not accept any responsibility for any matter or occurrences beyond the Manager's reasonable control including (but not limited to) damage caused by extreme weather conditions, breakdown of appliances, wiring, plumbing, invasion of pests or noise disturbance. Booking extensions will not be permitted on the day of departure and must be organised with the Manager before the checkout date.

## COMPLAINTS

The Guest must immediately (within 24 hours) notify L'Abode of any complaint or problem with the Property, should there be one, and allow the Manager a reasonable amount of time to remedy the problem or find the Guest suitable alternate accommodation if the problem cannot be resolved within a reasonable amount of time. The Manager must use discretion in deciding the severity and outcome of the complaint or problem. Failure to notify L'Abode will void any claim following the booking period and vacating the Property does not constitute an adequate cause for the Guest to be refunded.

## PAYMENT

No booking is confirmed until L'Abode Accommodation has received both the signed booking form and the deposit (or full payment) for the booking. Payments can be made via bank transfer or credit card.

If the booking is made within 2 months of the booking arrival date, then the entire booking amount shall be paid up front to confirm the booking.

If the booking is made more than 2 months before the booking arrival date than a \$100 deposit of the total booking amount is payable. The remaining balance is due 2 months (8 weeks) before the date of the booking or as per our instalment payment plan conditions

If payment is not made within the dates set out herein L'Abode Accommodation will treat the booking as cancelled and the deposit will be withheld.

## GUEST TRAVEL INSURANCE

L'Abode Accommodation strongly recommends that the Guest purchase a comprehensive travel insurance policy with a reputable insurance company to cover any unforeseen circumstances that may arise and prevent a Guest from travelling. This includes (but is not limited to) accident, ill health or misadventure that is beyond the Guest's reasonable control, as once the booking has been confirmed the Guest is liable for the full booking payment and the monies will not be refunded whether the Guest stays at the Property or not.

## CANCELLATION POLICY

Once the deposit (or full payment) is received the booking is confirmed and the payment is non-refundable.

In the event of a cancellation the Property Manager must be notified in writing. Guest deposit will be lost plus any credit card fees incurred.

In the event that the guest cancellation is 2 months prior with the booking amount paid in full and also applies if the guest cancels after the arrival at the Property a 100% cancellation fee will apply.

The Owner reserves the right to cancel a booking at any given stage issuing a full refund to the Guest if L'Abode Accommodation cannot find a suitable alternate accommodation for the Guest.

## SECURITY BOND

L'Abode Accommodation requires the holding of Guest credit card details as a security deposit for the Guest's stay. The Guest acknowledges that the bond shall be deducted from the nominated credit card, prior to the Guest being alerted, for any extra cleaning, breakages, loss or damages to the Property or its surrounds, breach of terms and conditions or any additional fees incurred as stipulated in this agreement. Individual Owners may require additional up front security deposits for their Property.

#### NUMBER OF GUESTS

The Property is for short-term accommodation purposes ONLY with the number of Guests staying at the Property and the dates of their stay to be as stipulated in this form and agreed to by L'Abode Accommodation. NO additional guests are allowed at the Property, with weddings, parties, or other large gatherings NOT PERMITTED. Overcrowding or any gathering or party at the Property will result in AN AUTOMATIC GUEST EVICTION AND LOSS OF SECURITY BOND.

#### GUEST RESPONSIBILITY

Please inform L'Abode Accommodation of any damaged or missing items upon arrival to the Property.

The Guest shall be liable for any wilful loss or damage whatsoever caused by the Guest to the Owner's Property. The Guest is responsible for ensuring that the Property is left in a reasonable condition of cleanliness and in the same condition of repair as it was upon arrival. The cost of any repairs, replacements or fixes shall be up to the discretion of the Manager where necessary. Any damage or breakages to the Property shall be reported to the Manager as soon as practice after the damage has occurred.

#### LIABILITY

No liability is accepted for any injury, debt, damage, loss, delay, expense or inconvenience caused directly or indirectly to any Guest or their personal belongings, baggage, vehicle and other Property whilst staying at the Property. Neither the Owner nor L'Abode accepts any responsibility for any events beyond the Manager or Owner's control that are not caused by defaults or neglect by the Manager or Owner.

The Guest acknowledges that the use of any of the Properties facilities (swimming pool, outdoor spa, tennis court or the like) which may result in injury, loss or damage to the Guest or their Property is the Guest's responsibility and the Manager and Owner will not accept any liability arising thereof.

#### CLEANING AND LINEN HIRE FEE

The quoted cleaning and linen hire fees are compulsory for every booking and are as quoted by L'Abode at the time of booking. This fee should be taken into consideration in addition to the nightly tariff when booking the Property and covers all bedding linen, bathroom linen (we do not provide beach towels) and the clean of the Property after you check out.

#### ARRIVAL AND DEPARTURE

Unless otherwise agreed, check in is after 2 pm on the day of arrival with L'Abode to meet Guest at the Property between 2pm and 6pm on that day. Check out of the Property is 10am.

Should the Guest require an alternate arrival/departure time, please contact L'Abode ahead of time, as failure to do so will result in the Guest being charged additional accommodation tariffs.

Please contact the Manager to arrange where the keys are to be left should Guests be departing outside of office hours. Failure to do so may result in the Guest incurring a locksmith call out charge. Key duplication is strictly forbidden; if spare keys to the Property are required please contact L'Abode.

Any call outs, outside of office hours will incur a \$110 call out fee.

#### PROPERTY RULES

Noise: Legislated noise pollution controls shall prevail at the Property and Guests are obligated to comply with any Body Corporate rules and regulations (where applicable) and not create or permit any noise or nuisance, which is likely to interfere with the peaceful enjoyment of any other person occupying adjoining premises.

Smoking: Smoking is not permitted inside the Property.

- Pets:** The Property does not permit pets unless specifically authorised in writing by L'Abode and the Owner of the Property.
- Parking:** Guest shall only park cars in areas specifically identified for Guest use by the Manager. Any additional vehicles, boats and the like are to be parked outside the Property grounds.
- Property Items:** The Properties managed by L'Abode are Owner's homes. Items will be left for Guests to use throughout their stay (e.g. pantry goods, kids toys, sports equipment etc) with items not for use locked away at the Property. Guest's are to respect the Owner's desires and not use items that have been purposefully and obviously locked away and/or covered up and are not for Guest use.
- Furniture:** Furniture is not to be moved at the Property and no item from the Property is to be removed from the Premises. Only outdoor furniture is to be used outdoors.
- Garbage:** Guest's are to maintain all bins are lined and rubbish to be placed in the bins provided. Guests will be charged \$10.00 per excessive bag/box of rubbish not removed from the premises at checkout and fish is not to be cleaned on premises.

In accordance with Section 18n(1)(b) of the Privacy Act the Guest authorises L'Abode to give information to and obtain information from all credit providers. The Guest understands that this can include information about their credit worthiness, credit standing, credit history or credit capacity. The Guest understands that this information may be used to assess their application.

**Conclusion:**

I am happy to be a spokesperson as a licenced real estate agency for the holiday rental industry and would be happy to talk to anyone who has any questions.

Thank you for your time to read and go through my submission.

My contact details are:

Lisa Peterson - Managing Director

[REDACTED]  
[REDACTED]