



Australian Hotels Association
WESTERN AUSTRALIA

not
fair bnb

WA'S SLEEPING JOBS KILLER

Since 2012, WA has benefited from record investment in new hotels and redevelopments, creating thousands of new jobs.

Since 2012, in Perth alone

29 New hotels and serviced apartment buildings completed

15 Committed or under construction

\$4.5B

Over \$4.5 billion invested in new and planned hotels.

2,932 New rooms completed

2,896 Committed or under construction

454 Rooms in three existing hotels redeveloped

The State Government has backed private investment with the Hotel Perth tourism campaign targeted at encouraging potential visitors from the East Coast to experience these quality new offerings.

Unfair competition from home sharing platforms is undermining hotel investment and occupancy rates, with this costing direct and indirect jobs.



GENUINE HOME SHARING OKAY MIMICKING HOTELS IS NOT

Like many “share economy” business models, home sharing was supposed to be about giving people the opportunity to make a few extra dollars from renting out a spare room, granny flat or bed in their homes.

The reality is, most home sharing platform listings (70 per cent) are not shared and are for entire houses and apartments, with about one in five hosts having more than one listing.

This means, instead of being a facilitator in a genuine “share economy” home sharing platforms are enabling some property owners to mimic and compete with the hotel industry.

HOME SHARING PLATFORMS MEAN FEWER JOBS AND TAXES

With many hosts and listings mimicking the hotel industry, WA’s new, quality offerings, and the jobs and taxes they deliver, are being undermined.

Home sharing platform listings don’t have to comply with the same building and safety regulations, they aren’t taxed in the same way and they are not policed or monitored as is the case with regulated accommodation.

At January 2019

7,916

Home sharing hosts in WA,
up 47 per cent over previous year

70%

Of listings for whole
houses and apartments

19.6%

Of hosts have more
than one listing

Because of this, our hotel industry faces unfair competition, undermining hotel occupancy rates, jobs, training opportunities and taxation revenues to the State Government.

In addition, more and more stories are emerging where listings have appeared in streets and buildings, against the wishes of neighbours and local communities, who have unfairly not been given the chance to have their say.



MAKING HOME SHARING FAIRER

We're proposing a simple five-point plan that would enable genuine home sharing to continue, while protecting Western Australian hotel jobs from unfair competition.

1. Home sharing properties must be registered, with a fee payable to fund compliance monitoring.
2. Only a host's primary residence may be listed for sharing.
3. Short stay accommodation must meet fire, safety, building and insurance requirements appropriate to short term rentals.
4. Require Peer-to-Peer platforms to stop listing illegal and non-compliant rentals and share relevant data with authorities.
5. Neighbours, co-tenants and landlords must be empowered and allowed to have a say.

NEW SOUTH WALES NOT THE ANSWER

Recent NSW government changes were designed to reduce the impact of home sharing platforms on rental affordability.

Unlike in WA, where we have high hotel vacancy rates and declining residential rents, NSW has high hotel occupancy rates and skyrocketing rents.

While the move to limit the number of days a property may be leased each year through home sharing platforms to 180 days may lessen the impact of the sector on rents, it will have no impact on hotel occupancy rates. Property owners will still be able to mimic hotels during peak seasons, costing hotel jobs in the process.

And, the NSW government did not mandate registration of home sharing properties, meaning it will be impossible to police the 180-day rule.

Under our proposal, home owners would still be able to share a room for a night, a week or more.

Holiday homes are already guided by existing state planning guidelines and are not the focus of the AHA campaign.

LESSONS FROM OVERSEAS

Home sharing platforms are still operating effectively in international jurisdictions that have implemented reforms similar to those we are proposing.

Here are some examples:

San Francisco (Home of home sharing platforms)

- Listings must be registered
- Registration fee payable
- Short-term letting under 30 days not permitted without a permit
- Maximum 90 days each year an entire property may be let out for short-term stays
- \$1,000 fine for non-compliance
- Only a host's primary residence can be listed for letting



New York

- Listings must be registered
- Registration fee payable
- Short term letting under 30 days prohibited
- \$7,500 fine for non-compliance



WHAT HOTEL OPERATORS ARE TELLING US

“ Home sharing is having a direct effect on our employee levels. We like to keep a local touch with our employees from the local area, especially taking advantage of return to work programs. But with less demand for rooms, we have had to lay off and hold off on recruitment drives. ”

“ We are a developer and operator and have recently completed our second investment into WA. After spending money on town planners to assist us to jump through all the hoops required to open and operate our first hotel, we have received a complete slap in the face to have next door a building that is 90 per cent home sharing, operating without any requirements. Why would we continue to invest in Perth hotels when someone can open next door and destroy it without spending a cent? ”

“ As a commercial business, we are required to comply with a wide variety of regulatory requirements. We pay higher levels of council rates and need to organise for our own waste disposal. A home sharing operator is able to “masquerade” as a resident, paying significantly lower levels of council rates. ”

FIND OUT MORE

For more information, please visit notfairbnb.com.au or contact the Australian Hotels Association

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