



Member Webinar:

Strata Living During a Global Pandemic

24 March 2020

MIDDAY, AEDT



Your **STRATA**
PROPERTY
MEMBERSHIP

Short Term Letting (NSW)

- *New legislation commences 10 April 2020*
- New s 137A Strata Schemes Management Act 2015
- Fair Trading Code of Conduct
- State Environmental Planning Policy (not due to commence)
- Fire safety requirements (not due to commence)

Short Term Letting (NSW)

137A Strata Schemes Management Act

Short-term rental accommodation

- (1) 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.
- (2) A by-law has no force or effect to the extent to which it purports to prevent a lot being used for the purposes of a short-term rental accommodation arrangement if the lot is the principal place of residence of the person who, pursuant to the arrangement, is giving another person the right to occupy the lot.
- (3) In this section, *short-term rental accommodation arrangement* has the same meaning as in section 54A of the *Fair Trading Act 1987*.

Short Term Letting (NSW)

Section 54A of the *Fair Trading Act 1987*:

short-term rental accommodation arrangement means a commercial arrangement for giving a person the right to occupy residential premises for a period of not more than 3 months at any one time, and includes any arrangement prescribed by the regulations to be a short-term rental accommodation arrangement, but does not include any arrangement prescribed by the regulations not to be a short-term rental accommodation arrangement.

Short Term Letting (NSW)

The Code of Conduct

- Rights and obligations of hosts and guests as well as booking platforms, agents, facilitators
- Resolution of complaints and disputes
- Fair Trading Commissioner administers the Code
- Host must hold public liability insurance; must be contactable; must give guest access to the by-laws; must tell the OC they are short term letting
- Two strikes within two years: you're on the exclusion register for 5 years (guest or host)
- What does this register look like and who can access it? Who knows...

Short Term Letting (NSW)

The State Environmental Planning Policy

- “Hosted” STRA is permitted without development consent (where host is present)
- “Non hosted” STRA is permitted without development consent 180 nights of the calendar year (where host is not present)
- Non hosted bookings of 21 or more consecutive days do not count towards the 180 night limit
- Repeals existing STRA provisions in local planning instruments
- Exemptions for certain tourist areas
- Must comply with new fire safety requirements

Short Term Letting (NSW)

Fire Safety Standard

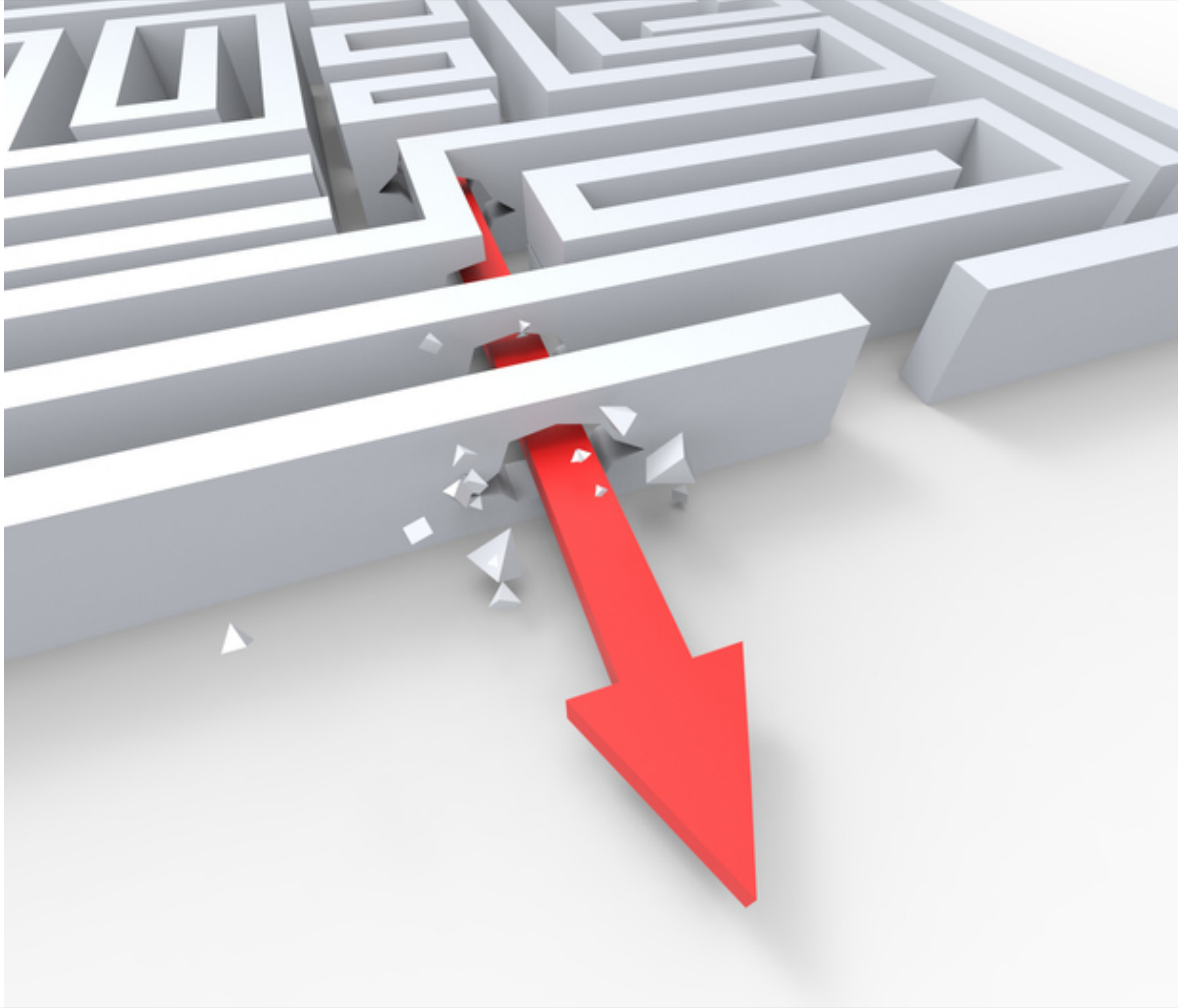
- Commences when the SEPP commences
- Smoke alarms must be located in each bedroom, each room with an area more than 3.5sqm ex kitchens, hallways associated with a bedroom or if there is no hallway, the area between the bedrooms and the rest of the building. Must be connected to the mains power. Must be interconnected within the dwelling
- Heat alarms must be installed the kitchen and unconnected with the smoke alarms
- A system of evacuation lighting must be installed in hallways
- Doors that open to hallways must be self closing and fitted with smoke seals
- Fire extinguisher must be installed in the kitchen
- Fire blanket must be installed in the kitchen
- Evacuation diagram must be installed

Short Term Letting (NSW)

What to do?

- Start thinking about the terms of a new by-law. Should be comprehensive: referring to s 137A, the Code of Conduct, the SEPP and the Fire Safety Standard
- Await commencement of the SEPP
- Once the by-law is specially resolved and registered, enforce the by-law hand in hand with using the provisions in the Code
- Alert local council to breaches of the Fire Safety Standard
- Consider separate by-law: induction procedure for all new tenants; incorporate provisions to recover expenses from owners.







Questions?