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Sent: Tuesday, 7 March 2023 12:56 AM
To: IPCN Enquiries Mailbox <ipcn@ipcn.nsw.gov.au>
Cc: Grant Moffitt <[REDACTED]>; [REDACTED]
Subject: RE: Byron Shire Short Term Rental Accommodation Planning Proposal - Tech Check

To Who it May Concern.

I recently was given the opportunity to speak at the IPC Hearing for the Byron Shire STRA.

After being given 5 minutes to state my point of view, I thought it was important to put my comments in writing.

My view is based on the following experiences ;

- A) Part owner and manager of two Guests Houses in the Byron Shire.
- B) Part owner of three houses currently rented long term to tenants.
- C) Part owner of a house being registered as a STRA.
- D) Developer of several housing developments in Byron Shire in the past 10 years.
- E) Local resident in Byron Shire for the past 23 years.
- F) Part own two retail stores / businesses in Byron Bay.
- G) Major Supporter of many non for profit charities in the Shire.

Hence, given the above personal experience and business knowledge I provide the following facts ;

Byron Bay has been evolving as a tourist town for the past 40 years.

It's the mix of people, community and its natural beauty that attracted me to this town more than 40 years ago.

My children have gone to school here, and Byron Bay resonates as home to myself.

I have assisted and supported many fund raisers, families, individuals and non for profit charities in the Northern Rivers.

My feelings come from doing the best for the community of this town.

However, it greatly disturbed me to hear that one group of business was being singled out as the blame for the current housing shortage.

The STRA in the Byron Shire accounts for around 1,100 houses owned and operated by investors.

Even though the local council was stating 6,000 out of 16,600 were STRA in the shire. (Fact Check ; Wrong).

The STRA have been operating since I visited Byron Bay back 23 years ago when I bought my first house in Kingsley Street.

In fact, I rented one such house for Xmas with my whole family in 1999.

The local council blaming the STRA for the housing shortage is simply deflecting blame from themselves as a council.

They had the opportunity several times in the past 20 years to work with developers to create sustainable , affordable and low rental houses for those in need.

West Byron Development was one such case were the council could have approved the DA submission 10 years ago for 1,000 new land lots with say 20% being set aside for affordable housing.

Instead, they decided to take up arms against the whole development and fight through the courts over a 10 year period.

The court costs incurred by them fighting the development I believe was several millions of dollars of tax payers money.

The blocks had a retail value of between \$200-\$250,000 10 years ago, which would have been affordable for most families to buy.

Today, instead of having another 1,000 houses available in the Byron Shire , we have 200 blocks being released and sold for around \$2 million each.

This is just one development of many that had been proposed and opposed by the Byron Council in the past 20 years.

The issues around shortage of houses today have been caused by various councillors fighting developers, and not getting them on side to achieve a mutual beneficial outcome for all stakeholders

The issue of developing property is not always easy and it comes with not only rewards, but risks as well.

Being seen as a developer in Byron Shire was seen by many in council and the media as being the opposing enemy.

I know myself that it took 16 months for a residential zone block of land in Byron to be DA approved by council in Oct 2021.

Even though we were short of houses , the attitude was to go slow, but up road blocks and incur unnecessary costs.

Never once in viewing the proposal did they ask, who actually owned the property?

The approval process of these 10 dwellings took as long as it did to build them.

This is simply not good enough.

The upfront costs of building each dwelling was \$89,000 in fees and charges by government.

This consisted of \$44,000 for Home Warranty Insurance and \$32,000 in Council Contributions.

How can this be affordable to any first home buyer? We have three in this project of 10 houses.

If Government is serious about lifting the number of houses built and reducing their cost then these factors need to be fixed.

Couple the above with the Federal Governments Home Renovation Grant of \$25,000 announced in 2020, and we have the perfect storm.

The building industry was never consulted about this Grant which was thought to attract 42,000 applicants.

Instead it achieved 75,000 in the initial offering and was extended by Scott Morrison for a further 6 months attracting in total 142,000 applicants.

The Federal Government thought they did a good thing by generating more economic activity to stimulate the economy.

However, as most understood in the building industry at the time, building materials and skilled labour were scarce.

Attracting resources away from home building into renovating houses only fuelled the flames of higher prices in materials and labour throughout Australia.

In fact this very program has been the main cause of the failure of many Builders around Australia in the past 12 months. Fact.

Many work on fixed price quoting for builds commencing 6-12 months in the future.

Their gross margins are normally 20 percent and overheads 10% of turnover , leaving a profit of around 10% at best.

When prices increased 30-40% over Covid (due to the Home Renovation Grant) the Home Builders were sitting ducks.

The Perfect Storm.

When the floods of March 2022 occurred this simply was “ the straw that broke the camel’s back “ .

More than 1,200 STRA’s gave up their houses for between 2 weeks to 3 months for free to accommodate over 1,200 families that had no accommodation after losing their homes overnight.

I know this happened as I was one of the STRA members that assisted.

My wife was washing peoples clothes 12 hours a day for two to three weeks in our commercial laundry free of charge.

The Byron community as a whole was simply outstanding in generosity during these times.

The STRA generate close to \$300 million in turnover for Byron Shire annually. Fact.

Byron Bay is a world renown tourist destination built by STRA’s offering overseas tourists a beach holiday.

What economy or community could afford to lose such an industry, but this is what the State and local Governments are proposing with implementing the 180 day cap on STRA’s.

Loss of economic activity in any community equals job losses. Fact.

STRA houses offer city and country families an opportunity to have a beach side holiday away together.

When you implement this proposed cap on STRA's you are in effectively telling these people, don't holiday together as family in Australia. Go to Bali, but not here! You are not wanted here !!.

The local council has been doing their best over the past 20 years to discourage tourism. Fact.

STRA's in Byron Bay cater for families!!! Fact.

Where else can a family be accommodated in Byron Bay? Maybe a Back Packer lodge, or within a hotel with rooms ranging between \$500 to \$1,000 per night.

Of course, most families would love their kids staying in an unsupervised room next door to theirs. Wrong.

Please understand that the cap of 180 days on STRA's in Byron Shire will result in lower economic activity = job losses.

Jobs not just related to STRA's, but in all the other areas of the community. Example – no jobs in the private sector = no jobs in the public sector. I.e. teachers, police, local government employees etc.

Retail stores in town will suffer greatly from the loss of family spent dollars.

Reduce a local retail stores business by 20% and it becomes a very marginal business. Don't be fooled. **It takes such an impact to close a business down.**

Retail stores in Byron are already feeling the effects of less business caused by higher interest rates and Australians travelling overseas.

You couple this with less family group spending and you will see an absolute disaster in the making.

You only need to look at what happened in Noosa Queensland when they bought in restrictions on STRA's 5 years ago.

More than 50% of the retail stores become vacant within 6 -12 months, and you are going to allow another repeat of this experience in Byron Bay.

I really feel Local, State and Federal Governments are out of step with reality.

I only hope that the IPC Commission can see and understand what I have witnessed living at the coal face in Byron Bay.

The implementation of these caps on STRA will do nothing to improve the current housing crisis.

All you will achieve is maybe freeing up of a couple hundred houses for permanent rental, but shut down an entire sustainable industry with knock on effects for the entire local economy.

The common sense approach would be to build more houses.

Encourage local councils to work with developers to produce better outcomes from developments for all stakeholders, including the community.

Reduce high upfront fees and charges to building new houses.

Improve the turnaround times to approve such developments, as time is money which simply gets added to the overall cost of developing.

Why the Home Warranty costs have increased 1,000 percent in the past two years for regional areas of NSW is ridiculous and boarding on absurd. Fact.

Why is regional NSW paying for the incompetence of Building Certifiers, Engineers and local and state Governments in Sydney over the high rise apartment debacle in recent years ?

This is only another form of tax on first home owners in regional NSW. Fact.

Surely , we can expect better from all levels of government !

Yours sincerely,

Grant Moffitt.





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