

acknowledged via
email 2/8/18.

The Secretary
Legislative Council Select Committee
Short Stay Accommodation in Tasmania
Legislative Council
Parliament House
HOBART 7000

ssa@parliament.tas.gov.au

31/07/2018

Dear Secretary,

I would like to make the following submission to the Legislative Council Select Committee – Short Stay Accommodation in Tasmania

I have owned Barrack Street Colonial Cottage for the last 10 years. Barrack Street Colonial Cottage is located at 55 Barrack St Hobart. It is a small heritage listed cottage and has been used for visitor accommodation since the 1980's. I have used the cottage for visitor accommodation for most of the time that I have owned it. I have recently sold the cottage/business because recent changes in the visitor accommodation sector have meant that it is no longer financially viable to operate it for visitor accommodation.

To be a full time provider of accommodation, I was reliant on making very good returns during the summer period to carry the business through the lean winter months when guests are scarce. What I have found since the rules for obtaining permits for short term accommodation changed and a large number of new properties have been permitted to become visitor accommodation is that I have needed to drop my prices by at least 30% below what they were 5 years ago in order to attract guests. I can no longer charge the premium summer prices that I need to sustain the business year round. Great for guests, terrible for business.

I do think that there will be a lot of "natural sorting out" amongst accommodation providers over the coming years. Some providers will find that the returns are not as lucrative as they anticipate and that it is a big commitment to clean and manage a property. I think many, as I have done will choose to opt out of the industry.

During my years of operating as a short term accommodation provider I have used numerous booking systems from visitor centres, travel agents, my own website, TICT affiliates etc. Once upon a time virtually all guests emailed or phoned through with bookings – now, it is rare to get a booking from any source other than AirBnB. I have found that AirBnB has offered the most flexible and practical booking platform. It is very difficult to use multiple booking platforms at the same time when you are letting a single room. No platform other than Booking.com was generating any bookings at all for my business. In the end, I opted to use AirBnB exclusively for bookings as it is simplest to use as a host, and the most popular among guests. I particularly like the review system

AirBnB uses so that guests can ascertain the suitability of accommodation prior to booking and hosts can identify guests who may potentially be a problem.

I am terribly sad, that my lovely cottage which was ideally situated for guest accommodation couldn't compete in the current circumstances. Running it for guest accommodation proved to be the best way to maintain it, as attempts to rent it longer term resulted in multiple maintenance issues – which is always a risk with such an old house. However, when you are doing the work and incurring the expenses of an accommodation business, but earning less than rent – there comes a time when there is no choice other than to stop. In my 10 years of running the business I have never had a disruptive guest, property damage or a complaint from a neighbour. On the whole my interactions with guests have been very positive and they have loved the uniquely Hobartian experience of staying in a heritage cottage, and I have loved hosting them.

Yours Sincerely,

Sandra Roberts