

Enhancing Community Living

A beginner's guide to Airbnb success

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What you need to know to become an **Airbnb host**

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By maintaining the properties and investments of
our customers, we aim to

enhance community living

for the better and to create a sustainable future.



Liveability



Certainty



Harmony

Introduction

Welcome to PICA Group's essential guide to becoming an Airbnb host in a strata property. We hope to help you become more familiar with your state regulations around short-term letting, and guide you on how to best use Airbnb within strata managed properties.



Airbnb and strata

As one of Australia's largest property services companies, PICA Group has first-hand knowledge of how short-term rental platforms such as Airbnb are disrupting the property industry with the growth in travel and tourism.

The number of Australian's choosing to live in buildings with shared services and facilities is growing. Almost 1 in 10 Australian's are now living in a strata property.

The combined effect of these two fast changing living environments brings an abundance of issues. For the most part, the laws that apply to short-term letting are yet to catch up with the technology that has made it so popular. At the time of publishing this guide, New South Wales and Victoria both had proposed short term letting legislation before parliament. While the legislation in each state is quite different, both of the respective state laws empower all owners within a strata property to have their say and exercise a level of control over what happens in their building.

While some owners in strata properties see short-term letting as an opportunity to make extra cash, others may not be in favour of this practice especially in strata properties where there are common properties and shared amenities. Many owners are concerned that security issues from short-term guests and potential damage to common property may affect the quality of strata life. This begs the question, "can strata and Airbnb harmoniously coexist?"

Unfortunately, there is no "one-size fits all" answer to address short-term letting in a strata property as opinions on the topic vary immensely and laws from property to property, council to council and even state to state are different.

To give Airbnb and strata the best chance of harmonious co-existence it is vital for all parties involved to communicate with one another effectively and understand and abide by the relevant rules and laws.

Your checklist to becoming an Airbnb host

The concept of hosting on Airbnb seems simple - rent out your spare room or property on a short-term basis and earn some extra cash. Sounds alluring, right? Before you go ahead, there are a few questions you should ask yourself to determine if you and your property are suitable for Airbnb.

✓ 1. Are you happy allowing strangers into your home?

When hosting on Airbnb you have little control over who will be staying in your property and how they are going to behave. If you are only renting out part of your property there will be instances where you will be spending time with a stranger. If this makes you feel uncomfortable or you do not think you would be confident enough to host an unknown person in your home, Airbnb may not be for you.

✓ 2. Do you have the time?

Running a successful Airbnb listing is an ongoing commitment of time and effort (this is especially so initially). Not only will you need to manage enquiries and bookings, each stay will require time to clean and set up.

Moreover, you will need to monitor and post reviews online to manage how your property is perceived by potential guests for future stays. This comes with its own set of concerns and commitments.

✓ 5. Are you insured?

Airbnb only accepts limited liability for damages to property. Ensuring you are appropriately insured will give you peace of mind should anything go wrong.

✓ 3. Are you aware of the tax implications?

Earnings generated from Airbnb are considered income by the Australian Tax Office. Come tax time, this revenue will need to be declared and will affect how much tax you need to pay.

Listing your property or even part of your property for rent may mean that you will be liable to pay Capital Gains Tax upon the sale of your property. Check with your solicitor, conveyancer or accountant for further information.

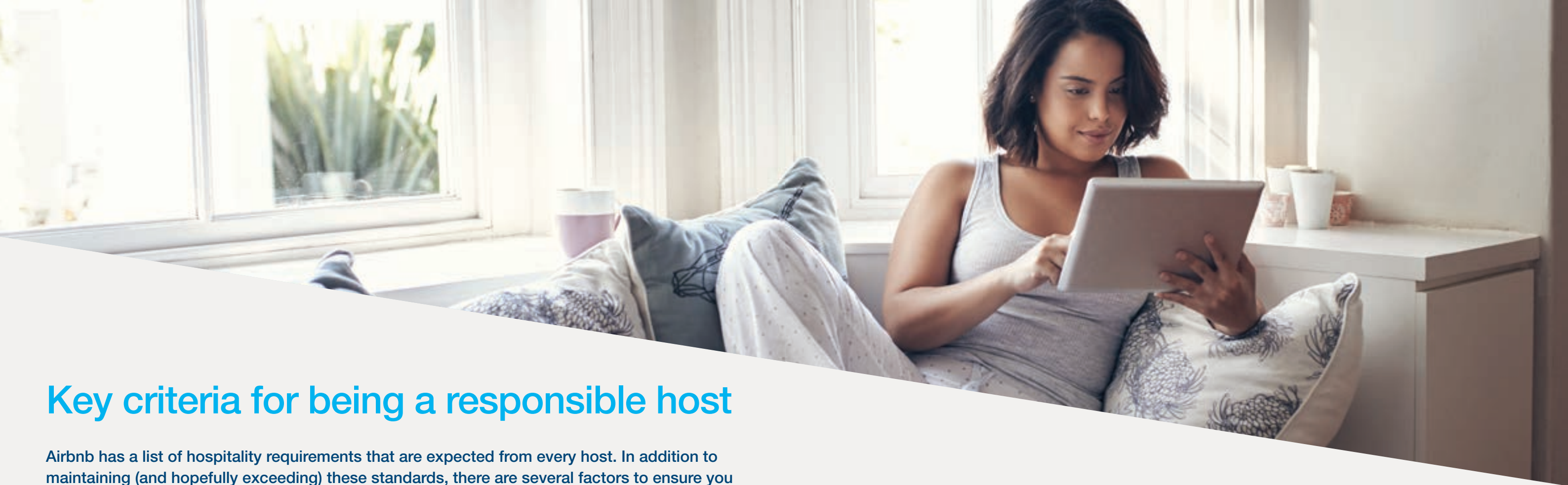
✓ 4. Is short-term letting permitted?

Prior to listing your property online, check your by-laws/ rules, council regulations and state laws. A simple check will avoid unnecessary hassle, expense, and illegal activity. If the regulations and laws are unclear, check with your strata manager or local council.

✓ 6. What will the neighbours think?

Deciding to list your home on Airbnb may impact your neighbours (especially if you live near one another). If your neighbours are easily upset by any sort of noise disruption or they have heightened concerns about security, it might not be appropriate to list your home on Airbnb.

“Running a successful Airbnb listing is an ongoing commitment...”



Key criteria for being a responsible host

Airbnb has a list of hospitality requirements that are expected from every host. In addition to maintaining (and hopefully exceeding) these standards, there are several factors to ensure you are being a “responsible host”.



Guest wellbeing

Provide guests with emergency services contact numbers and the location of the nearest hospital. A fully stocked first aid kit can also prevent minor mishaps from turning into more serious issues.



Fire safety

Ensure your property is up-to-date with the latest fire safety regulations and has a working smoke detector. It may also be worth considering having additional safety equipment onsite such as a fire extinguisher or fire blanket.



Taxes

Airbnb can be a great source of revenue, however, it is still viewed as taxable income by the Australian Taxation Office. Remember to declare your earnings at tax time to avoid run-ins with the ATO. It is important to save a percentage of every booking made so that you can pay the appropriate level of tax.



Regulations and laws

Certain states and local councils have short-term letting legislation and rules in place. As a responsible host, you should check to see what those rules may be.



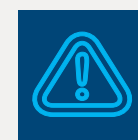
Insurance

Airbnb has a “host guarantee” that covers up to \$1 million in damages. Cover in the event of an incident, is subject to an array of terms and conditions, and not everything in your home is protected. Ensure your property has adequate home insurance prior to listing your property on Airbnb.



Be courteous to your neighbours

Whether you have a free-standing home or live in strata property (apartment, townhouse, gated community or similar) you should consider making your neighbours aware of your listing.



Minimize hazards

There are several things hosts can do to minimize hazards:

1. Establish clear occupancy limits
2. Conduct regular maintenance on the property and address any defects efficiently
3. Remove trip hazards such as electrical cords from walkways
4. Check that your property abides by the Building Code of Australia
5. Check hazard-prone areas such as pools, stairways, and balconies to see if risks can be reduced.



Enjoy tailored insurance for your strata property with a quicker turnaround on claims settlement and more benefits at competitive price. For more information, visit the services section on: picagroup.com.au/community-sure

Exclusive for PICA Group customers.



Our team is available 24/7, when you need us most. Our staff are fully trained to manage emergency maintenance calls relating to your strata property. For more information, visit the services section of picagroup.com.au.



Tips for Airbnb hosting success

Being a successful Airbnb host isn't just about getting a booking then pocketing the cash, it is about creating an experience for guests. With an abundance of properties available for rent, hosts are often reliant on guests leaving a positive review online and marketing their property in a way that entices potential customers.

Here are some tips on how to create Airbnb hosting success.

1. Engage with your guests pre-stay

Your relationship with your guests starts as soon as they inquire about booking. Remember to be polite, friendly and honest when engaging in correspondence. Once a booking has been made, ask guests if they have any questions about their stay or if they have any special requirements so you can prepare prior to their arrival.

To ensure there is no confusion for guests when accessing the property, highlight important information and if possible provide guests with a contact phone number so someone can help them if there are any issues.

2. Be a charming and helpful host

If you are only renting out part of your home and will be present for your guests stay, upon arrival introduce yourself and give them a tour of your property so they know where all the necessities are.

If you are renting out all your property and you will not be present for their stay there are still ways you can be a charming and helpful host! Write a handwritten note welcoming your guests to your home and create a local guide with tips on local attractions, public transport, and local restaurants.

PICA Group tips:

- 1 To go the extra mile, perhaps have a little treat in the house waiting for guests (such as pastries or wine) or create snack packs for guests arriving late at night. Another cost-effective winner is to have a good tea and coffee selection.
- 2 Have a plumber and electrician that you are familiar with on speed dial to protect your property and ensure any fixes are done to your expectation and standards.

3. Stock the pantry and bathroom with all the necessities (and a few niceties)

Make sure that the pantry and bathroom are well stocked with all the usual necessities. Little extras such as chocolates, nice tea towels and tablecloths for the kitchen or candles, bath bombs and scented soaps for the bathroom will make your guests feel welcome and show that you have gone the extra mile for them.

4. Splurge on frequently used items

Household items such as sheets, towels, mattress', cutlery, crockery, and glassware are items generally used by every guest that comes into your property and as such, they need to last multiple uses. Splurging on these items will create a sense of luxury for guests and shows them you are running a professional operation. Further, spending a little extra money on these items upfront can also save you money in the long run.

5. Think of the little things

It is the little extra touches that will define you from other hosts and create a truly memorable experience for guests. Put yourself in your visitor's shoes and consider what you would like if you were staying out of town.

Simple things such as having the heating and cooling system already on for arrival or having extra blankets and pillows laid out at the end of the bed are very achievable and will not go unnoticed.

6. Have a plan in case things go wrong

Sometimes things go wrong and there is little you can do about it. Ensure that there is a contingency plan for your guests should there be any issues with your property.

Tips on writing Airbnb house rules

Airbnb house rules are used to keep visitors safe and protect your property. As a host it also gives you some control over guests, and sets clear boundaries before people book your property.

How to write house rules

When writing house rules for Airbnb it is best to follow the KISS principle- Keep It Simple Sally! Rules should be written in clear, concise sentences and leave no room for mis-interpretation.

Your house rules must address:

- Occupancy limits
- The property's suitability for children
- The property's suitability for pets
- Check in/check out times
- Use of common property/facilities
- Noise restrictions
- Smoking (if it is permitted inside, outside or not at all)
- Parties (if they are permitted inside, outside or not at all)

How to incorporate by-laws/rules into your house rules

If you are living in a strata property you need to communicate the property's by-laws/rules to guests.

When writing your house rules reference your by-laws/ rules to make sure you have passed on all the necessary information. By-laws/rules usually address parking, noise restrictions, smoking, common area/facility usage, animals and garbage areas.

Prior to listing your property, it may be useful to show your suggested house rules to the committee to gain their feedback.

PICA Group tip: While your house rules will be visible on your listing online, print a copy and leave it in your property where it will be seen by guests upon arrival.

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