

I vehemently oppose any modification to Santai resort as contained in submission (DA 187-8-2004 MOD 5). As such I oppose any such wording change or any changes to the document and do not agree to approve the flexible change to use 22 units in Santai Resort for both short term and permanent residential accommodation.

As an owner I was severely disappointed that a letter was sent to each owner via the post. This resulted in the letter only arriving on Monday 4<sup>th</sup> of February 2019 with a closing date for submissions of Friday 8<sup>th</sup> February 2019. It is grossly unfair to expect anyone to read such a large report and attached paperwork and to be expected to prepare and submit a submission in such tight timeframe.

However I have read the majority of the report and oppose the 22 units becoming permanent residents on the following grounds:

#### Short Term Rental

First and foremost Santai resort is a short term rental property and operates most efficiently as such. This was the original intention and should remain so. Any change to this will not only severely affect the other owners, but guests and the community as whole. All the hard work that has been undertaken by management over the last 3 years will be undone. Santai has now finally reached a point (there is still work to do as it always evolving) where it is a first class resort where guests want to stay and are happy to return for another holiday break and owners are starting to see some good returns on their investment.

The simple fact remains that guests don't want to stay in resort which has permanent residents. This has been proven time and time again. Guests like to stay in well maintained fully serviced apartments. If they had the choice between a short term rental and stopping with permanent residents they would chose short term every time, I know I would. They want a place where they can come and relax and not worry about permanent residents. This was one of the reasons as an owner that attracted me to Santai in the first place.

#### Aesthetics

There is just something about a permanent resident mixing with guests who are staying on a short term basis. It just ruins the aesthetics of a place. With a permanent resident the owner makes the place their own with their own little touches and don't have to worry about conforming. So soon plants will appear on the balcony, sometimes fitness equipment, washing will be strewn over the balcony. The place just looks different. You can always tell the apartments who have permanent residents. There appear to be some living at Santai at the moment and infact appear to be living there on a permanent basis all year around. No one appears to be monitoring the 42 consecutive days/150 aggregate days. If there are units that are permanently occupied isn't this against the current legislation?

I would like to see the timeframe reduced to 30 days consecutive and 100 days aggregate as being a short term rental it would be highly unlikely that a guest would stay longer than these timeframes.

## Capacity

If 22 units become permanent residents this reduces the resorts capacity by 20% to cater for bookings and large bookings. This would be especially so in relation to seminars and conferences therefore reducing the returns to the owners. If for example a business wants to hold a conference for 40 people then the capacity of the resort has been reduced from by 20% to 92 rooms. Usually the resort is at a minimum 2/3<sup>rd</sup> full so 66% so this now only leaves 30 rooms for the conference. Santai cannot accommodate this request and the business will take its business to another resort, diminishing the owner's returns and the resort misses out on the various revenue streams such a conference would produce. The flow on effect would be a domino effect where word would get out that Santai can only cater for small conferences and business would held there conferences elsewhere.

## Car Parking

Again taking out 22 units reducing the capacity by 20%.

Under 5.6.1 it states that car parking would not change. In an ideal world you would have 1 car spot per unit but reality and ideal are two different things. The reality is that if you are living at a place permanently they you are more likely to have family and friends visit on a regular basis often taking more than one spot per unit putting strain on car parking and resulting in inadequate parking for visitors for other owner occupied units.

It also states in 5.6.1 that there is adequate visitor parking at Santai. I don't believe this to be the case and the introduction of permanent residents will further reduce car parking in and around Santai. You only have to look at the parking when the restaurant is operating with guests parking on the nature strip and along the road.

## Historical Data v Current Data

Under 5.7.1 under the occupancy rates why is there no 2017-18 in the table for the 3 units? There has been a massive change to Santai and Casuarina over the last 18 months. I know with my unit the occupancy rates would be 75-80% for 2017-18. This table misleads the reader as it doesn't show the real picture as it depicts historical data and not current occupancy rates. 75% is a lot different to 50%. So if we compared the current occupancy rates Santai no longer has below average occupancy rates and does not need to supplement with permanent residential accommodation.

In relation to the sentence "In addition and of most importance the modification is a result of different economic climate with new trends in temporary holiday occupancy and demand for permanent housing". The new trends especially for Santai would be higher occupancy and higher demand for holiday accommodation due to the development of shopping centre next door whereas in the past Santai was isolated so was experiencing lower occupancy rates. There may be demand for more permanent housing due to the development of the area but that is likely to be free standing housing and building on vacant land rather than an apartment in a resort complex.

We need to completely disregard the majority of the Denwol group report as it compares the movements and trends from 2006 to 2016. This is before new management took over the running of the resort and turned it into a competing tourist venue and the development of the area including

the shopping centre next door. So much has happened to improve the area and the resort in the last 18 months it is futile to look in the past and compare occupancy rates from 2016.

The Howarth report is much more relevant especially when you look at the occupancy rates from Jan 17 to Dec 17. The occupancy is at least 75% or higher for this period. Strategic, creative marketing and promotion of the resort and development of the surround area has produced these results. Again it is futile to look at the ABS data table as this looks at 2015-2016.

What I would like to point out is the on the final page that states when adjusted for permanent residents the occupancy would be in the range of 50-55%. This is over a 20% drop in occupancy rates from 75%. This would be disastrous not only for the resort but for owners return on investment.

Precedence

This request has been refused before; refer to MOD 115-7-2005 attached.

It is for all the reasons in the report attached and the reasons outlined above that I oppose the modification request and permitting permanent residents at Santai Resort