

# Insurance cost hike fear

KIRSTIN PAYNE

UNIT owners face higher insurance premiums or cancelled policies if the Gold Coast City Council fails to act on short-term letting, a peak body has warned.

The Unit Owners Association Queensland (UOAQ) says the council is "turning a blind eye" to its own zoning laws and allowing Airbnb-like operators to act illegally.

UOAQ president Wayne Stevens said Gold Coast bodies corporate had been warned by

## Short-term rentals big threat to unit premiums

insurers they could lose their coverage if they failed to stop short-term rentals in their buildings.

An insurer told Surfers Paradise tower Atlantis West, home to 166 apartments, that failure to comply with council law could jeopardise claims.

"In the circumstances we recommend the body corporate investigate and take appropriate steps to ensure they meet all requirements in order

to avoid any implications for the policy," the building's insurance broker said.

Residents intending to short-term let property are often required to apply for a material change of use, which can cost thousands.

"The big problem is we are seeing council turn a blind eye to the usage in residential buildings," Mr Stevens said. "There is no stop to unlawful accommodations.

"This has become more of a concern now we are aware of the impact these operators have on the building as a whole. We are helpless to stop it (short-term rentals) and can only report it to council, but in the end it could end up costing us all.

"We want council and any (election) candidates to see this as a priority for the Gold Coast, given the high number of apartment buildings at risk."

UOAQ's concerns were backed by the Insurance Council of Australia, which said body corporate organisations had a duty to disclose all short-term rental operators.

"Non-disclosure can mean an insurance claim relating to a short-term rental may be denied," the spokesman said.

"It is more expensive to insure a unit building that has short-term rental activity, as this type of activity increases

the risk for insurers." Prices for insurance coverage differed from building to building.

The city council said it averaged 300 complaints about short-term rentals every year.

"Council investigates all development compliance queries and takes appropriate enforcement action where a development offence is suspected," a spokesman said. "In the majority of cases where unlawful short-term accommodation is identified, the city is successful in achieving compliance by issuing enforcement notices."