



**Asia Internet Coalition Submission on the Urban Redevelopment Authority (URA)
Consultation on Short Term Accommodation (STAs)
31 May 2018**

Overview

The Asia Internet Coalition (AIC) is an industry association made up of leading internet and technology companies. The AIC seeks to promote the understanding and resolution of Internet policy issues in the Asia Pacific region. Our members are Airbnb, Amazon, Apple, Expedia, Facebook, Google, Line, LinkedIn, Rakuten, Twitter, and Yahoo (Oath). The Asia Internet Coalition (AIC) welcomes the opportunity to respond to the URA Consult, and we hope to contribute our perspective from an e-commerce and technology perspective. Respectfully, we make the following observations and suggestions:

1. Risk of Driving STAs Underground

The internet e-commerce space is a borderless one, with relatively low barriers to entry for newcomers. We feel that the danger of pushing the responsibility of policing and enforcing STA regulations to STA e-commerce platforms physically present in Singapore, and subjecting them to penalties for not doing so, is the unintended policy consequence of driving STA business towards “illegitimate” platforms that fall outside of the ambit of Singapore law.

Unencumbered by Singapore regulations, these platforms can “free-ride” and will likely condone or even encourage Singapore STA owners to skirt regulations here in order to do more business. AIC feels that by saddling Singapore-based “legitimate” platforms with overly burdensome administrative burdens and punishments, this will create an un-level playing field and reward the illegitimate platforms’ bad behavior, thus resulting in the Singapore government finding it increasingly difficult to police and regulate the industry.

2. Address pain-points directly rather than kill off the industry altogether

We note that the draft regulations in their current form present artificially high barriers to entry for current and potential STA owners, and we strongly feel these could kill off the industry altogether.

While the AIC respects the rights of subsidiary proprietors in any strata-titled estate, and recognise the important role that Management Corporation Strata Titles (MCSTs) play in



representing their collective interests, the reality is that it would be a near-impossible task for STA owners to get (1) the views of all property owners, and (2) 80 per cent of property owners

to agree to STAs, and (3) property owners to further agree to substantial monetary investments into additional fire safety infrastructure such as fire lifts.

As such, we advocate allowing STAs to operate legally unless and until residents voice their disapproval by wielding their MCST vote. In other words, let's start off with a "yes" until sufficient residents have said "no". The STA owners would then have to find a way to ameliorate their fellow residents' concerns and put in place mitigating measures in order for STA activity to resume.

3. Allow the STA industry to self-regulate

The vacation rental industry is a complex one. STA platforms, as industry players with immense global experience, are best positioned to comprehensively resolve concerns surrounding dis-amenities and security. The AIC advocates an industry self-regulatory approach in which platforms work closely with homeowners, guests and neighbours actively to directly target dis-amenities and security concerns. These could include strict house rules with emphasis on good neighbourliness, and credible enforcement measures, such as a "three-strikes you're out" policy for errant homeowners or guests.

We recommend eliminating negative externalities through targeted intervention measures. We should allow some time for these measures to take effect and for the industry to settle into an equilibrium, much the same as how the Singapore government allowed the ride-sharing industry in Singapore to do so.

4. 90-day cap would kill off the industry

The proposed mandatory cap of 90 days appears arbitrary and presents zero economic incentive for STA owners to remain within the legal framework, instead encouraging them to drop off the grid. The 90-day cap, coupled with the high degree of economic burden that would fall on STA owners (from having to fork out hefty sums for additional maintenance fees and infrastructure fees such as installing fireman lifts), risks driving the STA industry underground.

5. Data Privacy



AIC members are also concerned about the implications on their data privacy obligations to customers and homeowners, due to the proposed mechanism to automatically upload personal data to the URA central database. The AIC is particularly concerned about the possibility of such personal data then be passed on by the URA to third parties such as MCSTs. Such data-sharing could constitute a violation of relevant and international data privacy statutes such as the General Data Protection Regulation (GDPR).

Conclusion

In conclusion, the AIC advocates a “light-touch” regulatory approach that as much as possible leverages on existing legislation and frameworks, in order to surgically eliminate the externalities that affect the STA industry. This way, we can get to a “win-win” situation where STA hosts, guests and neighbours can exist together in a mutually-beneficial relationship.

We caution against over-regulation and particularly against penalizing Singapore-based platforms, given the high likelihood that STA activity could be driven offshore and underground. Rather than artificially engender impossible-to-cross barriers to entry for STAs across the board at the outset, the government should consider allowing STAs to operate unless and until residents voice their disapproval by wielding their MCST vote.

We hope that URA will see our STA platform members as your partners in growing the STA industry together in a healthy and sustainable manner.

Thank you for this opportunity to provide our comments and we hope that the above inputs will be useful as part of URA’s policy-making process. Please do not hesitate to contact the AIC at jeff@aicasia.org should you wish to discuss the contents of this submission further.

Yours sincerely,

A handwritten signature in blue ink that reads "Jeff Paine".

Jeff Paine
Managing Director
Asia Internet Coalition (AIC)
www.aicasia.org