

Aggregated Primary Questions Summary for eThekwini

<u>Name of Municipality</u>	<u>The Competing interests of multiple stakeholders with the SAIs</u>	<u>The ethical dilemmas of the SAIs</u>	<u>How the municipalities interpret and manage the ethical dilemmas of the SAIs</u>
<p><u>City of eThekwini</u> <u>Internal Municipality</u> <u>Participant Responses</u></p>	<p>1. <u>Understanding of SAEs and SAI</u>: there are various permutations of what constitute shared accommodation. Here are some of the responses from the participants in the eThekwini municipality.</p> <p>2. The following are extracts on the competing interest of the SAEs/SAI operators and other stakeholders</p> <ul style="list-style-type: none"> • SAEs/SAI compete with businesses and ordinary citizens/community for various things. • With communities, they compete for access to municipal services and infrastructure. • Communities/citizens also dislike the effect of uncontrolled SAEs in their neighbourhoods due to the unintended consequences of their presence and expansion, with municipality seemingly doing very little to control them. • Following are the areas of competition with businesses especially in the formal/commercial accommodation space which is with BnBs, Guesthouses and other small accommodation establishments: 	<p><u>Understanding of ethics</u>:</p> <ul style="list-style-type: none"> • Concept of Ethics, it depends on what you really mean, but it's largely about being correct, in some ways, morally positive and there's a personal side and a business side. • There is also the issue about a municipality and regulation such as like, is it okay to regulate the informal trader, but it's not okay to regulate the person that's Airbnb in the flat or the house • So and in some ways, what is ethical to you may not be ethical to me as the municipality or to you as a stakeholder and in sometimes it will be ethical to all of us • When we think a lot about issues around dilemmas and all the rest, we must also think about it from a global South context, where so many things are informal • Also that ethics generally means the moral values, or the rules, 	<ul style="list-style-type: none"> • There is consensus that the eThekwini municipality officials haven't wrapped their heads around the SAI and Airbnb concept. The concept is foreign to the municipality hence they haven't attempted to govern or manage them. • The concept of SAI as it refers to Airbnb type accommodation is not yet understood and embraced by the municipality • They regard them as self-catering and believe that existing bylaws should help to manage them • The unpredictability of the SAI especially the Airbnb type makes it difficult for municipalities to find ways to govern/manage them (their pop nature and interface with technology) • The speed at which technological changes manifests, its challenging to law makers considering the pop nature and the process of lawmaking • Ethically, also, not everything must

	<ul style="list-style-type: none"> • SAI competes with operators both in the social housing and formal/commercial space which serve travellers and tourists • The competition is for amongst others, to get access to municipal services such as marketing and signage support, discounted rates and taxes(rebates) • There is also competition for access to infrastructure such as water and electricity and access to funding where necessary, especially for marketing and advertising from agencies such as Durban Tourism • SAEs want to make money from clients of their competitors without having to follow the right procedures and in processes that is then required by such establishment • They compete for clients with hoteliers, BnBs and Guesthouses and they are notorius for undercutting their prices because of their lower cost structures. They don't have many overheads such as licenses, empoloyees and government requirements associated with such including paying UIF, insirances and many others. • They also undercut the prices of establshied operators with travel egancies and tour operators and corporate clients • Established operators pay commercial rates, while the SAEs do not pay any, and making no verifiable contribution to 	<p>and it can either be something that is written or it's not written</p> <p><u>1. Economical considerations as follows:</u></p> <ul style="list-style-type: none"> • The fact that cities face a Erosion of the star grading system – with SAEs growing and more operating illegally, is there stil value in grading plus Online Review platforms? • The unfair advantage of people earning income from their private homes • Decaying and declining neighbourhoods, densification and gentrification • Gentrification leading to properties becoming too expensive, because it's gone up for rent. So sort of middle class, lower middle class people have been pushed out • There's also the ethical stuff like people buying property because they can rent it out and good neighborhoods are displaced • The city is not sure what guides SAES in terms of quality and standard of service that they offer, which may compromise the reputation of the city. • And the SAI clientele has no recourse when something goes wrong 	<p>be over supervised because at some point in time, there's a diminishing return on trying to organize and manage every circumstance</p> <ul style="list-style-type: none"> • Existing town planning scheme doesnt have a definition for SAI and of Airbnb but they have short term accommodation which is the BnBs or Guesthouses • Short term accommodation is the terminology been used for accommodation of up to 4 bedrooms • Existing regulation is for operators to get consent from their neighbours • The current measures relies on the the body corporate rules if they allow for SAEs/Airbnb, or there's a provision for letting who comes in who goes out, as long as one is within the rules of the body cooperate • Its believed that the municipality is doing everything well, but we are trying, as the municipality. We are doing our best with the laws that they have in place • The city has inspections that go out to the field, and identify those enterprises, advise them of our processes to apply a system in that process, although they they don't have extensive powers as
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	<p>the city's revenue and GDP</p> <ul style="list-style-type: none"> • The other operators in the market have a negative view of SAEs because they see them as resising compliance while competing with them for clients and accessing municipal services (with uncompetitive prices, undercutting them) • The competing economic interests including to derive some income from the properties they rent out whether to travellers or students, etc • Leveraging of Marketing and branding by the municipalities • With big SAE developments across the municipality of eThekwin, it's a classic case of Investors and residents competing. Investors want to rent out their properties for good returns while residents want a quite space to live with and raise their families • Contradictions of SAEs is that they want to be treated as business people even though they don't see themselves as business people • The operators with the most concerns/disliking of SAEs include BnBs, Guesthouses and small accommodation establishments and some large hotels depending on their locations in the municipality 	<p><u>2. Social considerations as follows:</u></p> <ul style="list-style-type: none"> • Affordable housing shortages to support office workers, leads business to relocate outside the cities/cbd • the loss of neighbourliness and social interaction in residential area • The introduction of student accommodation involving properties that pushed families out and disrupted the neighbourliness, privacy, and its implication for other types of accommodation in terms of traffic and parking congestions • The CBD decaying with many vacant offices, SAPOA proposing to use them/convert them to provide social housing – to deal with homelessness and provide affordable social housing <p><u>3. Environmental considerations as follows:</u></p> <ul style="list-style-type: none"> • Traffic congestions, pollution, competition for energy and water supply (day zero exposed SAs in the CoCT) • The municipality recognise the growing developments of SAEs which puts pressure of the city's infrastructure such as water, electricity, roads and beaches especially on the Golden Mile 	<p>they are not police officers</p> <ul style="list-style-type: none"> • Amongst others, the municipality has the accommodation establishment bylaw. And we regulate such establishments based on the bylaw and its currently under review to cover some of the criminal elements that are taking place in some of our accommodation establishments, and also the our definitions in terms of the accommodation establishment itself • This is because the old by-law includes a definition that was not broad to cover everything that relates to accommodation establishment, as it was just specific to be B&Bs and lodges. It didn't cover some of the boarding and lodging that is currently taking place nowadays • There is also the Land Use Management by-law, and the policies there like the Town Planning policies reviewed them to include these new types of business; Health and Safety by-law within the municipality; the National Building Regulations (NBRs); Fire safety and Environmental bylaws as well • There are Whistleblowers, coming from the the citizens and community tourism organisations
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		<p>withn student accommodation and some unsavory activities damaging the image of the beachfront</p> <ul style="list-style-type: none"> • The aging infratructure which puts pressure of infrastructure such as drainage hence the challenge of sewerage spills into parking areas, the harbour and beaches in recent times which threatens the Blue Flag status of the beaches 	<p>(CTOs), whose members are usually helpful to in the work of the inspectors</p> <ul style="list-style-type: none"> • Since Airbnbs especially the private homes operate under the radar, the municipality relies on neighbours complaining/community members (whistleblowing) • The municipality has a database of all types of businesses within eThekwini. However, the yadmit that the database doesn't include those businesses that are operating illegally, the private homes, etc. • They recogninse the gap to regulate SAI and Airbnb type operators hence they have started to develo pa tourism policy to assist in consultation with the provincial structures • Another strategy is that they have partnered with local tourism associations to assist with the registration of local tourism businesses and also with provincial tourism agencies like KZNTA/TKZN • Also rely on partnership with other departments including Business Licensing, Town Planning and Environmental services to enforce complaince to existing bylaws and policies
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<p><u>City of eThekweni</u> <u>External Stakeholder</u> <u>Participant Responses</u></p>	<p><u>Following are the views from commercial/formal operators on the areas of competition with SAEs/SAI:</u></p> <ul style="list-style-type: none"> • Many SAI operates without the necessary requirements such as health insurance, safety, zoning, building specifications especially for extensions, etc • The SAEs compete with registered accommodation operators who mainly serve the traveller/tourists for commercial gains • These operators are required to register and get business licenses from the municipality unlike the private homes and those SAEs operating under the radar • Competition for clients as SAEs charge low rates because of their lower cost structures and low employee costs, etc • However, large hotels believe that Airbnbs are not a real threat to large scale hotels, mainly because an Airbnb, not really competing with large hotels • Because If you book an Airbnb, and you don't know it, you are going on the grading or the reviews of people you don't know. And if it's not up to standard, you have no recourse 	<p><u>Understanding of ethics: the idea of business people and municipalities acting responsibly and with integrity and in compliance with laws and regulations</u></p> <p><u>1. Economical considerations as follows:</u></p> <ul style="list-style-type: none"> • The fact that cities face a faceless business operation if Airbnb and SAEs, and that one has someone you've never met, as the big driver of people coming in, but you don't know what the ethics are, that is a huge ethical dilemma • How to hold the faceless platform enterprise accountable for their type of business and client conduct? There lies the biggest risk of SAEs and Airbnb (safety and security and privacy issues) • Now you have this business with no license, operating under no conditions whatsoever, other than maybe the conditions set by the Body Corporation to the owner • Cities like eThekweni/Durban have a reputation to protect for its citizens and other businesses • SAEs and Airbnb type facilities don't employ people but they use syndicated services for cleaning 	<ul style="list-style-type: none"> • The eThekweni municipality is out of touch with the realities of the business people in the city especially tourism • The municipality doesn't understand SAI but then what is there to understand, rental has always been in the market. It's been a generation thing is nothing new • They profess to support tourism and want the city to remain a preferred destination for tourists, but with the city infrastructure falling apart, most travellers shy away from the CBD and instead visit the north and South Coasts • The municipality also lacks the knowledge and understanding of the sharing economy and its nature in the accommodation sector. They don't seem to know how to manage it • Municipality showing that they don't care. We have a list of unregistered people because we belong to an association. We will even give them the list. We do the homework we give them their addresses and their phone numbers and they do nothing about all of it • They believe that the current accommodation bylaw and policy
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		<p>and many other aspects (employment generation is compromised)</p> <ul style="list-style-type: none"> Concerns about service standards and quality and lack of recourse for consumers if they choose Airbnbs, which has a bearing on destination reputation <p><u>2. Social considerations as follows:</u></p> <ul style="list-style-type: none"> Affordable housing shortages to support office workers, leads business to relocate outside the cities/cbd The other thing that there is the homelessness in in Durban. I mean, it's increasing all the time. But there's no sense of urgency. Safety and security issues been compromised by the municipality not managing the city well, with crime and grime out of control; properties especially in the inner city falling and in state of disrepair. The absence of records about the existence of SAEs and their numbers, result in many challenges from infrastructure such as water and electricity to safety, security and health concerns. The city having allowed Student Accommodation in the inner city and the beachfront, it's a 	<p>need to cover the SAI, which are platform enterprises</p> <ul style="list-style-type: none"> They should learn from the Cape Town municipality which seems to have a handle on the industry and also about managing the city. Everything works well in Cape Town, at least where business and travellers are concerned The lack of management in Durban is a big problem in this city in particular, because all the old hotels that haven't made it through COVID have been turned into student accommodation. What the municipality do is to target the shared accommodation, specifically the larger hotel groups when they need data to prove that they are doing audits
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		<p>problem. Now there is noise, there is safety issues, traffic issues, crime and grime – its no longer nice to into the city to window shop and isght see</p> <p><u>3. Environmental considerations as follows:</u></p> <ul style="list-style-type: none"> • Traffic congestions, pollution, competition for energy and water supply (day zero exposed SAls in the city • The other environmental challenges are pollution (such as the sewerage spilling into the beaches due to blocked and unserviced drainages), traffic congestions and parking concerns. • The beaches are no longer safe with Student Accommodation located without demarcations in the city and high paying tourists are shaying away from Durban beaches and attractions • The eThekwini CBD is falling apart with corporates relocating to Umhlanga, taking with them jobs and rates needed for the city, and the added sophistication of the cityt is removed/eroded • The city doesn't realise that SAEs require specialized service. So for example, our 	
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