

Aggregated Primary Questions Summary for CoCT

| <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> |
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| <p><u>City of Cape Town's External Stakeholder Participant Responses</u></p> | <p>1. Understanding of SAEs and SAI: there are various permutations of what constitute shared accommodation. Here are some of the responses from the participants in the eThekweni 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"> • Competition for clients based on prices with SAIs able to charge lower rates because of their lower cost structures (rate structure) • The lack of regulations which other stakeholders abide by such as business licenses, • Unprofessional conduct/services which can damage the reputation of the destination, which can hurt other stakeholders • SAIs especially private homes pay residential rates and taxes whilst others such as BnBs and Guesthouses pay commercial rates and taxes • SAIs enjoying municipal services whilst not contributing to them through the tax | <p>Understanding of ethics and ethical dilemmas:</p> <ul style="list-style-type: none"> • Essentially, ethics is about finding solutions to the benefit of the greater good • An ethical dilemma is when you're faced with a situation where you are unable to satisfy as many parties as possible to feel that, that particular solution can be applied • Ethics means ensuring that all people are playing by the same rules and the ethical dilemma would be to ensure that we spread the net wider to ensure that we encourage and the entrepreneurship and also the location of these shared accommodation establishments into the township areas, so that we can actually start looking at growing the business as far and wide in the region as possible • the ethical dilemma is the rules, the laws, the policies, the bylaws, that they sit, in order to | <p>The management and posture of the SAEs/SAI by the municipality:</p> <ul style="list-style-type: none"> • Municipalities are so disconnected from what happens on the ground, a big disconnect between operations and government • Generally, municipalities are not seen to be treating SAEs well with large businesses having a bigger say than small ones (monopolies) • The municipalities not managing the SAEs and the various competing interests sufficiently • However, CoCT a firm supporter of shared accommodation industry • CoCT sees SAI as a tool to fast track enterprises integrated into the tourism sector and to fast track the growth of the tourism sector as key to the city/provincial economy • By-laws and policies in place but with little implementation (policing and enforcement) and no system in place for monitoring • Municipality rely on whistle blowers and complaints (reactive system). Heavy reliance on Body |

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| | <p>and rates systems</p> <ul style="list-style-type: none"> Concerns about SAI compliance and registration The cost of building and repurposing old buildings which favour established operators while stifling smaller operators The cost of capital to establish SAs as banks are unwilling to offer funding to this segments citing unpredictable nature of SAI business model and damaged tourism sector due to covid19 Awareness and misunderstanding of SAs and their benefits by the community And the VISA regime for remote workers and nomads SAs such as Airbnb are global/international operators who disregard regulations in their host countries (they operate outside established regulations/rules) | <p>give effect to whatever they strategic planning intent is</p> <ul style="list-style-type: none"> It means businesses or people putting in place measures to do things within the law and good human practice which include among others pay employees properly and guided by proper systems <p><u>1. Economical considerations as follows:</u></p> <ul style="list-style-type: none"> SAs paying residential rates and taxes as opposed to commercial rates (private homes) Flouting the established rules applicable to other operators such as no registration and licensing requirements for SAs in terms of health and safety; liquor licenses, etc and building protocols and zoning, no inspections by municipal inspectors Gentrification – merger of commercial and residential spaces; and Densification – putting pressure of old infrastructure such as storm drains, electricity supply, sewerage and water supply and road/traffic congestions. No effective monitoring and policing of SAI operators but focus on registered operators Employment practices not lawful | <p>Corporates and Community Complaints/Whistle-blowers (so it's very much a community driven regulation)</p> <ul style="list-style-type: none"> Enforcement directed at registered & traditional operators especially with liquor licenses (biased against established operators such as B&Bs and hotels) Municipal officials not trained/skilled to deal with SAs/platform enterprises CoCT position themselves as a Tech capital for SA and Africa hence has a laissez faire attitude to SAs/platform enterprises (free market enterprise values/attitude) Inconsistent by-laws and application with no appetite to enforce and monitor (laissez Faire approach) Lack of consultation and communication except with the major corporates – not small and start-ups Municipalities lack the start-up culture, which encourage innovation and regime/regulations that are nimble/flexible The intent of the municipality is good and their intentions are good but the resources are limited CoCT does a decent job of communicating with stakeholders and about the policies although its |
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| | | <p>– many without permits and no employment security and recourse or health insurances</p> <ul style="list-style-type: none"> • Employees losing jobs to syndicated service companies/employment brokers(owners doing the cleaning • Conditions of competition amongst businesses • Absence/lack of start-up culture to encourage innovative and small businesses to thrive – to be flexible and nimble • Balancing the need to create employment and also stimulate entrepreneurship to address employment and economic growth • Having to promote entrepreneurship and innovation and to also regulate with fairness across the board • SAE platforms that have become distributors and leaving them to be exposed to situations of defaulting on the regulations • Commercial players also joining this SAE distribution platforms – no longer seeing the need to license and register their operations (loss of revenue and control of their cities (whole buildings developed and setup for Airbnb/SAEs) | <p>limited to one with internet access (most small business don't have such access)</p> <ul style="list-style-type: none"> • Municipality has the challenge of monitoring, policing and enforcing laws (lack of resources) • Cape Town is far more flexible than Durban because the zoning codes or general business zoning, which is across the entire city, predominantly allows for residential, commercial developments/repurposing projects • Absence/lack of building codes that are been promulgated for shared economy spaces outside of student housing • Feel like generally speaking, Cape Town as a city is probably a little bit more forward thinking in respect to its approach. But by and large, both the City of Cape Town, Joburg, Durban, all of them just had massive amounts of red tape as it relates to driving business development • The entire Airbnb market or these short term rental needs to be more regulated, for the sake of the guests and for the sake of the employees. And for the sake of the owners • Municipalities don't subject SAEs to the same amount of regulations |
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| | | <ul style="list-style-type: none"> • CoCT sometimes seen as breaking their own laws in encouraging SAEs especially the tech firms with no jurisdiction in SA and not playing by the same rules/not benefiting the city and its citizens • Loss of employment due to how SAEs such as Airbnb operate(owners doing the cleaning) • Formal accommodation's inability to compete with SAEs and asking government to regulate the industry whilst they self regulates <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 • Uneven and unequal social housing challenge • Unequal areas which SAEs can exist – traditional versus townships/underserved areas • Personal liberties, privacy and security concerns in urban/city environments • Gentrification increasing the problem of inequality in CoCT • Addressing issues of discrimination – balancing the | and rules that are costly, and the regular inspections |
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| | | <p>needs of various cultures, genders and the needs of locals versus foreigners/internationals in key for CoCT/SA(offering equal opportunities to all</p> <ul style="list-style-type: none"> • Apartheid era spatial planning - commercial interests versus addressing housing challenge • Viewing property as investment instead of a basic human need • Municipal officials complicit with many owning properties they rent out as part of SAEs (conflict of interests, not been addressed) • Safety and security risks for clients, operators (no vetting within SAEs) and Data privacy; Reputation of the destination, etc. <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 CoCT) • Overpopulation and mismanagement of common spaces, security, gender issues and discrimination | |
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| <p><u>City of Cape Town's Internal Municipality Participant Responses</u></p> | <p><u>Understanding of SAEs and SAI:</u></p> <ul style="list-style-type: none"> • SAEs represent the most unbelievable platform to leverage one's assets for additional income. Its an incredibly advantageous way to earn additional income and revenue that you can then either put back into the local economy or invest elsewhere. it's a much more sustainable way of consuming resources • It manifests in various forms within the social housing and commercial/formal segments mainly surviving travellers and tourists especially in the CoCT • They come in various forms including BnBs, Guesthouses and hotels both large and small, hostels, etc <p><u>The areas of competition with the SAI/SAEs:</u></p> <ul style="list-style-type: none"> • Social housing pressure with a high degree of homelessness (affordable housing pressure) • The increased prices of housing and the rents for social housing purposes • The lack of regulations for SAIs especially private housing and Airbnbs as its applicable to formal accommodation/other formak paid accommodation • Contestation coming from three spheres: residents complaining about increased activities in their areas/surburbs (gentrification and densification) and high urbanisation; • Contestation from business in the form | <p><u>Understanding of ethics and ethical dilemmas:</u></p> <ul style="list-style-type: none"> • Within the municipal sphere, it's really about being predictable and being consequences within our spaces and it certainly is a lot about looking after the public good. • Its also about balancing what kind of needs to stimulate the private sector and create those economic opportunities without negating or compromising the public good • Municipality has so many numerous different and diverse kinds of stakeholders that it's very, it's impossible to allocate them to a single block. • These stakeholders have personal and communal interests • There's a lot that's written about how uneven and unequal Cape Town's housing market is so, at the moment, the benefits of our shared economic activities really happening in your traditionally well served areas • CoCT has seen gentrification arising in certain areas of Cape Town, particularly Woodstock and Observatory fuelled by | <ul style="list-style-type: none"> • CoCT has policies and bylaws on densification but it has abdicated its responsibility to the market and community to sort itself out (laissez faire), which they see as useful in combating contestation or like, sort of dissenting voices. • CoCT has embraced the laissez faire approach, especially after the 2017 consultations on Airbnb • CoCT has a laissez faire approach as they don't want to over regulate and also to run the risk of regulating something without been sure about its future • The CoCT doesn't have a specific policy position on the sharing economy, as such, but the city's got an economic growth strategy on inclusive economic growth strategy • The city support people being able to utilize their properties to leverage them for cash |
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| | <p>of guesthouses, BnBs and to a smaller degree hotels due to crowding in the market place</p> <ul style="list-style-type: none"> • Ordinary citizens because most private homes participating in Airbnbs are owned by foreigners or are second homes for investors. | <p>narratives of short term letting</p> <ul style="list-style-type: none"> • The problem of gentrification while it implies economic development/reinvestment, it also increases the problem of inequality - the CoCT should address inequality as opposed to gentrification • The difficult to maintain personal liberty, I think within a city in an urban environment is naturally going to lend itself to being a shared environment. | |
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