By LO TERN CHERN
andylo@thestar.com.my

Short-term rental operators push back against new fees

They want dialogue but hotel groups welcome Penang's move for fair competition

SHORT-TERM rental accommodation (STRA) operators in Penang are balking at having to pay up to RM2,850 a year per unit under new by-laws, while hotel groups have welcomed the move to regulate the sector.

Malaysia Short-Term Rental Accommodation Association (MySTRA) president Jayden Lee said the association supported licensing, but warned that the charges could make legal operation financially non-viable.

"A minimum annual charge of RM2,800 per unit is far too high, particularly when STRA operators and property owners are already facing rising management fees, assessment rates, utilities, maintenance costs, platform commissions, insurance, taxes and other compliance expenses," he said.

The RM2,800 comprised an annual licence fee starting from RM1,000 for premises with up to three rooms and a RM1,800 tourist accommodation premises (TIP) fee. When the RM50 application fee is included, the annual amount rises to RM2,850.

Lee called for urgent dialogue between the state government, Penang Island City Council, Seberang Perai City Council and industry stakeholders before full enforcement.

He said MySTRA wanted the authorities to consider a tiered fee structure based on the number of units operated, with lower rates for individuals owning one or two units.

"An individual operating one unit should not be treated in the same way as a large-scale commercial accommodation operator," he said.

MySTRA proposed reducing the minimum charges, introducing lower rates for small operators and extending the implementation period with registration, education and compliance assistance before penalties were imposed.



A prominent sign displayed at the guardhouse of a condominium in Penang, clearly stating the residents' objection to homestay and short-term rental activities. — CHAN BOON KAI/The Star

> "MySTRA wants the authorities to consider a tiered fee structure based on the number of units operated, with lower rates for individuals owning one or two units."
>
> Jayden Lee

Lee said the association supported firm enforcement against operators who failed to meet reasonable safety and community standards.

Penang Malaysia Homestay/Short-Stay Operators Association chairman Lydia Tan shared the concerns over costs, saying operators would have to pay RM50 for registration, RM1,000 for the licence and RM1,800 for the TIP fee.

"Our operators feel that the fees are unfairly too high. Some operators get fewer than five nights of bookings a month due to their location, while others run it only as a part-time business," she said.

Tan estimated there were between 8,000 and 10,000 operators in Penang, although not all were active.

She said the association supported regulating STRA, particularly to prevent operations in unsuitable buildings, but objected to operators being charged the same fees regardless of occupancy.

Malaysia Budget & Business Hotel Association Penang chairman Andy Lau Eng Leong welcomed the regulations, saying accommodation providers operating for profit should be subject to a common framework.

He said regulation would improve public safety, curb illegal activities and create a level playing field with hotels.

Malaysian Association of Hotels Penang chapter chairman Datuk Tony Goh backed the move, saying proper regulation was necessary for fair competition and compliance with local laws.

He said licensing would improve transparency and safety standards for tourists.

The Private Homestay (Penang Local Authorities) By-Law 2026 came into effect on Aug 1, requiring private STRA operators to obtain licences from the relevant local authorities.

State local government committee chairman Jason H'ng Mooi Lye said the by-law followed complaints over private lodging premises and was drawn up after considering current needs and feedback from stakeholders.

Licence conditions cover operations, cleanliness, safety, prohibited activities and nuisances.