

Keith Martin's Submission - Community Support and Services Committee

Residential Tenancies and Rooming Accommodation (Tenants' Rights) and Other Legislation Amendment Bill 2021

12<sup>th</sup> of July 2021

**Email:** [CSSC@parliament.qld.gov.au](mailto:CSSC@parliament.qld.gov.au)  
Committee Secretary  
Community Support and Services Committee  
Parliament House  
George Street  
Brisbane Qld 4000

Dear Committee,

Thank you for the opportunity to make this submission.

My name is Keith Martin and my wife, and I are owners of properties that we rent out via real estate agents. We have owned properties which we have rented out for the last 20 years.

I am writing to the committee about the [Residential Tenancies and Rooming Accommodation \(Tenants' Rights\) and Other Legislation Amendment Bill 2021](#).

I have concerns that the proposed changes will have negative impacts on both owners and tenants.

**I object to the proposed changes that limit rental increases to once every 2 years and fixes them to the CPI increase.**

Why can lessors not increase the rent that they ask as the market shifts? Do the banks only change their interest rates every 2 years? No, they change them as often or as infrequently as they desire. Does the market stay static for 2 years? No, it moves as supply, demand, house quality, and other factors affect the pricing of rents.

Given that rental rates can currently be raised once per 6 months, the proposed legislation is forcing lessors to take on 18 months of extra risk around any increases in costs that are greater than the CPI increase. This is likely to decrease the number of investors that will be willing to enter the rental property market.

Another problem is that this legislation will decrease the likelihood that owners will upgrade their properties in any way. Usually an upgrade to a property, say a renovated kitchen or bathroom, will enable the owner to request an increase to the rent that is asked from the current/next set of tenants. This will no longer be possible, and as such will act as a serious disincentive to rental property improvements.

This issue will also flow into the 2<sup>nd</sup> hand market, as an investor is likely to choose not to purchase a property that has had tenants in the past, as they will be hamstrung by the inability to set an initial fair rental price. And they will also not want to renovate the property as once again they are hamstrung on the rental price.

Another problem is that because lessors can only increase the rent every 2 years, and its limited to a predetermined maximum, they will always increase the rent by the maximum amount every 2 years. This will guarantee a constant CPI based increase to rents for the time that this legislation is in force. This is a change from the current situation where currently an owner can choose not to increase the

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rent where they know they have a good tenant, because when the tenant leaves, they have the option to increase the rent up to what the market is currently priced at. That option will no longer be there, and they will be in a loss-making position if they do not increase the rents by CPI every 2 years. Your "good intention" to protect some tenants will cause negative impacts on all other good tenants. This is not a reasonable action for the government to take.

**I object to the removal of the no grounds for removal of tenants.**

The problem that I foresee is that tenants who refuse to sign a new lease will automatically change to a periodic tenancy, and the lessor or owner has no means to remove the tenant from their property.

Periodic tenancies are not covered by the insurance policies that owners can get to cover against tenants defaulting on their rent and other such matters. This is forcing a significant risk onto owners, that is not currently there. My real estate agents have utilised the existing no grounds for this exact reason on my behalf in the past. And that was in a case where the house was in good repair, the tenants were not in arrears, and a renewal was offered at the same rental amount, and the same lease period. The tenants just did not engage with the real estate agents for a 2-month period before the end of the lease agreement.

There must be provision to allow owners to remove tenants from a rental property at the end of an existing lease agreement, where the tenants do not agree to sign a new lease agreement. This ability must not contradict the protections and provisions with regards to tenants who have raised an objection to the lease renewal with the tribunal.

Increases in risks will lead to higher prices being charged as owners attempt to cover themselves against future losses due to lack of insurance coverage. I do not believe that this is the intent of the legislation, but that is what I foresee happening if the current amendment bill is enacted.

**I object to the definition of minor modification.**

The proposed definition includes the ability to repaint walls of the premise. I have seen the end results of tenants doing this in the past.

It led to us having to repaint the entire room, with more coats than you would expect, to remove the dark colour choice that the tenant had made. This was done to return the property to a rentable state as prospective tenants were requesting a repaint of the room. The tenant's quality of paint work had colour bleed, streaks, and paint onto the adjoining walls.

The current definition allows a tenant to paint any wall any colour they choose, with no consultation with the owners/lessors. With my understanding of the proposed bill, I would no longer have the right to claim against the tenant's bond for the repainting required to return my property to its previous state.

**I believe that the provision for keeping pets is flawed.**

The [Housing Legislation Amendment Bill 2021](#) Clause 44 has significantly better coverage about pets, and should be used instead of what is currently in this bill.

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**I object to the stated period for provision of water bills, and the provision of the bill itself.**

The 1-month period for provision of water bills to tenants, from the date of bill issuance, mandates that owners are unable to be away for any extended period of time where water bills are due to be received.

My other concern is that a copy of the water bill itself must be provided to the tenant. My water bills all have my residential address on them. This introduces the risk that the tenants will find out the address of the owners of the property. This is not something that I wish to see as an owner.

A better solution would be for water usage to be treated like phone, internet, gas, and electrical services, which are billed directly to the tenant by the provider of these services, and not redirected from the owner to the tenant.

If you require any further information or desire answers to any questions that my submission may raise, please contact me.

Yours Sincerely,



Keith Martin

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