

Daniel Pirotta

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This submission is with relation to the Housing Legislation Amendment Bill 2021.

As property management professional practicing in Queensland, I am all for a fair and equitable system for renters and investors in Queensland. Unfortunately, this bill does not appear to achieve its intended purpose of being fair, nor the government's goal of partnering with the private sector.

I have this view because, many of the amendments appear to provide tenants with significantly more rights than property owners. I fear that instead of encouraging investment in Queensland this bill will discourage private landlords/investors from participating in the housing market, which will likely have an adverse effect on rental housing availability, thus driving up rents further.

The Bill also appears to push a public housing agenda onto the private sector and forces unfair legislation, rather than partnering with the private sector. The private sector's roll has never been to provide public housing, that is the roll of the government.

I'd also like to point out that 100% of my clients are mum and dad investors trying to create a nest egg for their families. They are not ultra-rich billionaires and I believe this is true for most investment property owners in Queensland.

**Examples of why the legislation is not Fair to property owners:**

1. Part 2, Division 1 of the Bill discusses time frames that tenants must give when issuing a notice of intention to leave. If the bill is to be fair, the timeframes that tenants are required to give for unremedied breaches, must be the same as timeframes that owners are required to give for unremedied breaches.

Anything but equal time frames for breaches of a lease agreement, is simply not fair. This section should reflect equal time frames for notices to leave and notices of intention to leave when breaches are the cause of the notice.

2. Removing the "Without Grounds" terminations.
  - a. This title is deceptive. Fixed term agreements cannot be terminated without grounds under the current legislation. This amendment is really related to whether a new lease is offered to an existing tenant by the landlord after the fixed term ends.

A fair amendment would be to allow a Notice to Leave reason being "end of a fixed term agreement". Something would also be needed for ending a "periodic agreement" if one party to the agreement did not want to continue working with the other (see comments below in "b").

- b. My understanding is that this amendment requires an owner to offer an existing tenant a new lease after the fixed term expires. There are no legal contracts in any industry that I am aware of where one party is **forced** by the Government to enter into a new contract (or lease) with someone simply because they previously had a contract with that person (unless an option to renew is provided in the original lease terms).

Some people (both owners and tenants) are simply difficult to work with, so neither party should be forced to continue working with the other after their contract/lease has expired if they don't want to. If there is an explanation for how forcing someone into working with someone they don't want to work with is fair, I'd be open to reassessing my thoughts here.

The argument back may be that housing is different to other agreements because it is important to society. Well, children are important to society and we would never legislate that a husband or wife **MUST** continue their marriage because a divorce would be disruptive or detrimental to their children.

Also, if one party to a marriage wanted a divorce and the other didn't, again we wouldn't legislate that they **MUST** stay together because they had previously agreed that they would get married and so it must stay that way forever – or that they can only separate in certain circumstances.

People should always be allowed to make decisions on matters that effect their interests directly and the relationship between tenants and owners should be no different. I understand that the above comparisons are not perfect, but I use it to highlight that there are areas of society that are very important and the Government does not force people to enter into contracts, agreements or marriages where there are not two willing parties.

- c. This provision is also not "fair" as landlords would not be allowed to terminate a lease, but tenants have no obligation to sign a new lease if they don't want to stay on. This can only be viewed as one sided, rather than fair.
- d. If legislators insist on without grounds terminations being removed (which I disagree with per the above), further protections for landlords are needed for practical reasons.

Currently a fixed term lease automatically becomes a periodic lease if no new agreement is signed. Periodic leases generally leave landlords in a precarious position as tenants can terminate with as little as two weeks notice – making it difficult to secure new tenants without having higher vacancy.

In the without ground termination scenario, a tenant may be offered a new lease, but they may refuse to sign it. This means that they would stay at the property on a periodic lease, which is detrimental to the owner. If there was a rent increase tied to the new lease offer, the tenant wouldn't have to pay that if they don't sign the lease. This is even more detrimental to the owner. By only being allowed to

terminate a lease in the limited scenarios described in this bill, landlords would be stuck with no recourse in these situations.

If this section of the bill gets voted, tenants should be given a window of 1-2 weeks to sign a new lease when it is offered, otherwise the owner should be allowed to terminate the agreement.

Thank you for taking the time to read and consider this submission.

Sincerely,

Daniel Pirotta