

From: [REDACTED]
Sent: Sunday, 11 July 2021 9:41 AM
To: Community Support and Services Committee
Subject: SUBMISSION - QUEENSLAND RENTAL REFORMS 2021

My husband and I (are both in our 70's) have several rental properties in REGIONAL Queensland. We are fully self funded and the income from our rentals is our only source of income.

We know landlords provide a much needed service, not just in Queensland, but throughout Australia; yet this service is not recognised or respected by State and Federal Governments.

Landlords are perceived as 'greedy'. We can assure this is not the case.

State Governments can sustain the cost of public housing because they do not have to pay most of the items in the list below and of course are heavily subsidised by Federal Government funding and interest on bonds paid by private renters.

It is becoming harder and harder for **Private landlords** to hold on to their rental properties because of the list of most of our expenses (all of which increase each and every year):-

1. Mortgage repayments to financial institutions
2. General rates – paid to Council
3. Water rates – paid to Council
4. Private Insurance – both building and fittings
5. Private Insurance – liability
6. Monthly management fees paid to Real Estate Agent
7. State Govt land tax – yearly
8. Federal Govt tax paid on rental income – yearly
9. Federal Govt capital gains tax when selling
10. Tax agent fees – yearly expense
11. Maintenance ie plumber, electrician, painter, handyman, tree cutter etc – as required
12. Loss of rent when a tenant does not pay
13. Damage/repairs to property – as required
14. If legal costs are involved the landlord has to pay upfront costs to either the Managing Real Estate Agent or engage a private solicitor.

Whereas, the tenant has access to a Community Solicitor at no cost.

I believe federal rent assistance is paid directly to State Governments and public housing tenants' rent is also now paid directly to State Public Housing Departments from Centrelink therefore guaranteeing State Governments' of their tenants' rent payment. State Governments also receive State Land Tax from private residential landowners.

Private landlords are certainly not afforded the same privilege; but I believe we should; and if landlords were, there would be a lot less evictions and homelessness. A win win for tenants and their children; and a win win for landlords.

The above list is landlords' expenses, on each property, and one can clearly see there is very little left over after expenses. The landlord cannot estimate the cost of damage or loss of rent to property by tenants until after the fact. Examples -

- a) A tenant vacated one of our properties in February 2021 and the approximate total cost to us which included – unpaid rent, replace all carpets and vinyl, repaint the interior of the house due to damage caused by tenant, electrical repairs, removal of carpets as the carpet layer would not go into the property to lay the new carpet because of the filth and stench of the existing carpet was sickening (carpet was new when tenant took possession), fumigate the property for vermin and rats, clean yard, repair garage roof, replace kitchen cupboard and vanity unit doors/drawers etc – total cost approx. \$14,000.00. The expense would have been a lot higher had we not done a lot of the work ourselves. There was an additional loss of rent

while the property was vacant and work was being done. We recovered only the bond of \$1040.00 from this tenant.

The managing real estate agent did take this tenant to Court to recover some of the costs but the Magistrate threw it out on a 'technicality'. The tenant had a community solicitor from TASC Toowoomba to represent her – at no cost to the tenant.

b) Another tenant vacated another of our properties in March 2020 (after PM Morrison told the Nation if they cannot afford to pay rent during the COVID-19 pandemic that's OK). This tenant left with outstanding rent arrears which still have not been recovered. The property was also left in a filthy state.

The tenant walked out and left all his possessions – from furniture to clothing, linen and cookware. I believe the only things he took was his television and fridge.

The total cost to us was approximately \$3000.00. The tenant did not leave a forwarding address.

c) Another tenant vacated one of our properties also in April 2021. Again, this tenant vacated owing rent, left the property with holes in the walls, electrical and plumbing damage and we are out of pocket approximately \$5000.00.

Total loss for 12 months on just 3 properties is **approximately \$22,000.00**

Approx 3 years ago, tenant a) above, ran up an **excess water bill of just over \$5000.00**.

The Regional Council wanted payment on due date and would not negotiate the payment.

There was not a water leak or burst pipes, no water lying around the yard, it was bone dry –still it cost us several hundred dollars to have a plumber twice check the property over. It appears this was straight out water theft.

- We had to breach the tenant (as per lease agreement) for payment of the **excess water consumption bill**. We were offered a payment plan of \$25.00 per fortnight. This meant we as the landowner had to pay upfront the **\$5000.00** and the tenant pay **us \$25.00 per fortnight** until the debt was cleared no interest to be paid on this 'payment plan'.

After months of angst debating this bill, the \$5000.00 was paid by an organisations caring for this tenant. This tenant is a single (60+ years of age) Disability Support Pensioner who also receives an NDIS package of, I have been told, \$124,500.00 per year. The organisations could see nothing wrong with the tenant living in these filthy, disgusting and unhealthy conditions brought on by tenant's lifestyle. Yet, we, the landlords, were left with one hell of an expensive mess to clean up.

Had the organisations handling this tenant's NDIS package done the right and honourable thing, the tenant could have lived in the house for as long as she wanted as we had no intention of selling. Instead, because of the **dangerous and filthy conditions** due to the tenant's lifestyle we had no alternative but to give the tenant notice to vacate.

The tenant was paying \$260.00 per week rent. We were told Public Housing would or could not accommodate this person so the organisations caring for her placed her in a caravan park where she said she is now paying \$600.00 per week.

This is one of many, many examples I could give on why there is a housing shortage – decent hard working citizens should not have to put up with being stood over by tenants and Government legislation – it is all too stressful and wrong.

If these changes affect my husband and I too adversely, we have decided we will sell all our rental properties, buy two expensive homes – one in Brisbane and another close to water in Redcliffe - and live off the left over cash and when that runs out apply for an Age Pension and be completely hassle free.

Renting with pets - A pet bond is a good idea; but your Government indicates this is only to cover the cost of pest control. Consideration must be given to the number, type and size of the pet/s and take into account most tenants have **at least 2 pets**.

- Carpet, vinyl and stained timber flooring. Carpets are often left stained and filthy. Vinyl and timber floor coverings are often left torn and scratched. All, need to be cleaned and/or replaced. Costly to the landlord and not bond covered in most instances

- The stench left behind throughout the property is not pleasant and hard to get rid of.
- Tenants have also birds, guinea pigs – living inside the property – which is **a health hazard generally and not good if children are living in the property**
- Animal food is left in dish and uncovered bringing flies, cockroaches, rodents etc – **health hazard**
- Animals urinating and soiling floor coverings – **health hazard**

Minor modifications - Minor modifications appear reasonable. However, where will the line be drawn between MINOR and MAJOR modifications. Public Housing tenants cannot make modifications so why should private housing be any different to public housing? **Tenants inspect a property before agreeing to rent/lease it –**

- Surely any modifications should be agreed upon before signing the lease agreement
- Any modifications made to the property should be remedied before the tenant vacates the property ie handing the property back to the same condition they received it.
- To mention just a few examples we have had tenants
 - . put nails in walls to string coloured fairy lights/decorations around the walls
 - . paint walls a bright blue colour (where originally it was off white colour)
 - . **remove covers from ceiling fan lights and smoke alarm covers** to stop the alarm from working – too irritating when the alarm goes off if they burn food etc – **safety hazard**
 - . **remove handrails on steps** to get their furniture in and out of the property and not affixing the rails securely – **safety hazard**
 - . **move free standing wardrobes** around that have been screwed/secured to the walls (leaving holes in the walls) and then leave them unsecured making it unsafe for children – **safety hazard**

Domestic and Family Violence (DFV) - Very sadly, DFV is extremely common; but it is **not the landlord's responsibility**.

If anyone **experiences DFV this is a matter for Qld Police, Qld Child Safety and Qld Courts** to step in and take control and put a stop to it.

- **If DFV is occurring and a tenant genuinely needs to leave, proof such as a police report should be provided to the managing real estate and/or landlord.**

It is also very common when a person escapes DFV they return to the perpetrator and are then looking for another house to rent and starting the process all over again and again.

- Perhaps if a lease agreement is broken due to DFV the State Government could be held accountable and compensate the landlord for any out of pocket costs.
- I am also concerned if a couple want to break lease they will use domestic and family violence as a reason for breaking the lease even though this may not be the case.

When a lease agreement is signed one would expect BOTH **the tenant and landlord to honour the agreement**. I don't know of any other business where a legally signed agreement can be broken without penalty.

In quite a number DFV cases it also means the rental property is damaged and/or left in a filthy mess with rental arrears.

- Why should a landlord, who provides an essential community service, be left out of pocket by the bond being refunded to the person escaping DFV? In most cases, the bond does not cover rental arrears, cleaning, lawn mowing and damage, the first week's rent paid to the real estate agent for finding another tenant.

Example - If a resident in a private nursing home is not happy, due to being mistreated (abuse and/or neglect) and wants to move, that resident or family member has to give notice of intent to leave or pay vacating fees. In my eyes this is no different to DFV *al be it* both very sad situations which should not be happening.

- I believe residential aged care facilities are land tax exempt as opposed to residential private landlords. Both these residential agreements provide a much needed community service, yet one is treated quite differently to the other.

As your Department of Public Housing would be well aware rental properties are fast becoming a non- profitable business supported by what I have stated above .

With all these ever increasing expenses it is becoming hardly worth landlords investing in residential rental properties. Then, if we add all the extras your Government intends throwing upon landlords with your rental reforms, which will not benefit landlords in any way, it will only mean less private rental properties available and higher rents to the near future.

Carole Willday

