

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

Submission by:

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To

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

As investment property owner I OBJECT to this Bill presented by Dr Amy MacMahon of The Greens Party. We object on the basis that the Bill proposed changes that are unfair to Mum and Dad landlords like my wife and I. I do question if Dr MacMahon has the required knowledge of the rental industry and understand the perspectives of both landlords and tenants to put a Bill such as this one forward.

We have two rental properties, my wife and I bought them a decade ago as a platform to fund our retirement. We have always tried to be fair and reasonable landlords, we offer fair rent, well maintained properties and do our best to look after the people who rent from us.

Some of the key proposed changes included in this bill, such as the ones listed below, are the ones that will cause the greatest negative impact for us; and they don't provide a fair ledger for tenants and landlords.

- Capping rent increases to once every two years and by no more than the CPI annually
- Scrapping "No grounds evictions" to prevent lessors from being entitled to end a fixed term tenancy at the end of its agreed term. Restricting lessors rights to end tenancies.
- The Bill also excludes the right for owners to issue notices to leave where they intend to sell the property.
- Allowing tenants to make alterations to the rental property without permission from the lessor. Examples include painting walls, inserting nails, adding shelves.
- The suggested abolishment of a lessor's right to not renew a tenancy agreement at the end of its agreed term.
- Automatic right for tenants to keep pets. A landlord would have to apply to a tribunal to not allow pets in their property.

Some of these changes would make it very difficult for us to continue to keep our properties and be good landlords. We know from experience that rental incomes need to reflect the market value of the property and to pay for the expenses associated with property. Interest rates, rates, insurance and maintenance costs are not held at CPI levels.

Some of the tenants we have had over the years behave in ways that have resulted in our other tenants in the small complexes to tell us they don't feel safe. If we could not ask these people to leave, then our good tenants would leave.

There are a lot of rules and compliance obligations a landlord has to manage and additional rules such as the one blow, add to the compliance workload for little value. "A lessor could only issue a notice to leave if they or a family member intends to occupy the property or if major renovations are to be made to the property. The lessor must offer the tenant another tenancy agreement after the renovations are complete." Given most of our

renovations have taken anywhere from 2 weeks to 3 months, it seems ludicrous to assume a tenant would wait for that. Also what type of paperwork would be required to demonstrate compliance with this regulation, how would it be assessed, by who?

We have been fair and reasonable with pets for our tenants, but the idea of allowing this without permission is crazy. Pets need to be suited to a property. We have had tenants bring unapproved pets to our houses. Some of the damage left has been heartbreaking, the bonds do not cover the repair costs – repairing / replacing paintwork, gardens, carpet. The current process of pets on application and approval is fair to landlords, tenants and animals.

The Greens proposed rental reforms are essentially seeking for tenants to have the right to stay in a property until it suits them, to make modifications as they please and keep pets in the property without seeking consent, whilst lessors would not be able to request market rent. The Greens proposal sends lessors to QCAT to seek permission to grant rights that they currently have under the RTRA Act 2008. The average waiting time for a case to be heard in QCAT is 36 weeks. This is unaffordable for lessors to go without rent or a problem resolved.

The majority of lessors are mum & dad investors or retirees. This group are being forced to become social housing providers. It is not the responsibility of the private sector to provide social housing.

There are many more proposed changes to the current Residential Tenancies and Rooming Accommodation (Tenant's Rights) and Other Legislation Amendment Bill 2021 that if passed by Parliament will result in Government having to supply more public housing.

Currently there is an acute shortage of available rental properties. Some suburbs have either zero, or maybe 1 or 2 properties available. This acute shortage isn't good for tenants – there's no the choice to live where they want, in the type of property they'd prefer, at a price that's reasonable. This Bill does NOTHING to address this shortage of rental properties and help tenants.

In fact, this Bill will be an even greater detriment to tenants, as –

- Prospective investors will realise there is no real return on investing in the rental market, and that there are far better returns available in the share market (25% in the last year compared to less than CPI under the proposals of this Bill).
- Existing investors will realise there is no choice in protecting and managing their investment properties, with little control over what tenants can do with/to the property. They will exit the rental market at their earliest opportunity – leaving even less properties available for prospective tenants.

There is nothing in these proposed changes to attract investors into the rental market – and without investors there will not be more rental properties available to meet the growing rental demand.

In this proposed Bill – “it has an unbalanced focus on Tenant’s Rights. It has been forgotten by the Greens’ Party that lessors have rights also. I don’t think the government would like have these rules imposed on them in their social housing – it makes it impossible to provide safe, comfortable and cost effective places for people to live.

We urge the Government not to agree to the proposed changes as put forward by the Greens’ Party and to take a more balanced approach to first assessing the need for any changes to make the whole system better for tenants and landlords.

Signed: Peter Traynor

Dated 12 July 2021

Amendments to Residential Tenancies and Rooming Accommodation Act 2008

1: support tenants and residents to enforce their existing rights by removing the ability for lessors and providers to end tenancies without grounds.

We oppose removing the ability for lessors and providers to end tenancies without grounds. On the following grounds:

Continual late payments:

The residential Tenancies and Rooming Accommodation Act 2002 (section 325) state that a notice to remedy breach (form 11) cannot be issued unless the rent is unpaid for 7 days. However there are no provisions for lessors to issue tenants notice for late or partial payments.

‘A day late is a dollar short’

Continual late or partial payments can wreak havoc on a landlord’s financial well-being.

Perpetual Complainers

Property owners also must deal with a fair share of perpetual complainers. They continuously call, at all hours, and for everything, including unreasonable requests.

Criminal Actives

If a tenant becomes criminally active, arrests do not change the tenant’s right to occupy the home. However if the lessor or provider believes the criminal activity may harm anyone and particularly children ending the tenancy without grounds could be the safest option.

Amendments to Residential Tenancies and Rooming Accommodation Act 2008

5. Support parties to residential leases reach agreement about renting with pets.

We object to the automatic right for tenants to keep pets

On the following grounds

- Pets can be destructive, with expensive damage to flooring and furnishings a possibility.
- Even well-behaved animals can increase the amount of wear-and-tear, so post-tenancy cleaning bills may be higher.
- Dogs may annoy the neighbours if they're noisy or badly behaved. Some dogs howl when they're left alone, and many dogs bark for no apparent reason.
- Once a pet has been kept in the property, it may be difficult to rent the property to anyone with allergies in the future.
- Animals can carry fleas and mites, which can infest a property.

Property owners should have the right to:

- Specify which types of pets (if any) are permitted in the property.
- Add a 'pet clause' to the tenancy agreement to set out the rules regarding pets
- Charge a higher bond for tenants with pets.