

**Housing Legislation Amendment Bill 2022**

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<b>Submitted by:</b>	Real Estate Institute of Queensland (REIQ)
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<b>Submitter Comments:</b>	



17 November 2022

Community Support and Services Committee  
Parliament House  
George Street  
Brisbane QLD 4000

By email: [cssc@parliament.qld.gov.au](mailto:cssc@parliament.qld.gov.au)

Dear Committee,

**RE: HOUSING LEGISLATION AMENDMENT BILL 2022**

The Real Estate Institute of Queensland (REIQ) welcomes the opportunity to provide our comments on the *Housing Legislation Amendment Bill 2022* (the **Bill**) introduced into the Queensland Parliament by the Minister for Communities and Housing, Minister for Digital Economy and Minister for Arts on 27 October 2022.

We note the Bill seeks to amend:

- (1) the *Housing Act 2003* (**Housing Act**) and *Housing Regulation 2015* (**Housing Regulation**) for the purpose of facilitating the Homes for Homes initiative in Queensland; and
- (2) the *Retirement Villages Act 1999* (**RV Act**) to improve transparency and accountability for retirement village funds, particularly in relation to financial reporting.

For the purpose of this Submission, we will only address the amendments to the Housing Act and Housing Regulation. The other matters, we acknowledge are sector-specific and it would be more appropriate for consultation to be taken from organisations and parties with a direct stake holding in retirement villages. We note that a previous consultation draft of the Bill was sent to a Consultation Group of relevant stakeholders (that did not include the REIQ) for this purpose.

**Importance of the Housing Strategy**

The worsening state of the rental market in Queensland is highly publicised and felt across all regional and metropolitan areas of Queensland. In 2022, Queensland consistently broke its own rental market vacancy rate records and currently has the tightest rental market in history with 0.5% vacancy rate across the State. The regional centres are particularly facing duress with Sunshine Coast (0.6%), Gold Coast (0.5%), Cairns (0.5%), Bundaberg (0.4%) Toowoomba (0.3%) all at record vacancy rate lows (source REIQ Rental Vacancy Report June 2022).

Tenants in Queensland are facing a highly competitive landscape and stories of desperation and homelessness are becoming increasingly commonplace.

Data shows that current market conditions have been directly caused by a declining supply of available permanent rental properties. At the recent Housing Summit, the Treasurer noted that Queensland is facing a forecasted rental housing undersupply of around 55,000 properties.

Whilst it is difficult to precisely define the reasons for the shortage and decline in permanent rental properties, we submit that the key factors include:

- the high volume of sales of residential property by investors over the past 5 years, contributing to a decline in rental listings of 48.2% in September 2022 compared to the previous 5-year average<sup>1</sup>;

<sup>1</sup> 'The Brisbane rental crisis in five charts' CoreLogic, 7 September 2022 <https://www.corelogic.com.au/news-research/news/2022/the-brisbane-rental-crisis-in-five-charts>





- the increased prevalence of properties on the short-term rental market<sup>2</sup>;
- severe weather events experienced in Queensland in March 2022 leading to over 4,500 properties being severely or moderately damaged displacing both owner-occupiers and tenants<sup>3</sup>;
- over 30,000 persons migrating from other states to Queensland in the 2020/21 financial year<sup>4</sup>
- a reduction in the average household population to 2.4 persons per household (Treasurer, Housing Summit 2022) and a higher level of sole tenancy tenancies due to COVID-19 influences;
- cost of living pressures and a rise in inflation in Brisbane of 7.9% in the 12 months leading to September 2022<sup>5</sup>; and
- legislative changes being introduced which disadvantage and constrain property owners and make investing in Queensland undesirable<sup>6</sup>.

In response to the deteriorating conditions of the housing market, the Queensland Government recently hosted a Housing Summit on 20 October 2022 with Parliamentary members, Local Government representatives and key stakeholders across all aspects of the housing sector. Although the parties represented different areas of the sector, a common theme was that urgent action needed to be taken and each party with an interest in the property sector (whether it be developers, lessors, tenants or real estate professionals) are essential contributors to a healthy and sustainable market.

The REIQ agrees with this position and supports reforms that are designed to create better security, safety and certainty for housing affordability and supply. This is vital to the well-being and ongoing sustainability of our community and the rental sector.

### Donation Deed Model in Queensland

We commend the Queensland Government taking prompt steps to action alternative solutions in an effort to ease supply issues plaguing the current housing market in Queensland.

The Homes for Homes initiative created by the social enterprise, The Big Issue, is operated throughout Australia with a purpose of alleviating homelessness by boosting the supply and affordability of housing.

This initiative raises voluntary donations from property sale transactions which enables it to provide funding to supported housing providers and invest in social and affordable housing projects throughout Australia. Homes for Homes states that they have granted over \$1.28 million in funding to thirteen projects across Victoria, Northern Territory, Queensland and the Australian Capital Territory<sup>7</sup>.

In other States, when a landowner participates in the initiative, they enter into the voluntary donation deed and a permissive caveat is registered on their property, so that they are reminded at the time of sale to make the voluntary and tax-deductible donation of 0.1% of the purchase price from sale proceeds. The caveat can be kept on title for future landowners to participate or removed by the new owner.

The Bill proposes to amend the Housing Act and Housing Regulation to create a new type of administrative advice that can be registered on title of a property owned by a party participating in the initiative, that has entered a voluntary donation deed.

<sup>2</sup> 2019 Australian Short Term Rental Report

<sup>3</sup> QRA Reference: Report by Deloitte Access Economics. Last updated July 2022

<sup>4</sup> Financial Review, 'Aussies flock to Queensland at fastest pace in 20 years', Mark Ludlow 5 January 2022, <https://www.afr.com/policy/economy/aussies-flock-to-queensland-at-fastest-pace-in-20-years-20211221-p59jdt#:~:text=Net%20interstate%20migration%20to%20Queensland,quarterly%20basis%20since%20December%202003>

<sup>5</sup> C Consumer Price Index, September quarter 2022 | Queensland Government Statistician's Office ([gsgo.qld.gov.au](https://gsgo.qld.gov.au))

<sup>6</sup> COVID-19 Emergency Response Act 2020, Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020, Housing Legislation Amendment Act 2021

<sup>7</sup> <https://homesforhomes.org.au/funded-projects/>





As acknowledged in the Explanatory Notes to the Bill, the laws in Queensland do not allow a caveat to be registered under such circumstances and the administrative advice is an alternative that will serve the same purpose.

Although already operating, the proposed introduction of a new administrative advice will likely bolster the Homes for Homes initiative in Queensland.

The administrative advice is said to serve as a notification to persons dealing with the land that the owner has entered into the voluntary donation deed, without binding the successors of the title. Either party to the deed may have the administrative advice removed at any time.

Importantly, it is noted that any obligation on the property owner is by virtue of the voluntary donation deed only, and not imposed by the administrative advice (as is the case for other types of administrative advices in Queensland).

Registration also does not effect the registration of another dealing of interest in the property by the owner.

We are supportive of these characteristics as they reduce any burden placed on a property owner or subsequent owner of the title and are consistent with the purpose of an administrative advice.

### Proposed Amendments

The REIQ is generally supportive of the proposed amendments to the Housing Act and Housing Regulation, however, we recommend consultation is taken from the legal profession as to any further practical and legal consequences which may apply by creating a new type of administrative advice.

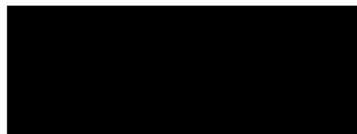
We agree with the definition of '*charitable donation deed*' being narrow, which requires the deed to have certain elements in order to meet the criteria for registration of an administrative advice.

It is favourable that the commencement date for the changes to the Housing Act and Housing Regulation are 3 months from the date of assent. We agree that an extended transitional period is not needed given the relatively minor operational changes that the amendments will impose.

The REIQ is supportive of the Bill. We expect that the proposed amendments will support the Homes for Homes initiative operating in Queensland and will assist in achieving the Queensland Government's objective in accordance with its Housing Strategy.

If you have any queries or wish to discuss further, please contact Katrina Beavon, General Counsel and Company Secretary of the REIQ on [REDACTED]

Yours Sincerely



Antonia Mercorella  
Chief Executive Officer