

Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022

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Inquiry into the Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022

28 October 2022

To the committee,

My name is Donald Lynch, I am a landlord in Queensland. I have two Tennants in two properties, one 3 bedroom Property and one 1 bedroom property on a single title.

Considering the above formentioned description of my position it is probably of no surprise to the commity that I am opposed to the above ammendment for the following reasons;

- In a capitilist based enconomy with a free market, governments should not be picking winners and losers out of the people they serve. Interest rates are not being frozen, rates are not being frozen, Insurance premiums are not being frozen and the costs of repairs and maintenance are not being frozen yet the income side of our profit and loss is being frozen and at a time when values are dropping.
- Not all land lords are wealthy property tycoons, without a social conscience, as a case in point the median rent for a 3 bedroom house in post code 4655 is \$460.00 per week, I currently charge \$340.00 per week and have done so for the past 2 years, and my one bed room granny flat is only \$260.00. I personally know of two other properties simularly let, and I am sure there are many more. I have spoken to my tennants about raising the rent to \$380.00 and \$280.00 next year to cover my rising costs and they are fine with that, and are in fact grateful I have kept things as low as I have for so long. I don't yet know my course of action should my income be locked to \$340.00 and \$260.00 for the next 2 years, and future rent increases be limited to 1% per annum ie way less than inflation.
- The Law of Unintended Consequences. This idea dates back to at least John Locke and Adam Smith, and a key point with regards to this is that although some times the unintended consequences can be positive, the vast majority of the time they are negative. As an example should I be forced to sell my property due to it no longer making financial sense for me to keep it, it will probably be sold to a first home buyer who is making their first step onto the property ladder, and my current tenants, an aboriginal lady studying, and a divorced pensioner may be forced to search for a new place to live in a very competitive market and at prices they cannot afford, ie some of the most vulnerable in our society that were scraping by now possibly homeless in the future. Now I could probably go on all night exploring negative consequences but the key point is that in a complex system almost any move you make will have affects you didn't intend and more often than not they are negative.

If the bill were to be passed, I would like a clause to be added that would allow landlords to increase their rents up to the median value for their post code and number of bedrooms as at the quarter covering 1st of August 2022. This data is currently collected by the RTA and would allow landlords that are doing the right thing socially and keeping rents as low as they can to increase rents to make the financials make sense, and yet prevent those landlords who are at the median or above from further increasing rents.

Finally in summary I think this it is a bad idea, it sends the wrong signals to the market, a better idea to reduce costs would be to expand the supply of housing, but even this would be inflationary and not the job of this committee. Thank you for your consideration.

Kind regards,

A solid black rectangular box used to redact the signature of Donald Lynch.

Donald Lynch.