

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

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

Introduction

Tenants Queensland (TQ) is a statewide community and legal service providing free tenant advisory services for residential tenants. TQ aims to protect and improve the rights of all people who rent their home in Queensland. This includes renters in private rental and social housing, as well as renters in more marginal tenures such as caravan parks and boarding houses.

TQ is the manager and lead provider of the Queensland Statewide Tenant Advice and Referral Service (QSTARS) program initiated by the Queensland Government in 2015. QSTARS provides free, independent advisory services to tenants across Queensland. Through QSTARS and our Community Legal Service Program work, TQ assists renters to understand and exercise their legislative rights and responsibilities, and ultimately, to manage and sustain their tenancies. Our services are directed to those most in need.

TQ is well briefed about the issues confronting Queensland renters because we speak directly to hundreds of renting households across the state on a daily basis.

TQ thanks the Community Support and Community Committee for the opportunity to comment on the *Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022*.

Rental Affordability

The *Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022* (the Bill) aims to address the issue of rental affordability in Queensland. TQ considers this an important and valid aim.

It is clear that rental affordability is a growing issue across the state. According to SQM Research, rents have gone up on average \$104 per week in the last year. TQ sees this directly. Our client intake service provides advice daily to numerous renters confronted with large, unaffordable rent increases. Commonly these are presented in a take or leave it format - the offer of a subsequent fixed term contract which includes a large rent increase arrives together with a 'Notice to Leave Without Grounds' or the 'End of a Fixed Term' (new laws are in transition) if the contract is not signed. Most tenants are provided little or no ability to negotiate these large increases, leaving them faced with the decision to end the tenancy and attempt to find another home in the current

environment (of exceptionally low vacancy rates) or attempt to maintain a rent which pushes them (further) into housing stress.

TQ has analysed advice provided to renters calling our 1300 service about proposed rent increases in the six working days to November 2, 2022. Of the 33 records investigated, the average increase rent increase is \$113 per week, or 35% of the starting rent. The largest increase was \$550 per week (from a starting rent of \$1200/wk) the next 385% (from a starting rent of \$104/wk). The least increase was \$20 per week. There were only five inquiries which asked about a rent increase less than \$50 per week. One rooming accommodation resident, an international student, had a notice of rent increase from \$200/wk to \$300/wk. Many callers have had rent steadily increased prior to these large increases, and a number have lived in the property for years rather than months.

According to the [ABS QuickStats](#) 2021, Queensland has a higher than average number of renting households people who rent their home at 33.1% (or 618,442) compared to the national average of 30.6%. In addition, households who rent their home are much more likely to be living in housing stress. The ABS QuickStats also show that that 32.3% (199,511) of renting households across the state are paying more than 30% of their income in rent (an often-used benchmark for housing stress) compared to 11.9% of owner occupier households.

In their Rental Affordability Snapshot 2022¹, having surveyed 74,000 rental listings across the country, Anglicare states that there were:

- “386 rentals were affordable for a single person on the Age Pension
- 236 rentals were affordable for a person on the Disability Support Pension
- 3 rentals, all sharehouses, were affordable for a person on JobSeeker
- 0 rentals were affordable for a person on Youth Allowance”.

For Brisbane they state:

‘Of the 3049 rental properties in the Brisbane metropolitan area that Anglicare SQ surveyed on the weekend of 19–20 March 2022, there were only 57 properties (fewer than 2%) that were affordable and appropriate for households on income support; and only 316 (10.4%) properties for those on minimum wage. There is not a single household type out of 14, including working couples on minimum wage, in which median rent as a proportion of household income meets the 30% benchmark for housing affordability. For a young adult on Youth Allowance, aspiring to a one-bedroom home is out of the question — the median rent equates to 99% of their income. Even a room in a share house is unaffordable, at more than two thirds (67%) of Youth Allowance’

Deloitte Access Economics² also acknowledge the typically higher housing costs experienced by renting households. They note that private renters spend more in both dollar terms per week as well as proportion of disposable income in rent than owner occupiers. Further, using 2017/18 data, Deloitte report that over half of Queensland’s renting households are low-income – in the bottom 40th percentile of incomes.

Rental affordability and stable housing

Stable housing is, of course, of high importance to people’s well-being. It is commonly accepted that having a home to return to allows people to engage in education or employment and delivers

¹ Anglicare, April 2022, Rental Affordability Snapshot ([National Report](#)) ([Brisbane Report](#)) ([Snapshot](#))

² Deloitte Access Economics, July 2021, Economic Analysis of Queensland Residential Renting Reforms

greater health outcomes. For children – and almost half of Queensland’s renting households include dependent children - housing instability is linked to disrupted schooling and inhibits maintaining connections with friends, family and the community.

For the many low income renting households, predictable and affordable rent increases are imperative in maintaining a stable home. Housing – finding and maintain a rented home - is like no other consumer good. It is not something which someone, even temporarily, can chose. It is a necessity of life. Faced with excessive rent increases, renters cannot choose to take their business down the road, given the high costs of moving and dislocation. When faced with an unaffordable rent increase, the only alternate option to moving house is to economise on other goods or services. Currently, many households are having to choose this option, going without food or other consumables, or juggling rent with other bills such as energy and water costs as they arrive. This is pushing households into or further into poverty and sub-standard living conditions. A recent report by the Anti-Poverty Network³ reported that of 288 surveyed renters, 79% said the amount paid on rent impacted their ability to buy food and 68% said it impacted their ability to cover medical costs.

Conclusion - Rent stabilisation

TQ agrees that action needs to be undertaken to limit rent increases to moderate the very large and unsustainable increases noted above. In this regard, the key aim of tenancy law changes should be rent stabilisation and moderation of increases. The approach would prevent opportunistic rent increases by landlords (and agents who have been seen to drive increases) during sharp shifts in demand e.g., the current low vacancy rate environment.

Rent stabilisation is for good for tenants and landlords. It is good for landlords as it reduces tenant churn resulting in property vacancy and loss of income between tenants. For renters, it provides a more stable and predictable renting environment.

To moderate unreasonable increases, TQ’s preferred position is to limit rent increases to inflation. TQ proposed the following changes.

Rent increases should be allowed once annually and limited to the rate of inflation unless there is a legitimate reason to increase it more. Reasons should be limited to, for example, significant amenity improvements to the property that fall outside of the landlord’s responsibilities to maintain and repair the premises such as renovation of the bathroom or kitchen. Where there is a dispute about an increase above inflation, the onus should rest with the landlord to resolve it through the usual tenancy dispute resolution channels.

Queensland tenancy and other laws should also prohibit any practice where a landlord or agent solicits or invites any offer of an amount of rent that is higher than the advertised amount for rent.

TQ considers changes to tenancy law to introduce this are urgent.

³ Anti-Poverty Network South Australia , September 2022, [*Broke, Cold, Stressed,: A survey of 288 Low-Income Renters*](#)