



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

Submitted by:

Student Accommodation Association (SAA)

admin@studentaccassoc.com.au

PO Box 3561, Rundle Mall, Adelaide SA 5000





About SAA

The Student Accommodation Association Incorporated (SAA) is the representative body bringing education and student accommodation providers together to promote the value of accommodation provided for the exclusive use of students to support and enhance the education experience.

SAA represents the interests of our members and has a profile of being a reputable body of engaged industry participants within the commercial, government and education sectors.

We serve to inform policy and planning, pertaining to the definition, assessment and development of student accommodation. We seek to create value to consumer and operators in the sector, and aim to facilitate a considered voice for all participants. More information on SAA found at www.studentaccassoc.com.au.

Defining Student Accommodation

SAA defines student accommodation as – “Accommodation for the exclusive use of students.”

Mission

- To promote the value of quality accommodation which is provided for the exclusive use of students to support and enhance the Australian education experience.
- To establish and maintain a profile within the commercial, government and education sector as being a reputable body of engaged industry participants who may serve to inform policy and planning, pertaining to the assessment and development of accommodation which is provided for the exclusive use of students.
- To represent the interests of operators with student accommodation interests in Australia.

Strategic Objectives

- Deliver a National Property Accreditation Scheme which is aligned with minimum quality standards for student accommodation.
- Lobby for the introduction of a prescribed student accommodation tenancy document.
- Lobby for the introduction of a licencing system for providers in the private rental market.
- Inform the development of the accommodation component to the Federal Government's International Education strategy.
- Lobby for changes to planning approval frameworks with a view to distinguishing between projects specifically designed to accommodate students (purpose built) and “mixed-use” residential developments.



The following submissions are on behalf of **SAA Executive Members – Campus Living Villages & Scape**

Submission by Campus Living Villages:

Part 3 Amendment of Residential Tenancies and Rooming Accommodation Act 2008 (Act)

1. Minimum Housing Standards

Whilst Campus Living Villages is confident that its student accommodation will meet the prescribed minimum standards, when determining the dimensions of rooms that are prescribed by regulation the Government must consider the wide variety of housing options, including student accommodation, which will be covered by the Act. In student accommodation, the room sizes tend to be small noting this is offset by communal facilities.

2. Rent Increases – Residential Tenancies and Rooming Accommodation Agreements

Clause 8 and 9.

The CPI capped rental increases between different tenancies or rooming accommodation agreements are unreasonable in the context of student accommodation which provides additional services to its residents unlike the wider rental market. All utilities and internet maybe included along with services such as pastoral support and residential life activities the cost of which may escalate beyond CPI and such limitation will impact commercial viability.

We note under the proposed section 57A(3) and 79A(3) the lessor increase the rent beyond CPI if additional services, facilities or goods are to be provided'. We would like clarification that this clause will be interpreted to cover student accommodation which provides the services outlined above, in other words, this does not mean that the services must be additional to those provided in the prior year.

The comments above also apply to the new provision at clause 10, prohibiting increases beyond CPI from one fixed term tenancy agreement to the next (which occurs in the student accommodation context when a current resident chooses to reapply to remain in the accommodation for a further fixed term on the expiry of their current agreement).

Further this new clause does not include the exception for additional services but provides for the lessor to make an application to the Tribunal for an increase above CPI in the absence of an agreement from the tenant. This will be an unduly onerous administrative burden if the onus is on the provider of student accommodation to make an application to the Tribunal for each residential agreement under s91A to increase the rent beyond CPI in these circumstances. These comments apply equally to the same changes proposed for rooming accommodation agreements under clause 14(3) amending s104(5) of the Act.

Student accommodation can be differentiated from the wider rental market because of its specific customer base, the additional residential life services provided and the nature of the infrastructure model with providers building and managing accommodation based on a rate of return on investment. To limit the ability of providers to manage rental return (which should be governed by the highly competitive student accommodation market and relationship with University partners) will have a detrimental effect on the sector and the willingness to invest in the long term.

3. Limitations on what information a lessor can ask of a prospective tenant.

Clause 8 (proposed section 57B(1)) prohibits the lessor requesting certain information from a tenant including nationality details unless these are needed for social housing or NRAS. We collect country of origin data from applicants. This is used for de-identification and used to analyse demographics for strategic planning and marketing purposes understanding our customer base and seeking emerging markets.

Whilst we do not seek details of a prospective resident's nationality per se, we seek clarification that asking for country of origin as part of the application process will not breach this provision.

4. Minimum period before rent can be increased

Clause 13 amends s93 of the Act to increase the minimum period before rent can be increased from six months to two years. Whilst our tenancy agreements are fixed term for 12 months or less, this provision will prevent a rental increase where a current resident reapplies for a further fixed term agreement on the expiry of their existing agreement. This means we will be unable to apply the relevant rental rate to such residents (given rates in non COVID times increase year on year). All residents must pay the same rates and this will lead to returning residents paying a lower rent than new residents thus impacting the overall management of the accommodation and its commercial viability.



Submission by Scope:

1. **improve lease security by removing the ability for “no grounds” evictions or evictions for sale contract by the lessor, and replacing these provisions with two new grounds for a notice to leave**

Removal of these grounds for eviction will substantially limit a lessor’s ability to manage rental properties effectively and appropriately. In the case of removal of the ground for eviction based on the sale of a building, it may be that the financial viability in selling is based on the building being sold with vacant possession, or on the basis that vacant possession can be achieved shortly after settlement.

Additionally, removing the ability for lessors to terminate a tenancy agreement that has come to an end interferes with a lessor’s right under section 24 of the Human Rights Act 2019 (QLD) for all people to have the right to own property alone or in association with others, and to not be arbitrarily deprived of their property.

Moreover, removal of these grounds for eviction may impact on the commercial viability of investment in, and management of, commercially run residential buildings. This in turn presents a substantive disincentive for investors and commercial operators to keep residential premises in the rental market.

For these reasons, neither of these grounds for eviction should be removed from the Residential Tenancies and Rooming Accommodation Act 2008 (Qld) (“the Act”).

Notwithstanding our position that proposed amendment is unacceptable, if it is to be included, there should be a carve-out introduced for commercial residential properties, such as purpose-built student accommodation (“PBSA”) buildings, which have a business model based on a high-turnover lessees who are predominantly international students. Such student lessees tend to enter into short-term leases which are tied to university/higher education institution semesters, as well as visa requirements.

Accordingly, lessors managing PBSA buildings are dealing with frequent turn-overs of short term leases across hundreds (if not thousands) of student lessees. To force such lessors to be tied into tenancy agreements that have in fact terminated will greatly interfere with the ability of PBSA lessors to operate and manage their relevant assets, including with respect to ensuring the accommodation of incoming cohorts of international students who have booked, and are expecting to receive, accommodation at the relevant PBSA buildings.

2. **vary minimum notice periods for a notice to leave**

The introduction of an eviction right for major renovations (i.e. renovations or repairs) is a welcome addition to the Act. However, the notice period of 6 months is not practicable. If major renovations are required, it may be that such works entail repairs that need to be carried out on an urgent basis. Additionally, having such a long lead time may deter lessors from undertaking much-needed repairs/renovations to their buildings.

For these reasons, the notice timeframe should be reduced to 3 months.

6. remove the lessor or lessors' agents ability to ask inappropriate rental application questions of prospective tenants

Inclusion of proposed sections 57B(1)(c) and (e) are not practical for commercial PBSA operators. A large proportion of the lessees occupying premises in PBSA assets are international students who are staying in Australia for a period of study. As part of the pastoral care services usually provided by PBSA providers, it is important for PBSA providers to understand the nationality of the lessee students occupying the relevant PBSA assets. PBSA providers use this information, for example, to tailor cultural events that they organise and host which are relevant to the nationality of the relevant lessee students.

Additionally, it is often simpler for international student lessees to provide copies of their passports (as opposed to other forms of ID) to lessors when providing photographic identification documents. PBSA operators should not be prohibited from requesting documentation from student lessees which in fact help make the process of booking a room in a PBSA building simpler for those student lessees.

Moreover, PBSA buildings are also generally subject to planning restrictions which require occupants of these buildings to be students enrolled in a higher education institution course. In order to ensure compliance with these planning restrictions, PBSA require the ability to ask for and check student identification documentation – which involves checking visa and nationality requirements with respect to international students. This proposed amendment would accordingly impair a PBSA operator's ability to ensure compliance with relevant planning and zoning requirements.

For these reasons, sections 57B(1)(c) and (e) should not be included in the Act.

8. limit rent increases to once every 24 months and by no more than CPI per year, including if there is a period for which the property is not rented or if current tenants move out and new tenants enter on a new lease

These proposed amendments are strongly opposed by Scape on the basis that they will deter the entire commercial-residential market from further investment in this sector. It is noted that this amendment presents an unacceptable manipulation of the market.

In particular, the limitation on increasing rent not more than once every 24 months is impractical for operators of PBSA assets. PBSA buildings are commercially-run assets which rely on market supply and demand to guide the rental rates for available rooms and/or beds. PBSA operators must have the flexibility to increase rent to reflect the market in order to ensure the commercial viability of PBSA assets.

Additionally, restricting rental increases to once every 24 months does not reflect the commercial reality of the transient nature of the student lessees in PBSA buildings – most of whom are staying in Australia for a short period of time which is tied to a semester or educational course, as well as to visa restrictions. Accordingly, there is a high-level of turnover with respect to occupation of rooms/beds in PBSA buildings, in addition to short lease terms.



For these reasons, this proposed amendment should not apply to owners or operators of PBSA buildings.

9. give tenants the right to keep a pet unless the lessor applies successfully to the Queensland Civil and Administrative Tribunal (the Tribunal) for an order refusing the pet on reasonable grounds

This proposed amendment should not apply to owners or operators of PBSA buildings. This is on the basis that it is not reasonable to keep a pet such as a dog in PBSA buildings.

Firstly, the nature and character of PBSA buildings are unsuitable to house pets such as a dog. These assets generally house hundreds of residents, with a vast majority of such residents usually being international students. The average room size in PBSA buildings is quite small (generally the same size as, or smaller than, a hotel room), the rooms are usually carpeted, and there are usually no operable windows. Studio rooms tend to comprise of a bed, desk and bathroom. Many student lessees also share living spaces in twin or bunk rooms or apartment/cluster-style rooms. General communal facilities (such as games rooms, cinema, kitchen and study zones) are shared amongst all residents. Inclusion of this proposed amendment does not account for situations where one student lessee wants to keep a pet in a shared living space, while the other student lessee/s do not, and places the lessor in the difficult position of needing to mediate this position between student lessees.

The rooms in PBSA buildings are also usually located adjacently, with rooms placed in a row next to each other (similar to a hotel). Complete sound barriers between such rooms cannot be guaranteed, and therefore concerns arise that a pet housed in one of these rooms may cause noise and disturbance to other residents in PBSA buildings. Lessors have legal obligations to provide peaceful enjoyment with respect to the student lessees of such adjacent rooms pursuant to leases entered into with these lessees, and therefore concerns arise that lessors will not be able to satisfy this contractual obligation should a pet be housed in PBSA buildings.

Secondly, the majority of residents within PBSA buildings are young, international students who (in many cases) are experiencing time away from home in a foreign country for the first time. In recognising this, PBSA operators generally provide numerous support facilities and pastoral care to the student lessees of such buildings, including providing a safe and secure environment for the students to occupy whilst completing their studies. However, the provision of these services may be compromised, or become more difficult to ensure, by the presence of a pet such as a dog in PBSA buildings. For example, student lessees will likely need to carry the pet in and out of the relevant PBSA building, via common areas – thereby providing various opportunities for other student lessees to come into contact with the pet. In addition to the safety of the student lessees, there are also health concerns that can be caused by pet allergies. If pets are allowed to stay in PBSA buildings, lessors would no longer be able to guarantee that the building will be free of pet dander (which is the predominate cause of severe allergies).

Thirdly, given the nature of PBSA buildings and the small size of the rooms at such buildings, the rooms are unlikely to be suitable for an animal to live in. Pets in PBSA buildings will also have no access to outdoor bathroom facilities unless and until they are specifically taken outdoors via common areas shared with numerous other residents.



Additionally, it is noted that PBSA buildings are predominantly occupied by international students who are visiting Australia on temporary visas. This calls into question the longevity of and commitment to pet ownership amongst the student lessees of PBSA buildings. Accordingly, animal welfare concerns arise with respect to housing pets in PBSA buildings.

Lastly, it is anticipated that the introduced of these proposed amendments would result in an influx of applications to the Queensland Civil and Administrative Tribunal ("Tribunal"). For example, as PBSA buildings are not suitable to accommodate pets, PBSA providers would be left with no choice other than to make a Tribunal application for every student lessee proposing to bring a pet to the relevant building. This could result in hundreds (if not more) of Tribunal applications being sought by PBSA providers alone each year.

For these reasons, this proposed amendment should not apply to owners or operators of PBSA buildings.

10. allow tenants to make minor modifications to a rental property without first obtaining the landlord's consent

This proposed amendment should not apply to owners or operators of PBSA buildings. This is on the basis that rooms within PBSA buildings are created to be uniform in colour, style and layout. This is both for branding reasons, as well as to ensure that student lessees at PBSA buildings have commensurate, equal offerings in each room. Additionally, student lessees frequently share room and living space with other students – for example, in twin or bunk rooms, or apartment/cluster style rooms. To allow individual student lessees in these shared living spaces to make modifications to their rooms (for example, by painting the walls) may lead to disagreement and tension between the other student lessees.

Moreover, rooms located in PBSA buildings are marketed and sold on a commercial basis as part of a particular PBSA brand. The room layout and colour is usually closely tied to the branding of the PBSA company. For example, a PBSA colour which has pink and white logos may choose to have the walls in the rooms of a PBSA building painted white, with pink furnishings (such as storage cupboards). To allow the student lessees to make modifications to such rooms will cause major expense to lessors, as lessors will be required to 'make good' the relevant room to the pre-leasing condition each time the relevant student lessees vacates the room (and it is noted there is an intrinsic high turn-over of occupants in PBSA buildings, thereby leading to an increase in the number of times lessors may need to conduct such make good works).

For these reasons, this proposed amendment should not apply to owners or operators of PBSA buildings.





In addition to the comments provided by our members, the Student Accommodation Association would like to take this opportunity to introduce the **National Property Accreditation Scheme (NPAS)** to the Queensland Government.

NPAS is a set of industry led minimum standards designed in consultation with all SAA member categories to effectively identify accommodation provided for the exclusive use of students (student accommodation) to offer consistency in quality standards across the student accommodation sector in Australia.

The scheme was successfully launched late last year (2020) and the first batch of applications for accreditation are currently being assessed.

The Student Accommodation Association believes NPAS will be an important element to the Australian International Education recovery package and will assist state and federal governments to identify and legislate in the student accommodation space.

The National Property Accreditation Scheme (NPAS) was recently recognised and included in the recommendations offered by the authors of “Enhancing the Design Quality of Purpose-Built Student Accommodation”. The purpose of the research, which was funded by the City of Melbourne, was to identify approaches that assist in ensuring high-quality built outcomes achieved in the purpose built student accommodation (PBSA) sector.

An overview of the NPAS program is provided below for your consideration.

National Property Accreditation Scheme (NPAS)

PURPOSE

The National Property Accreditation Scheme (NPAS) has been developed by the Student Accommodation Association (SAA) to assist national education stakeholders to identify, promote and support quality managed student accommodation businesses which operate for the exclusive use of students.

BACKGROUND

The Student Accommodation Association (SAA) brings education and student accommodation providers together to promote the value of accommodation provided for the exclusive use of students to support and enhance the education experience in Australia.

SAA recognises that until recently, education stakeholders have perceived “student accommodation” to be accommodation that happens to be occupied by students when in fact, student accommodation is defined by the association as accommodation provided for the exclusive use of students.

As an initiative aimed at providing greater clarity to Australian education stakeholders, students, agents and the community, SAA seeks to introduce the National Property Accreditation Scheme (NPAS)





NPAS will represent a stamp of quality, enabling students to make an informed choice about their accommodation. An NPAS branded property will consistently deliver on student expectations of the minimum standard of student accommodation provided with respect to amenity, facility, security, customer service and management processes.

The NPAS offers new providers of student accommodation the opportunity to align their new offerings with a set of industry led minimum standards.

It is envisaged over time that education providers, government agencies and others who support students in Australia will recognise the NPAS stamp of quality to be a prerequisite for promotion to their student communities.

STUDENT ACCOMMODATION CATEGORIES

The SAA National Property Accreditation Scheme (NPAS) aims to identify individual properties that are being operated to a set of industry led minimum standards for the exclusive use of students with a focus on student safety and wellbeing.

Applicants will be assessed under five accreditation categories:

- | | | |
|--|---|--------|
| • University Managed | - | Blue |
| • Commercial/Purpose Built Student Accommodation (PBSA)- | | Red |
| • Residential College | - | Yellow |
| • Commercially Managed Housing Portfolio | - | Green |
| • Student Hostel | - | Orange |

SAA defines student accommodation as accommodation provided for the exclusive use of students. Under this definition, SAA further defines the type of student accommodation offered under the following categories:

- **University Managed Student Accommodation** – accommodation specifically designed, built and operated by a university for the exclusive use of its student community.
- **Residential College** – accommodation specifically designed and built for the exclusive use of students. Academic success and pastoral care, sporting and cultural opportunities and leadership development are high priorities.
- **Commercial Purpose Built Student Accommodation** - residential apartments specifically designed, built and operated by commercial management companies who specialise in maintaining accommodation environments for the exclusive use of students.



- **Student Hostel** – specifically designed, built and operated by commercial management companies who specialise in providing low cost accommodation on short to mid-term arrangements for the exclusive use of students.
- **Commercially Managed Student Housing Portfolio (50+beds)**- A student housing portfolio of 50 beds or more, managed by commercial student accommodation property management companies, who specialise in providing and maintaining quality private rental and share accommodation environments for the exclusive use of students.

BENEFITS OF NPAS

The implementation of the National Property Accreditation Scheme (NPAS) represents a “win/win” scenario for all participants in the Australian education sector.

For Students

- To provide students with the ability to make an informed accommodation choice.
- A stamp of quality
- Providing students with a channel by which to report inconsistencies between expectation and delivery.

For Education Stakeholders, Government Agencies and others

- Provide education stakeholders, government agencies and others who support the student in Australia with the confidence to identify and promote NPAS accredited properties.
- NPAS offers an eligibility prerequisite for inclusion/representation in student material provided by education providers and government agencies.

For Student Accommodation Providers

- Offers new providers an opportunity to align their offering with industry standards.
- Be part of a nationally endorsed portfolio of quality student accommodation options promoted in a coordinated, coherent and consistent manner by the Australian education sector.



NPAS ACCREDITATION FRAMEWORK

There are four elements to the National Property Accreditation Scheme framework:

1. Business profile
2. Facility and amenity
3. Management model
4. Operational plan

NPAS ACCREDITATION PROCESS

Eligibility

NPAS Accreditation is restricted to companies and institutions who are executive members of the Student Accommodation Association.

SAA executive members reserve the right to decide which properties within their portfolio they put forward for accreditation. There is no requirement for all properties within a members' portfolio to be assessed but any property not assessed cannot carry or be promoted as NPAS accredited.

Application

Executive member submits an application for accreditation, on a per property basis, to the SAA executive committee.

An application fee is payable at the time of submitting the application. The fee is non-refundable.

For more information please refer to the [NPAS website](#)

