



13 July 2021

Committee Secretary
Community Support and Services Committee
Parliament House
George Street
Brisbane Qld 4000

BY POST/EMAIL – CSSC@parliament.qld.gov.au

Dear Committee Secretary,

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

Thank you for the opportunity to comment on the Residential Tenancies and Rooming Accommodation (Tenants' Rights) and Other Legislation Amendment Bill 2021 (the bill). The Urban Development Institute of Australia Queensland (the Institute) appreciates this opportunity and acknowledges and supports the provision of safe, secure and affordable rental housing, improving the number of rental properties available, and confidence in the rental market. The Institute does not support the bill as it would be unlikely to meet these objectives.

The property industry is a major contributor to the Queensland economy. As the third largest industry of employment within the state, it directly employs 10 percent of the Queensland workforce, and indirectly supports a further 13 percent. Underlining its importance to the state's economy, the development industry directly contributed \$26 billion to the Queensland economy in 2017, or 8 percent of Queensland's GSP, and a further \$35 billion through indirect economic impacts (11 percent of GSP).¹

Despite this scale, the Queensland property industry currently faces many challenges in providing affordable homes to meet the growing population. Using South East Queensland as an example, the South East Queensland Regional Plan 2017 (*ShapingSEQ*) sets the benchmark of providing 793,700 homes for a population growth of 1,886,600 between 2016 and 2041.

Delivering on this challenge requires confidence and stability in the rental market to support continued investment. Risks such as substantial changes to the certainty of the length of leases, rent rises, and the balance between the roles of renters and lessors can reduce confidence in

¹ Urbis, The Contribution of The Development Industry to Queensland, March 2018

rental housing, impinge on the supply of capital for housing and in the Institute's view, lessen the number of new dwellings developed, increasing pressure for higher rents.

The Institute is concerned the Bill proposes changes that would largely abolish a lessor's right to choose not to renew the agreement. This would conflict with and reduce existing Australian contract law around the contractual rights of property owners. The Institute considers this would impact rental owner certainty and disincentivise investment in housing at a time when additional housing is urgently required to address the severe undersupply of rental accommodation.

The bill also proposes mandatory minimum housing standards, but the detail of these elements is unresolved, the 'as of right' ability to keep pets without sufficient safeguards for lessors to protect their asset, and the limiting of rent increases to once every 24 months and not more than CPI would skew rental accommodation from responding to market conditions. All of these measures are significant additional limitations to lessors, that would undermine confidence in the rental housing market, will result in reduced investment in the delivery of rental stock, and cause a direct exacerbation of rental shortages.

The Institute is concerned a reduction in rental housing supply will most significantly impact the most vulnerable people in the Queensland. The Institute does not support the bill and rather recommends actions that support, rather than restrict the production of additional housing.

Thank you for considering our letter. The Institute would welcome the opportunity to appear before the committee. If you have any questions relating to the material in this letter, please contact me at [REDACTED].

Yours sincerely,

Urban Development Institute of Australia Queensland



Kirsty Chessher-Brown
Chief Executive Officer