

Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024

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Dear Sir/Madam

30/3/2024

With regard to the Stage Two tenancy law reforms:

Some of the proposed reforms seem reasonable, for example I agree that there should be limits to personal information that can be requested and collected and there should be clear limitations on what data relating to tenants can be saved, and for what duration the data can be saved, due to potential risks of identity theft and scams and privacy breaches whether by hackers or individuals working for property managers.

However, other proposed reforms appear to be extremely unfair to property owners and landlords and in my opinion these proposals will definitely not be in favour of, nor promote, additional properties being available for tenancy despite the current huge societal issues with lack of secure rental housing. Some of the proposed reforms would risk long-term experienced and responsible landlords wanting to sell their properties and instead invest their money in alternative investments that do not come with so many unfair restrictions.

Clause 15, section 93 Minimum period before rent can be increased:

Limiting rent increases to every 12 months and linking this to the property rather than the tenancy, is extremely unreasonable. It is also likely to result in annual rent increases that are much higher increases in rent (which would be more difficult for a tenant to budget for and adjust to additional payment) compared with if smaller rental increases can occur more frequently.

The landlord needs to be able to afford to pay for all the ongoing expenses associated with a property, including rates and repairs and maintenance and smoke alarms and insurance etc. None of these input costs for the landlord will have any restrictions on price increases, so the landlord's cost of maintaining the rental property will keep increasing – therefore it is unreasonable for the Stage Two tenancy law reforms to limit the rent increases which will be needed simply to cover the landlord's increasing costs.

In addition to this, when a landlord may spend thousands of dollars doing not only essential repairs but also potential improvements and capital works to the property, to increase the appeal of the property to tenants or to potentially increase the number of tenants who could rent a property – how can it possibly be reasonable to limit the rent for the property so that the landlord cannot charge more rent to cover the additional expenses that have been incurred?

Significant works to a building are more likely to occur in the period between one set of tenants moving out and the next set of tenants moving in, so it is logical that the new tenants should be expected to pay a higher rent for the improved facilities in the property – and it is not at all logical or reasonable that the landlord should simply be expected to soak up all additional expenses without being able to increase the rent until another 12 months has elapsed, simply because Stage Two tenancy law reforms seek to limit rent increases to 12 months per property not 12 months per tenancy. In my opinion this is an extremely unfair and unrealistic proposal, which may result in properties being less well maintained in future, or landlords selling properties as they have had enough of government interference with their investments.

The landlord is required to have a huge financial investment in a rental property, to achieve what is typically only a small amount of cash-flow from net rent after all expenses have been paid. If the net rental yield continues to decrease and decrease due to the proposed tenancy law reforms limiting rent increases (which would otherwise help to cover the landlord's increasing costs) then it seems only logical that the landlord as an investor will seek alternative sources of income and therefore properties will be sold and fewer rental properties will be available for potential tenants.

Section 93B Tribunal order about rent increase: this appears to be the landlord/lessor's only option to apply for approval for a rent increase – how can that be a realistic option every time the landlord needs to increase rent to

cover costs of expenses incurred or if a tenancy changes over and additional work has been done to maintain or improve the property in between tenants? How busy will the tribunal be, or will the tribunal application process prove to be so unworkable that landlords sell their properties and invest elsewhere instead?

209B Attaching fixtures or making structural changes for safety, security or accessibility:

Issues relating to the safety of the tenant are clearly important, however there should not be any change to the tenancy act that enables changes to landlord's property to be made by a tenant without the landlord's consent. Making a structural change for accessibility might require wheelchair access to a two story building, which would be a significant structural change - how is it reasonable for a landlord to have their entire property modified without their consent?

Many renters already modify and personalise their homes, usually and typically without ever seeking permission nor considering that their modifications are actually damaging the property that they do not own – for example cutting holes in floors and walls, pulling shelves off, adding random nails and hooks despite picture rails having been provided, damaging fibro walls with no thought for the fact that they have potentially released asbestos fibres that were previously sealed up underneath paint – how can it be justified to simply give renters permission to modify (and therefore potentially damage) someone else's property?

209A Attaching fixture or making structural change without lessor's agreement: – somehow this appears to have been worded entirely in favour of the tenants, assuming that the Lessor should waive the breach and treat the fixture or structural change as an improvement, when the practical reality is that from the Lessor's perspective the changes made by tenants are typically destructive of the property and result in repair and maintenance costs or there will be ongoing deterioration of the property.

209C Tribunal order about attaching fixtures or making structural changes – this clause seems to completely overlook the fact that the tenants attachment of fixtures or structural changes are likely to NOT have added any value to the property, most particularly in view of the landlord being potentially unable to increase the rent for a further 12 months (in addition to the consideration that a tenant seems unlikely to make a significant capital investment in improving someone else's investment property)

Thanks for your consideration of these comments.

Yours faithfully

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