

Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024

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Committee Secretary
Housing, Big Build and Manufacturing Committee
Parliament House
George Street
Brisbane Qld 4001

8 April 2024

Dear Committee,

Reference is made to the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024 (the *RTRA Bill*).

We own residential rental properties in Queensland and make the following comments on the RTRA Bill:

Clause 13 – Rent in Advance

The amendment changes the prohibition on requiring an advance payment to accepting an advance payment. We note that this increases compliance monitoring by property agents as they will need to refund any payments that breach this provision. Further, this amendment will impact tenants who prefer to pay rent on a monthly basis. We have also seen instances where tenants without a rental history, such as recently divorced persons, offer several months rent in advance as an assurance regarding their tenancy. This amendment would prohibit that practice.

Clause 15 – Minimum period before rent can be increased

Our understanding is that no other Australian State or Territory currently applies a rent increase prohibition on the property rather than the lease. Imposing this restriction on landlords in Queensland may lead to them favouring residential real estate investments in other parts of Australia. It also acts as a disincentive for landlords to undertake property improvements between leases, including due to a lease break, as it prevents any cost recovery through increased rent until the 12-month period has elapsed.

Clause 25 – Transfer of Rental Bond

The Regulation pursuant to this amendment needs to ensure that a transfer of a rental bond does not jeopardise a legitimate claim on some or all the rental bond by a landlord.

Clause 27 – Fixtures and structural changes for safety, security or accessibility

We understand a Regulation will prescribe the circumstances in which attaching a fixture or making a structural change is necessary for a renter's safety, security or accessibility and also prescribe a process for requesting such changes. It is difficult to make any meaningful comments on the RTRA Bill amendment without viewing the detail of the Regulation.

In our view, requiring landlords to add fixtures or make structural changes to their residential properties and where, for example, it is not practical for these to be removed, obligating landlords to compensate tenants places an unfair financial burden on landlords. This may act as a further

disincentive to landlords investing in Queensland residential rental properties at a time when there is a rental housing crisis.

We note that there needs to be a balance between landlord and tenant rights in these circumstances, particularly where the structural changes relate to the exterior of the building or would be difficult to reinstate to their original condition at the end of a tenancy.

There are also concerns where a tenant fails to reinstate the building to its original condition and the rental bond fails to cover the cost of reinstatement. A landlord should always retain the right to have any fixture or structural change installed by a qualified tradesperson. Unqualified persons installing fixtures and making structural changes may impact the value of the building and lead to insurance and other liability issues for the landlord.

Clause 50 – Applications for Residential Tenancy

The amendment prohibits landlords and their agents from requesting information relating to an applicant's previous bond history or lease breaches. This may prevent an agent from understanding the context of past bond disputes or breaches and therefore impact their ability to properly evaluate the suitability of an applicant for a property.

The prohibition on requesting credit or bank accounts statements will impair the ability of an agent to evaluate whether an applicant can afford a particular rental property. Details of an applicant's gross income may be insufficient in these circumstances.

Details of an applicant's future employment, such as an employment offer letter, may also be relevant where an applicant is returning to the workforce after an absence or is moving to a new area.

Clause 72 – Reletting Costs

Capping reletting costs at a maximum of one to four weeks rent (depending on the balance lease term – for leases less than three years duration) may expose landlords to additional costs where a tenant breaks their lease. Landlords should be entitled to compensation which reflects their actual costs where a tenant terminates a lease before its expiry date.

Clause 112 - CPD Requirements

The introduction of CPD requirements for license holders fails to deal with the issue of self-managing landlords. Numerous tenant-related issues that appear in the media relate to properties involving self-managing landlords. Some form of education or training may reduce the problems associated with these landlords.

Yours faithfully