

From: [REDACTED]
To: [Residential Tenancy](#)
Subject: FW: Concerns about the housis crisis
Date: Friday, 4 August 2023 11:31:13 AM
Attachments: [REDACTED]

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From: [REDACTED]
Sent: Thursday, 3 August 2023 12:48 PM
To: [REDACTED]
Subject: Concerns about the housis crisis
From: [REDACTED] - 3 August 2023 at 12:48 pm

Dear [REDACTED]

We have been made aware of a raft of proposed rental reforms where the Government is currently seeking public consultation.

You may not be aware of the impact that these proposed changes will have on landlords and their decision to invest or sell. Speaking to many of our landlords on the proposed changes, they feel as though their rights as a landlord are being eroded and that they are being prevented from making important decisions about the leasing of their property. In addition, they raised the following key issues:

1. The removal of a landlord's right to terminate a periodic tenancy with 90 days' notice, without a legislated reason (No Grounds termination). Providing limited legislated reasons a landlord may terminate a tenancy cannot possibly cover all scenarios faced by landlords in making this decision and some reasons are very personal and private for a landlord. A landlord should also not have to declare their reason, with evidence, to their tenant to terminate the tenancy. A landlord's privacy is equal to that of a tenant. The landlord must currently give 90 days' notice to terminate for no grounds – this is ample time for a tenant to seek and secure another property. Tenants are not required to give any reason for termination and can terminate with just 21 days' notice to the landlord, or 14 days if ending a fixed term agreement. A landlord should continue to have the right to terminate, if deemed necessary, without the requirement to meet legislative reasons. Note, in our experience, the current "No Grounds termination" has been accepted by our tenants, when they occur, without issue, as 90 days is sufficient and significant notice.

2. The proposal to limit rent increases to CPI (or worse, implementing a rent freeze) is, again, restricting a landlord's potential investment return. Factor in the significant interest rate rises experienced in the past 12 months, as well as other expense increases, a pure CPI increase would not cover the higher outgoings, is not actually relevant to the residential space and it may not even equate to market rate. Rents have always been market determined and primarily dictated by supply and demand of comparable properties. The best way to reduce rent increases is to increase supply by **incentivising people** to invest in a property or by incentivising landlords to invest in more properties, not reduce their return on existing investments. Experiencing higher cash rates, easy and far less legislated commercial investment and good share options, why would a landlord choose to invest in

residential property where their return will potentially be limited by legislation?

3. The proposal for portable bonds is also unworkable. Sharing one bond between two tenancies, with the hope the last tenancy will not result in the bond being required for repairs, arrears, water etc, is not reality. Starting a new tenancy, the landlord has some comfort that at least there is a security bond held from commencement. Imagine the concern in waiting to see if the bond is eventually released from the last tenancy, only to find out that it is not released and having to go through the process of seeking full payment from the “in place” tenant. If the tenant cannot pay the bond, the landlord’s only recourse so to go to NCAT for termination. This is a lengthy, time-consuming process, which would be further exacerbated if the landlord lived in another State, due to the NCAT federal jurisdiction restrictions. During this time, if the tenant defaults in rent payments, the landlord is left with no bond, growing rent arrears and a lengthy expensive process via NCAT or Court (depending on jurisdiction). Currently, people in need can seek bond assistance for a new tenancy. For those who don’t qualify for this assistance, there are bond loan platforms available if so required. Why must a landlord carry this risk when the current system is working?

From our experience, the current rental crisis is the result of many residential investors leaving the market and fewer investing. Properties are being sold to owner occupiers. By implementing changes that further erode a landlord’s rights regarding their investment property, Government risks them selling out for a better alternative investment option. This will further exacerbate the current rental crisis, placing increased pressure on Government to provide rental housing.

These proposed changes are not required, as the current legislation works. Change that incentivises residential investment should be the key focus at this time. Knowing the issues at hand, we request that you raise these relevant points in Parliament when the changes are discussed.

Thank you in advance for your support and assistance.

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