

We are a Real Estate Agency managing over 3700 properties – we gave the opportunity to our landlords and our agents to have their say and this is submitted below.

1. **Reasons a landlord can terminate a lease – removing ‘no grounds’ evictions.**
The Government is proposing that a Termination Notice under “No grounds” be removed. Currently the landlord does not need a reason to end a fixed term or periodic lease. This will mean that a landlord must give reason for Terminating a Periodic Lease.

Proposed New Reasons are in the attached Consultation Paper (Page 5).

- *Are there any other reasons you would want to be considered?*
- *Should a landlord have to provide evidence for the reason to terminate?*
- *Should a landlord have to give reason to terminate at the end of a fixed term lease?*

Feedback:

Agency - These changes will not only impact the landlord but also the agency - increased running costs to manage a property, given the higher level of manual intervention required.

Agency – The owner should not have to provide evidence or reason for terminating any lease. It should be the LL’s decision – it is their property – this would have a great impact on investors and their free will to make decisions about their investment. Investors in the market will start to decrease if they can not make decisions about their investment – causing a snow ball effect on available housing for rent.

Landlord - I don't believe a landlord should have to provide evidence to terminate a lease - as long as sufficient notice is given to the tenant.

Landlord - If the fixed term is agreed and it is at an end then no reason should be required.

Landlord – No evidence should be required to end tenancy however advance notice must be given

Landlord - I strongly disagree with the government proposal of removing this completely. I see no reason for landlord having to give formal reason to terminate at the end of the lease. This could pen up litigation for an alleged false reasoning of termination, etc. More work to the overloaded and already inefficient NCAT process. After all the property belongs to the landlord.

What I think should be encouraged is to model long term tenancy lease like the commercial rental agreement, where a regular review of rent is stipulated. However, at the moment there is no incentive for the tenant/landlord to sign long term lease.

Landlord - I think it should be up to a landlord if they want to terminate the lease for any reason, so long as they comply with notice requirements, and should not have to provide any evidence

Landlord – No reason or evidence required to end a tenancy

Landlord - No an owner should not have to give reason to terminate at the end of a fixed term lease

Landlord - The landlord should not be required by the government of the day to justify his choice not to lease/not to continue to lease/commence leasing his property any more than he should be required to justify why he goes to bed at 10PM in the evenings rather than at 11PM.

Landlord - I disagree with termination of no grounds eviction. At end of lease, landlord has right to evict tenant without reason

Landlord - Can you still have a 'no grounds' non-renewal of the lease upon its expiry? Fundamentally, an owner of a property should have the right to deal with the property as they wish at the expiry of a lease agreement.

Landlord – A landlord should have to provide evidence, but this may be problematic depending on the degree of evidence required. I would not want it to be onerous. The landlord should not have to give reason to terminate at the end of the fixed term

Landlord – No evidence or reason should be required by the landlord to end the tenancy

Landlord - Generally OK with proposals but surely the landlord shouldn't need to provide evidence of contract for renovation. What if he is to do the work himself?
If landlord is moving into the property, no questions need to be asked.

Landlord I would like added as a reason that the landlord and renter were unable to agree on the rental rate. Otherwise, landlords will have no capacity to seek reasonable rental increases in line with the market?

Landlord - I don't think this will do much at all. The main thing it might do is add a data point on rental history, determining if a tenant was evicted for their actions or a landlord money grab. However, all reasons, even financially should be valid. Given a government body controls interest rates (costs), it would be unfair to also lock in landlords to the rent (revenue) in an environment of sharp increases in rates.

Landlord – With good faith and the best of intentions, unforeseen circumstances occur on the part of tenant and the land/person that require a tenancy to end suddenly e.g Relationship breakdown, Land/person may need to move into the property, or need the property for a son/daughter who find themselves suddenly homeless. To provide the government with a reason to terminate the lease will cause time consuming paperwork to be lodged, processing the evidence, reviewing the evidence, deciding on the outcome, informing the land/person of their decision. This whole process could take several stressful weeks

Landlord - Rights and obligations are mutual. Government should not deprive the landlord of their reasonable rights, just because of number of people who rent is growing frequently. I don't think a landlord have to provide evidence for the reason to terminate as already give the tenant a period of time to find alternative rent.

Definitely not at the end of a fixed term lease. Now that the contract period has ended, why a landlord has to provide the reason to terminate the lease.

Landlord - Termination Notice under “No grounds” should not be removed.

Landlord – A reasonable landlord will have good reasons and would offer them enthusiastically. No - That is the end of the "contract". A decent landlord would be happy to provide assurances of continued tenancy at the end of the lease.

Landlord - No in principle, though I can see that it does leave the process open to unscrupulous landlords just making up a reason. At the least, the evidence should be provided to the agent but not directly shared to the tenant, with the agent fulfilling a due diligence role that the reason is bona fide

Landlord – A landlord should not have to provide reason or proof for termination

Landlord - No reasons should be required for a landlord to terminate either a periodic or a completed fixed-term lease. The rental contract as it stands is sufficient, and upon completion of the fixed-term period it is the owner's right to terminate the lease at any time thereafter (with appropriate notice given) if that is what the contract says

Landlord – In case of emergencies, if the landlord needs it for genuine reasons the landlord has the right to terminate the lease.

If the lease term has finished, the owner has the right to terminate the lease

Landlord - Once the lease term has ended, the contract is satisfied and there should not be any requirement for a reason to be given for termination. This change effectively allows tenants to "squat" in a home until legal action is taken and will result in an unjustified burden on landlords and the legal system

Landlord - landlords should have the right to not renew a lease that has ended, without reason. I can think of many situations where a landlord may wish to re-purpose or change the usage of the property without the need to provide evidence. And what evidence or cause would be considered an “adequate” reason if the law was changed? I understand the need to

provide some sense of security to tenants and would always be mindful of this in my case, but such a change to the law may remove the basic property rights of the landlord and their ability to make decisions on the use of the property

Landlord - Landlords to terminate lease if they wish to sell. I would like to sell now but have been told that I'm unable to terminate lease until the lease expires. The tenants are messy and I don't want to sell my property when it looks cluttered and messy.
No reason or evidence should be required.

2. **Keeping of Pets in Tenancy** – New laws are proposing to have a standard pet form that a renter can use to notify a landlord that they want to keep a pet. Landlord will have 21 days to consider. If landlord doesn't object, then the pet is approved.
- *Is 21 days sufficient time to consider?*
 - *Should it be more time?*
 - *Should joint consideration be between Owners Corporation and Owner when property is a strata block?*
 - *What would you consider as valid reason to refuse an animal in tenancy?*
 - *Should Tribunal be able to allow a landlord to refuse keeping of animals in a rental property and Why?*

Feedback:

Agency - These changes will impact the agency increased running costs to manage a property, given the higher level of manual intervention required.

Refusal should be allowed if pet has history of making nuisance and causing break of peaceful enjoyment of a lot.

A landlord could require a tenant to repolish the floors at end of tenancy if there are scratch marks on the floors made by the pet. Or require a tenant to replace the carpet, at end of tenancy, if carpets are 5 years old or less at commencement of tenancy.

If this law is passed, this will have NCAT inundated with so many hearings.

Refusal should be allowed if the LL family history of medical conditions or allergies, cultural or social beliefs to not have pets in the property.

Landlord – 21 days is sufficient, the consideration should be joint (owner/strata), valid reason for refusal based on type of breed/residence considerations, NCAT should allow owners to refuse based on pets being a nuisance, owners should be able to claim floor polishing if floors are damaged and carpet replacement for carpet less than 5 years old if damaged beyond reason and no care taken.

Landlord – Owners MUST retain the right to permit OR prohibit pets at their sole discretion. As an owner I do not need a reason to refuse – my property and I may or may not want animals in it. Floor repolishing should be required if there are scratches on floorboards and replacement of carpets depend on their condition.

Landlord – 21 days is sufficient however if more time required extension be allowed. There should be no reason required for refusal of pet however if a tenant requires a guide dog then they should not be allowed to refuse.

Repolish of scratched floorboards and replacement of carpets less than 5 years old should be required

Landlord - 21 days should be sufficient time for consideration.

Valid reason for disallowing pets: noise, cleanliness, allergy of other residents in the building. There is already consensus in the building bylaws not to allow pets in the building, and this could be mandated that >75% of resident has casted their vote.

NCAT should be allowed to give eviction order (to animal / renter) due to proven nuisance.

Untrained pets can create damage, this must be borne by tenant. If a child of the tenant damages a property, the parents are responsible. Pets are “children” of the owner.

Landlord - 21 days is enough. I don't think any decisions should be down to the Owners and Strat Corporations conjointly. Strata can be very pet biased and in my experience these decisions are best left to individual owners.

Valid reasons for refusal: type of property units and Townhouse in my view are not suitable for pets. Next door to me in they had a large dog at some point and it disturbed me constantly when I stayed there.

Owners suffer from animal allergies ... I am allergic to dogs and cats (and horses). Pet dander can often become ingrained in carpets and in curtains and their impact on asthma and allergy sufferers is immense even years after the fact.

Carpet cleaning as such does not always work. Pets do too much damage and it is often to items which are very expensive to replace like kitchen cupboards, skirting boards, doors vanity unity.

Any pet damage (if these provisions go through) should be paid for and subject to professional and not just 'self-repair'.

Landlord – 21 days is NOT sufficient and more time should be required.

I do not agree with joint consideration (owner/strata)

A valid reason for refusal is Landlords personal preference as dwelling offered for rent is a private asset

Tribunal should allow refusal because I don't believe this issue should go into Tribunal in the first place. Landlord either agrees or not.

Repolish scratched floors and yes replace carpets if they were less than 5 years old at beginning of tenancy

Landlord – 21 days is sufficient. The consideration should be made by the owner's corporation, a valid reason for refusing pets is hygiene and noise. Tribunal should allow and owner to refuse pets due to pets being a nuisance and interfering with the peaceful enjoyment of residents.

Repolish of floors should be a shared cost. I do not agree with the tenant paying for new carpets if the carpets were less than 5 years old on commencement.

Landlord - Again, if the landlord chooses not to want pets on his property, then that is his choice. The potential tenant is free not to lease the property if it doesn't allow pets for any reason.

Landlord - I disagree with pet rules. Landlord has final say on whether pets are allowed.

Landlord - There needs to be alignment between the rights of the tenant and the requirements of the owners corporation. There is a higher likelihood of damage to a property if there are pets. There needs to be a better definition around what is fair wear and tear in these circumstances

Landlord – There should be joint consideration between strata and owner. More than 21 days is not required. A valid reason for refusal would be Nature of the animal i.e. is the accommodation appropriate. Is it likely to cause damage? Is it likely to disturb others. Will it add to landlord costs? The nature of the property and its likelihood to be impacted by the animal.

Landlord - I'm relatively sympathetic to renters. My main concern is regarding pets. I've bought properties before that needed the carpets renewed immediately due to pets. A landlord should always be able to exclude pets if the premises are carpeted or has wooden floors

Landlord – More time required, 45 days. A valid reason to refuse pets is cleanliness, nuisance, long term animal odour. Tenants should be required to polish floors or replace the carpet

Landlord - Landlord must have a say in this. They should be able to restrict the number of animals especially for inside. No dogs inside and 1 cat inside only. Tenant should be required to replace carpet at end of tenancy where damage has occurred physically or through odour.

Landlord - I'm generally fine with tenants having pets (so long as they're appropriate to the property), but there should be something that allows action by the landlord in the case of a nuisance animal. I would be driven mad if someone living next to me was allowed to keep a dog that barked it's head off and the landlord couldn't do anything about it

Landlord - A timer is a good idea, as long as the landlord maintains recourse for damage

Landlord – 21 days is sufficient but time consuming to the agent/owner.

Reasons to decline are space, noise, small apartment/ balcony, lack of access to grass, carpet, cruel to the animal.

Tenants should only have to polish floors if marks are damage, not wear and tear. Replace the carpets if damaged.

Landlord - I think 21 days is sufficient time. Just the owner is enough. Valid reason's; the animal is making nuisance and causing break of peaceful enjoyment of a lot.

Repolish of floorboards, yes - It is constraint and a responsibility, as some tenants think it is not their house, eventually they will move out , they can do whatever they want to without the constraint and responsibly. If a tenant continues to rent a place for more than 3 years, and also has an animal, yes, a landlord should require a tenant to replace the carpet

Landlord – 21 days is sufficient, there should be no extra time required. There should be joint consideration between owner and strata.

We would generally refuse all pets due to the wear and tear that pets bring

Yes absolutely, tribunal should allow landlords to refuse. Pet's cause odors, scratches, stains, insect infestations, damage to carpets etc that cannot be rectified easily, cheaply or without long term consequences for the property and for neighbours.

Floors should be polished and carpets replaced if they are damaged.

Landlord - Owners Corporation should have a policy, which should be taken into account.

Would there be some pets not considered suitable for particular properties? Who could decide suitability?

One very valid reason would be if the animal is making nuisance and causing break of peaceful enjoyment of a lot The standard form should make clear the tenant obligations to the rented property, including common areas. These should be allowed to be customised for each property.

Damage to the property caused by the pet should be dealt with similarly to any other damage. This should be included as an inspection item for property managers not just at end of tenancy but during any periodic inspections, and addressed with tenant if damage is found.

As with last point, carpet condition should be assessed like any other condition item, if there is evidence that a pet has caused damage or accelerated deterioration of carpet. The risk and responsibility should be covered where appropriate in the standard pet form.

Landlord – 21 days is sufficient. I agree with joint consideration – Strata and Landlord. A valid reason for refusal is destruction and damage to carpet and floors.

Tenants should be responsible for polishing floors and replacing carpet if they have pets.

Landlord - I think owners should have the option of placing leasing terms on the properties they lease out. I don't think an owner should require more time to consider (21 days seems plenty) however if the government policies become one in which a owner cannot refuse pets, then other measures should be in place to protect the landlord from damage. E.g. Larger bond amount (since say damage floors or walls from pets would cost more than any standard bond amount to repair).

Landlord – Yes 21 days is sufficient. No reason should be required to refuse, a property owner has the right to refuse a tenancy application on the grounds of pets entirely at their own discretion and without needing to provide any reason. The effect of tying owners hands in this respect is simply to reduce the supply of rental properties and/or increase the cost of rents.

The tenants should be required to pay for the floors to be repolished if they are damaged.

Carpets - It should not be a requirement, but condition should be noted at commencement and if repair or replacement is needed then this should be done at the tenant's expense

Landlord – 21 days is sufficient. There should be joint consideration. Valid reason for refusal depends on the location of the property. It may not be safe for animals, maybe it has access to a busy road and animals can escape easily.

If it's a furnished apartment and landlord wants to keep their furnishing clean). They may not be pet lovers and may find pets unhygienic or the pet owners may not be very hygienic and may not keep their pets clean. It's a very subjective discussion hence it should be flexible. Owners have all the rights to say no to pets.

The tenant should be responsible for polishing the floors or replacing the carpet if required

Landlord - Perhaps consider a surcharge or increase in bond in case there is damage from pets. Also consider either a probationary period for pet, otherwise a 6 month or yearly contract

Landlord - I've personally had a very bad experience with pets where we allowed a cat as part of a lease and the cat proceeded to damage all of the skirting boards in the entire property. The bond was not sufficient to cover the damage. I think if the laws are going to be changed to allow pets under these circumstances, then the landlord should be able to request a larger bond (within a reasonable amount) be lodged to cover potential damage. From a landlord's perspective the only other option would be to increase the rent to the maximum permitted threshold by law at the next possible timing in order to pre-empt costs for repairing damage.

Landlord - Being a pet owner, I am OK with the keeping of pets in rental properties but think there needs to be 1) a longer period for the decision process, 2) the ability to refuse if an unsuitable animal (e.g. very large dogs in a small apartment) is being requested, and 3) any damage caused (e.g. scratches, carpet cleaning etc) need to be reimbursed by the tenant. A process to reverse any approval, e.g. due to noisy or misbehaving animal, is required

3. **Renter's personal information** – (page 9) Consideration for the Act to be amended to:

- limit what information can be collected from applicants,
- restrict how renter information is used and disclose,
- detail how renter information should be stored and destroyed
- ensure renters have a right to see and correct information held about them.
 - *Do you support limiting the information that applicants can be asked for in a tenancy application? Why/why not?*
 - *Do you have any concerns with landlords or agents only being able to collect the information set out in the table (page 11) to assess a tenancy application? Please explain.*
 - *Do you support the use of a standard tenancy application form that limits the information that can be collected?*
 - *Do you think that limiting the information that may be collected from rental applicants will help reduce discrimination in the application process?*

Feedback:

Agency - These changes will impact the agency increased running costs to manage a property, given the higher level of manual intervention required.

We object to the table. Reducing the amount of documents will make it easier for tenants to be approved based on incorrect or false/manipulated documentation or information. The application process is not designed to discriminate, it is designed to ensure the tenants are providing sufficient information to identify and assess if they are able to maintain the rental payments and will look after the property during tenancy. Basically we require information on personal identification and financial to be able to review and verify their credentials.

Landlord – When I have rented I have been asked to provide personal information, this is not out of line. Proof of identity should be non-negotiable, like getting a passport (3 forms of ID).

Landlord - An owner should be entitled to obtain any appropriate information to ensure the reliability of the tenant.

Landlord - I agree with the govt proposal. Respect of personal information, its accuracy and use must be observed. There is a need to standardise what information to be collected.

Landlord - I don't support this, as limiting information reduces the transparency on the tenants quality. It also limits landlords ability to properly assess the potential renter.

Landlord – Yes I support limiting applicant info - it is not necessary to know all the personal details relating to a tenant

Landlord - in Victoria, landlords may only use personal information to assess the person's suitability as a renter. Surely this is what we are trying to achieve and all information necessary to determine this should be able to be collected. But not retained

Landlord - I think that that necessary information needs to be collected to make an assessment of the tenant and their ability to meet their obligations under the tenancy agreement. There does though need to be restraints around what information is retained once the assessment is complete.

Landlord - In general I think renters are asked to provide too much information and the proposed changes seem a fair compromise

Landlord – I agree with limiting information, no concerns with agents collecting info as per page 11. I support the use of standard applications that limit the information being collected.

Landlord - Agents must be able to use any means to satisfy themselves that prospective tenant is able to pay rent

Landlord - I agree with restricting the amount of personal information that's requested. It's become far too invasive, and it creates serious obligations for those who are required to

maintain the information and keep it safe as well as a serious risk for those whose information is being kept.

Landlord - Agree with this. Privacy is important, as long as vital information to assess a renters ability to pay and maintain a property is preserved.

Landlord - The process is not perfect but a reasonable amount of information and screening are a necessity. Information processes need to be diligent to protect both parties. It could also stop investors buying properties to rent if they have less confidence in the system.

Landlord – I do not support limiting tenancy application info. The landlords have the right to know who and what kind of person is going to live in their house, especially for the safety reason.

Landlord - I need enough information to be able to ensure that my asset is protected, and that rent will be paid. The information set out in the table seems reasonable

Landlord - Information should be limited to matters that affect applicant's ability to reliably pay rent and to look after the property and only use for intended use.

No, provided that it will accommodate all relevant information that can be reasonably sought. There may be a need for some reasonable optional information that may be unique to a particular property.

Landlord – I do not support limiting information from applicants as landlords should know who is staying in their property

Landlord - I don't see any major issue in limiting the amount of information landlords can collect (as long as there is still sufficient amount to assess the potential applicant). I don't believe limiting the information will lead to reduced discrimination since ultimately when a landlord picks one applicant over another, they have to discriminate on some sort of basis since you can only pick 1 applicant.

If the question rather refers to discrimination of characteristics that are protected under the anti-discrimination laws, then that would require the standard form to not include many basic pieces of information for identification such as age and gender (which is not really practical). Additionally, other pieces of information such as disability is actually crucial since it may require the building to have certain features, or ramps etc which a landlord would not know it's to be considered if disability information is not provided.

I don't actually think this part of the proposal actually deals with the problem

Landlord – Not in general, but the question is very broad. The landlord and their agent must have access to enough information to enable them to make an accurate assessment of the credit worthiness and personal conduct (suitability) of the potential tenant so they can make an informed decision about whether to enter a tenancy agreement and at what level of rent. Any information beyond that is not required however.

The clause "no more than" should be changed to "at least". In general, limiting information about a tenant reduces transparency and thus increases the risk to the owner. The market will respond to that additional risk and uncertainty by increasing rents.

The agent should be allowed to ask for whatever information they feel necessary to enable an informed decision. If the owner considers this inappropriate (for example too invasive) they are free to contract another agent. The tenant may do the same. Let the market be freer in this regard.

If information is completely censored and the owner and agent cannot see any differences between applicants then obviously "discrimination" (in the true sense of the word - meaning drawing distinctions, differentiating) between applicants becomes impossible. But also uncertainty becomes greater, and the market will respond to that additional uncertainty by increasing rents. Here, however "discrimination" presumably refers to this poorly-defined notion of "unjust" distinction based on group-level characteristics. However such characteristics may be in some cases relevant to the assessment of the credit worthiness and suitability of the potential tenant (for example whether they are a pet owner is relevant, whether they are unemployed, etc.). If that is the case then such information should not be withheld from the application

Landlord - Yes, landlord has no right to distribute tenants' info. Agents must have right resources to keep their info secured.

Landlord - The handling of personal information does need to be well managed and restricting any gathered information is used is required, however, any such restrictions should not limit any landlord (or agent) to fully vet the tenant prior to signing a lease

4. Automated rental application checks – Technology can review applications and provide in some situations the most favourable application from information supplied. The Department is looking to remove or set special conditions for the use of ADM (automated decision marking).

- *Should ADM be prohibited?*
- *Should rules apply when ADM is used?*
- *What should be considered as rule?*

Feedback:

Agency - These changes will not only impact the landlord but also the agency - increased running costs to manage a property, given the higher level of manual intervention required.

ADM can help determine the affordability of tenant against the applied property. The only important rule to be made, is for the landlord/agent to decide to approve the tenant or not. ADM can assist but not make any decisions.

Landlord – ADM should be prohibited

Landlord – ADM should not be prohibited, it is a tool for decision making, just like tenants can use tools to search for properties. No rules should apply

Landlord - The use of ADM should be limited to specific checks only to confirm compliance and assist agents/landlord on the administrative side of checks

Landlord – ADM should not be prohibited because it increases efficiency and reduces time required for the agent to find the suitable tenant. Industry standard rules should apply.

Landlord - ADM should not be prohibited so long as Prospective tenants be told that their applications will be subjected to auto checking. Applicants to be allowed to decide if they want to provide details on race, gender and age as an example

Landlord - ADM should not be prohibited.

Landlord - This is how technology is progressing and is inevitable. Property Managers go through a similar decision-making process, ADM just makes it more structured and less subjective.

Landlord - I do not have enough knowledge of ADM algorithms. I like the efficiency of technology but do not like to see individuals unfairly biased against

Landlord - I am not supportive of the use of ADM.

Landlord - Automation here is a good thing. Will potentially remove bias and discrimination from rental checks. Final decision should still rest with landlord so a top 2 would be preferable

Landlord - ADMs sound like something that should be used with great caution as it effectively takes control away from people. It has been proven in other areas (such as on job applicants by Amazon) that such technology can sometimes solidify discrimination rather than prevent it.

Landlord – No it should not be prohibited but it seems to me a poor use of technology and I would not favour an agent who used such an approach. Tenancy applications should be assessed case-by-case via human means; people are much better assessors than apps programmed by computer

Landlord - To a certain extent this technology can help but at the end of the day, testimonials or reference checks have to be done by the agents or the landlords if they are getting direct tenants. This is like a home loan application can be initially approved by a bank's computer system but at the end of the day it has to be checked manually by a credit assessor. Only initial vetting should be done with technology but not final assessment.

Landlord - I am not familiar with ADM so not in a position to comment. I would not support anything that potentially biases the application process

5. **Portable Bond Scheme** – The department is seeking feedback on how best to set up the scheme. Currently renters pay a Bond as they start tenancy. See page 15. Proposing to use the old Bond to cover the new Bond.

- If new Bond costs more than old bond the renter would need to be topped up. But what if they did not top up and have started tenancy? And they could not afford to pay the bond or the balance of the Bond.
- A termination notice could be issued, however, the lack of/or reduced Bond may not cover costs.
- The Government issues a certificate to the new landlord stating the amount that is held as a bond and that this amount can be used for the new bond.

What is your feedback on this matter?

Feedback:

Agency - These changes will impact the agency increased running costs to manage a property, given the higher level of manual intervention required.

It is up to the landlord or the landlord's agent to collect any shortfall of Bond during tenancy – what if the tenant will not pay – then time, effort and money needs to be applied to remove the tenant or get orders for the tenant to pay.

As an agent – this is not feasible, and we would strongly disagree on this type of Scheme.

Landlord - Bond should be able to carry over between leases but if there is a difference the amount I believe that it needs to be paid before the tenant moves in

Landlord - I went from being a renter from one property to the next and the refunding and paying another was a strain on finances. with the technology we have this Portable scheme is a must.

Landlord – if the tenant is an excellent tenant and has their bond refunded at end of tenancy to use in the next tenancy that is great – but how are you going to guarantee that or identify that before tenancy starts. We need a full Bond at commencement of Tenancy – or guaranteed Bond from the Government.

Landlord - In general terms approve the portable bond process but provision for topping-up must be made and no lease granted until full (new) bond paid

Landlord - insurance could cover costs/shortfall. There should be no need for the government to cover as this can be negotiated with the tenant, however if the government guaranteed the bond this would satisfy landlord risk.

Landlord - Excellent proposal. This would make the tenant cashflow management easier; and less administration (hopefully?). Bond must meet the new amount required and **tenancy is to start only if this is met.**

Landlord - If a tenant cannot afford the bond, they cannot afford the rent. Alternative solution would be to have non-refundable Bond insurance paid by tenant. This will dramatically reduce the amount of bond required and provide guaranteed coverage for the landlord

Landlord - Bonds should not be transferable or portable. If there is a period of overlap the tenant should have the funds available to allow for two bonds to be held simultaneously and temporarily

Landlord - a portable bond scheme that is able to be topped up or reduced as necessary and that is guaranteed by the government would be best

Landlord - In concept, I agree with the concept of allowing portable bonds, however there needs to be rules / clarity around how the transfer takes place; how are bond issues dealt with for an existing tenancy etc. The timing of the transfer may not align with the time period for resolution of the existing tenancy issues

Landlord - Ok providing bond amount is updated when rent increases.

Landlord - I'm supportive of the idea of the scheme but it would need to be carefully constructed so as to assist renters but also protect landlords

Landlord - Unnecessary Administration and costs. Paying out then back in is more efficient.

Landlord - I strongly agree that a Government Guarantee would be required for this to be viable

Landlord - No, bond is a constraint and responsible on the tenant as current there have been more responsibilities on the landlord. If they could not afford to pay, they can choose affordable place to rent.

Landlord - My concern is only that the Bond is secured (guaranteed) by my agent before the tenancy begins. If the Government cannot guarantee that the bond will be available if required, then that scheme would not be sufficient.

Landlord - A portable bond should not transfer the risk (eg of damage left by a renter) to the landlord. It is likely that resolving cost of any "exit repairs" to previous property may not be completed before new tenancy is in place – there needs to be a mechanism to protect both outgoing and incoming landlords

Landlord - This won't really work since if the bond is held by the previous landlord, then there is effectively no bond for the new landlord but a tenant has already moved in. This can lead to situations where no bond can be given and a long-winded process to remove a tenant who can't meet their obligations.

Landlord - I oppose the portable bond scheme. If a tenant looks after the property then they will not lose any bond and can transfer that immediately to their next tenancy. It is fair that the owner/agent be required to deal with end of tenancy bond returns expeditiously to facilitate rapid transfer of bonds however

Landlord - I will need to read more info on it and I can then give my view but in a nutshell, logic says that every new rental application should have a new bond as per the new rent

Landlord - I do not fully understand this proposal but it is my understanding that currently a bond is paid prior to the start of any tenancy. I do not believe that a government certificate, without a guarantee, is adequate to cover the collection of this bond, especially if there is a shortfall. And what if there are potential claims on the bond from a previous tenancy? I believe that the bond for a new tenancy should be paid directly by the tenant and “re-use” of previous bonds is too risky for the landlord

Landlord - Our feedback is that the Portable Bond Scheme should not pass through! This will create chaos to every tenancy both ending and entering. Plus, it will create NCAT hearings to every tenancy. This only favors tenants with no money and bad finances

6. **Know when a rent increase is ‘excessive’** - The department is considering making data on rent increases more transparent and having this information available to renters. They are considering:

- Allowing renters to more easily challenge rent increases that are unfair as they could more easily assess if it meets the criteria of being ‘excessive’,
- make rent charges and increases fairer and more transparent overall as renters and landlords could more easily compare rents for similar properties in similar locations.

- *Do you have any concerns about the government collecting information on rent increases and making it publicly available for rents. If yes provide details.*

Feedback:

Agent - These changes will impact the agency increased running costs to manage a property, given the higher level of manual intervention required.

Landlord – Government collecting information on rent increases and making public is okay as long as it is only data and it can’t be traced

Landlord - Rent increases are market driven – this is NOT a communist country YET. The lease should set out times and conditions of rent reviews and owner AND renter agree to those terms

Landlord – The definition of excessive is key – is it \$ or % or affordability?

I have no concerns about the gov collecting data.

The landlord should be able to increase the rent at the end of each lease contract. Two-year leases should have increases built in as agreed, no limit if agreed by all parties.

Landlord - another argument should also be raised to limit the outgoings incurred by owners, insurance, council and water rates and strata levies are being increased disproportionately to the 10% annual limit being mooted.

If rental increases are to be limited, what limitations are being brought in to limit increase in expenses

Landlord - NO. If tenant sign 6 months lease, landlord still cannot increase rent after the lease. This is a one-sided commitment. Also as landlord this has encouraged me to make a big single jump in rent, instead of making gradual ones as required. Especially as per point 6 above, post covid. And the only way to make it financially viable again is to kick the old tenant out to advertise the property at the correct market price.

Landlord – I have concerns about the government collecting info on rent increases as it is an open market that should set the market rent. Any further control would reduce the stock of available apartments

Landlord - "fair" or "unfair" is like beauty - it's in the eye of the beholder. Although not favouring brutal capitalism, it is a rental market, and the government should not interfere in the interaction between landlords and their tenants. If the landlord is too harsh or greedy, he will have an empty property being unable to find tenants at the wished for price

Landlord - I think renters should be able to challenge “excessive” rate increases

Landlord - Usually 1 increase in 12 months is reasonable, but in current environment where interest rates are increasing almost every month then it may not be feasible. The landlord may have to pass on some costs to tenants.

Landlord - Generally should be limited to CPI increases however there should be some flexibility where CPI is very low as was the case in the recent past.
During such periods increases in the range of 2% to 5% should be allowed.
Where property has had substantial repairs with the tenant's approval then an extraordinary increase should be allowed.

Landlord - I’m quite comfortable with rental increase information being reported to the government although I have doubts that this will end up providing the transparent environment that is the aim.

Landlord - I think this is great ,and could be done cost free to the government via the realestate.com.au and domain.com.au. I currently live in Singapore and if you look at a property, you can see all the most recent rental costs with size of unit etc. We recently had 20-40% jumps here.

Ultimately though, the power still lies with the landlord to set the price they want. Supply and Demand should hold.

Landlord - I have no concerns but this data should be aggregated

Landlord - In concept no, but noting that it can be difficult to compare individual properties, so that collective information will not always be relevant to a particular property.

Landlord - Similar to an earlier item, I don't think this actually helps. In low inflation environments, this basically does nothing as rents don't go up with or without this information. In high inflation environments, this will just solidify an owner's request to

increase the rent and can cause a spiral of rent increases since it essentially creates a floor (being the market rate).

Landlord - In general I support transparency in the rental market and the housing market more generally. Rental amounts and histories should be made fully transparent, as well as transaction prices for properties, taxes levied, etc. Price transparency is critical to a properly functioning market. Equally, transparency on tenants should be available to owners and agents considering rental applications.

Landlord - I guess this is a market driven factor as per supply and demand. As you can't stop interest rates rise, how can you stop rent increase if the supply is less and demand is more? This is basic economics rule

Landlord - I do not believe in rent control and setting up a system to try and manage "excessive" rents would be cumbersome. Properties are different and rents varies for similar properties for many reasons, e.g. location, condition, so rents should be determined by the market

7. **Other changes to improve rental affordability** - The NSW Government is considering clarifying the existing laws that place limits on how often landlords can increase rent by making it clear that the limit continues into a new type of agreement.

- *Do you think the 'one increase per 12 months' limit should carry over if the renter is swapped to a different type of tenancy agreement (periodic or fixed term)? Please explain.*
- *Do you think fixed term agreements under two years should be limited to one increase within a 12 month period? Why or why not?*

8. **Other Options to address affordability** - Require a landlord to prove that a rent increase is not 'excessive' where, for example, a rent increase exceeds CPI over a certain period.

Amend the criteria in the Act for when a rent increase is 'excessive'. Currently, the list of factors that may be taken into account in considering if an increase is 'excessive' includes the market level of rent for comparable properties and the state of repair of the property.

- *What is your opinion on the above options being considered by the government?*

Feedback:

Agent - These changes will impact the agency increased running costs to manage a property, given the higher level of manual intervention required.

Landlord - I don't think you should be allowed to increase rent within a fixed agreed period or more than once every 12 months .. if you lock in both have to agree to stick with it. Likewise with a 2 year lease. If you fix for 2 years you should stick with it.

Rent increases more often than once a year and outside of CPI/rate increases and for sub standard properties is not fair on a tenant.

Landlord - I agree there should be a cap at the amount of rent can be increased. I see both the renters and owners sides being an property owner and having Children rent.

Landlord - Current socialist intentions to 'protect' renters and to penalise or regulate owners will ensure that rental properties are sold, no new investment in rental properties, and the only people to suffer will be potential renters who will have less properties to rent.

Landlord - the onus is on the tenant (or government) to prove that the rent is excessive and not otherwise

Landlord - 'Excessive' is relative. I reduced rental to several units during covid by 25%, due to tenant moving out to cheaper place, and proactively to loyal good tenant even when they are happy to pay the rent as is.

Now, post covid I have to increase the rent by 33.3% just to get back to price pre covid. Plus market is hot. The news headline is highlighting this 33%, but they are forgetting, the landlord is already behind due to interest rate and gap to the demand when the existing tenant is still enjoying the out of market rent.

(Note: I owned a block of 9 studio units, which were affected by covid due to its more mobile tenant's demographic. About 3 moved to find cheaper place, 2 left Australia, 4 long term loyal. I gave new prevailing market price to the 4 loyal ones as the other empty units fetched lower price. Interest rate was low we could afford it, and one way of us sharing the pain... Many of our tenants give us thank you gifts when they moved out)

However post covid, I see that there is an imbalance in the real pricing capability. The loyal ones are ok to pay at the rate they used to pay, the new ones who got cheap rent from covid time complains. The news headline is making landlord sounds like the bad guys. In reality, the govt is already making landlord subsidise the housing need. Sure, there are some bad landlords, but do not make overarching policy to make it harder for the good ones to operate. Again, long term tenancy agreement is one way of addressing the long-term renter issue. And Govt should consider short term lease (air BNB), medium term rental (like how it is today, 1 year, 6 months); and set appropriate standard terms around those time period.

Landlord - Rent increase should follow the RBA interest increase. Change it to monthly

Landlord – Annual rent increases should carry over if the lease type swapped as it is a reasonable limit. I don't believe fixed term agreement should have any increases as it is a contract for set period of time for set rental price, it should not have mechanism to renegotiate.

Landlord - Yes - I believe it is unreasonable to increase rent more than once a year

Landlord - I didn't notice any tenants complaining about rents being reduced during times of COVID and the burden of rental affordability should not be on the landlords. If the rent is unaffordable, sleep rough on the street. Landlords did not buy rental properties as a charitable gesture but if the lunatic government expects they should, then I see a reduction

in properties for rent on the horizon. Why not just legislate to re-introduce price controls on food etc? Why stop at rents?

Landlord - The levels of rent should be based upon market supply and demand.

Landlord - I think the number of increases should be consistent with the original contract. I think the number of increases should be consistent with the original contract. Those terms are the ones agreed up front and unless agreed by both parties should not change. CPI is a guide but relates to a bundle of products in the market and is not necessarily linked to the costs associated with an individual property

Landlord - Ok with 1 increase every 12 months. Landlord should be able to exceed CPI where substantial works are carried out that benefits the tenant.

Landlord - I'm quite comfortable that there should be no more than 1 rental increase in a 12 month period, regardless of the type of rental agreement. I'm OK with the existing provisions.

Landlord - Fixed laws are troublesome as the government also controls the cost, they should not control the revenue and CPI is a bad benchmark. I think the excessive rent evidence should only be called in situations where there are local ties of the tenants to schools/work and the local rental supply is consumed. i.e. Where it will have broader negative societal impacts if a family has to move to another area.

Also, to cover frivolous claims, the tenants financial position should also be provided as a factor to initiate a claim.

The challenge here is the administration of such a clause. I have no idea how it would be done (if it's agents, they will lose business) and it could cost time and money in excess of the rental increase.

Landlord - I strongly disagree with the proposed definition of 'excessive' being a rent increase, exceeding CPI. This is greatly unfair for landlords, such as myself, who are also struggling with increasing interest rates. Whilst I am prepared to split the increasing costs (due to rising interest rates) with my tenant, limiting rental increase to that of CPI Barely helps. Whilst I appreciate the government is trying to do right by renters, I urge them not to forget about the average "mum and dad" landlords who are also doing it very tough. Interest rates have continuously increased over the past year whilst we have been limited in the amount of times, we can increase rent. It is extremely unfair to also expect us to cap Rental increases to CPI. I urge the government to leave the definition of 'excessive' as it currently stands that is comparable to the market level.

Landlord - One increase per year is fair to both the tenant and the owner. I believe it would be fair to both parties to be reviewed within 18 months in this situation.

Landlord - The burdens of high living cost and inflation are also on the landlord, landlord also has another burden to pay high interest loan. These changes are unfair to the landlords

Landlord - As a landlord that generally does not increase during an agreement, nor even a tenancy (only between tenancies) this does not seem a problem, however if financial conditions changed, increases might be necessary. This would seem to only negatively affect unscrupulous landlords

Landlord - Market level and repair/condition of property are both reasonable factors. Not clear what form "proof" of not excessive increase should be necessary.

As a general comment, fixed leases with clear terms covering rent increases and other obligations (on both parties) should be encouraged as providing security for both landlord and tenant for rental income on LL's part and a secure home with known costs on tenant's part.

Landlord – an increase every year is sufficient and fair

Landlord - I believe fixed term agreements should have rent increases limited since that's the whole purpose of a fixed term. It should protect the renter from increasing rents, and also the landlords when rents are decreasing. Periodic leases should have no limit. Similar to earlier point, both parties have elected to not commit to any arrangement.

I don't really see the point of this legislation and in fact could have the opposite effect. If landlords are not allowed to increase rent to a market rate (say because they've been limited to CPI) it would incentivise landlords kick tenants out and find new ones which is worse in my opinion.

Additionally, measures like CPI are too basic and do not take into account many real-life situations. E.g. during COVID many landlords saw rents drop by 30-50%. If rent increases were limited to CPI then it would mean it would take 5-10 years to get rents to return to even pre COVID levels which is not a good idea for the economy.

Landlord - Terms of the rental, including rental increases, should be established in the rental contract and both parties should be required to adhere to the agreed terms. Government should not be involved in this, including in placing limits on how often rents may be increased. My opinion is this is none of the government's business and they should not be involved at all. The level of rent on a particular property is a private contractual arrangement between two parties, if that rent is set too high the tenant may choose another property and the owner will not be able to rent the property, this is the ultimate arbiter of what is "excessive". The government is superfluous to requirements

Landlord - Property owners can opt in or out of a scheme, in which a property that is subjected to rental freeze scheme will be exempt from land tax and capital gains tax in the future.

One of the causes of rent and house price increase is land tax and capital gains tax as investors have to cover their costs

Landlord - say a tenant signs a 6 month lease (1st lease), and then at the end of the 1st lease signs another 6 month lease at an increased rent (2nd lease), at the end of that 2nd lease can the landlord increase the rent again if another fixed term lease is signed?

This is a regrettable kneejerk reaction to recent high inflation environment, and we should not forget that CPI was -0.3% in the year to June 2020. Implementing this change, without actually increasing the housing supply, will simply force prudent investors out of the market and increase already high rents.

It's just simple logic. There is already a restriction on excessive rental increases (beyond market) and if a fixed percentage or CPI cap is implemented then as a prudent landlord I will either leave the investment property market or increase the rent as high as possible at every available opportunity in order to hedge against the risk. This is especially the case if I am unable to terminate leases at the end of fixed terms as per what is being proposed above. These proposals together lock me into a potentially calamitous financial situation, and I (and others) will react accordingly.

Landlords in lower cost, more affordable investment property markets rely on cashflow to meet mortgage payments. If the Government arbitrarily decides to limit investors' ability to meet their mortgage obligations, then those investors will be forced to sell at a loss. New investors entering the market will factor in the risk and price their rental demands accordingly. This proposal is as ridiculous as the Federal Government regulating to cap how much banks can increase borrower mortgage repayments to CPI

Landlord - I do not believe in limiting rent increases and should be allowed to be negotiated between landlord and tenant.

Landlord - No, if a tenant agrees to stay at the property and sign a fixed term agreement, then they are in agreement to a rent increase if the inline with the market. Yes, is already limited to one increase per 12 months.

All can be transparent in terms of rent increase and then can be negotiated.

Landlord - It should always be once every 12 months regardless of the type of agreement. Yes as it gives the Owner certainty that they are not locked in one rent for 2 years at least.

The LL does not have to prove why they have offered a particular rent increase as this depends on many factors of the property. For example a suburb rental margin shows it is at \$500 however property has expensive fittings, views, on a high floor, additional garage etc and may not have exact comparable so Owner does not need to justify these things to tribunal. They should have the right to ask them for an amount and then be able to negotiate with the tenant.