

BACKGROUND

This response to the consultation paper is written by a _____ who _____ owns a house and granny flat on a property _____. The house is let for \$825 per week to a parent with 2 school age children. The granny flat is let for \$650 per week to a couple with two pre-school age children.

Both tenants have 12 month leases. Over the last 10 years **the average period of occupancy for tenants on this property has been around 3 years.**

The net rental income is currently \$60,000 pa and the capital value of the property is around \$2.2m. This means **the net return on funds invested in my rental property is 2.7% pa.** (This compares to 4%pa from the ASX 200 or 5.5%pa from bank savings.)

The house rent was \$750 per week when it was first let in 2013. In 2023 it is \$825pw. This means the house rent has grown 1% per annum over the last 10 years.

The property is managed by a local real estate agent. We inspect the house and granny flat every 6 months and undertake what repair and maintenance works are required.

The rent from this property is our primary source of income. The property has no mortgage or loan.

My response (below) to the consultation paper is based on my experience as a "hands on" landlord and as an architect designing dwellings for individuals and corporations.

REMOVING NO GROUNDS TERMINATION

For a month by month tenancy, the current legislation requires the landlord to give at least 90 days notice for a lease to be terminated, while the tenant needs to give 30 days notice. As 90 days is a generous period of time for tenants to secure a lease on another dwelling, this provision seems quite fair and reasonable.

For 12 month tenancies, landlords currently need to give 30 days notice of termination at the end of the lease. This could be **increased to 60 days** so tenants have more time to secure another lease. Unless there are unusual circumstances, landlords should be planning 60 days ahead so increasing the notice period to 60 days should be OK.

Requiring landlords to provide grounds for eviction simply favours unethical landlords above ethical landlords.

A NEW MODEL FOR KEEPING PETS

I have personal experience of dogs causing increased wear and damage to the floors of my rental properties AND my own home. This damage occurs because dogs cannot retract their claws. **Dog claws tear at carpet, gouge cork tiles and scratch timber boards.**

Floors need to be finished with **ceramic tiles in order to prevent scratching from dog claws.**

Unfortunately, the cost of converting timber, carpet and cork floors to ceramic tiles would be prohibitive in my rental properties. This is because **the existing timber sub floor structures are not stiff enough to prevent ceramic tiles from cracking.**

RENTER'S PERSONAL INFORMATION

Landlords face similar financial risks when taking on a new tenant as a bank faces when taking on a new borrower.

Landlords should have same rights asking for information from potential tenants as banks might have for potential borrowers.

PORTABLE RENTAL BOND

The current law relating to bonds keeps dealings between the previous landlord and the future landlord quite separate.

The portable bond should work well if there are NO claims from landlords. However, every so often landlords do need to make a claim against a bond. In such cases portable bonds would require the previous landlord to make a claim against the bond applying to a new lease and a new landlord.

Such claims against the bond from a previous landlord would be unreasonable and impractical unless the **Government was willing to underwrite the bond on the new lease.**

INFORMATION TO HELP RENTERS KNOW WHEN A RENT INCREASE IS "EXCESSIVE".

Rents should be included on leases and lease renewal documents. In the same way property sale prices become public knowledge, there should be no problem with rents on leases becoming public knowledge.

Access to actual rent information assists landlords to set rents and assists tenants to understand what their rents should be.

If rental data becomes more transparent, landlords and tenants should both benefit from having access to the market rent.

OTHER CHANGES TO IMPROVE RENTAL AFFORDABILITY

A landlord should not need to increase rent for a sitting tenant more often than every 12 months unless there are special circumstances such as an increase in the number of occupants.

However, **landlords who are keeping rents below market level for a sitting tenant should NOT be restricted from seeking a higher rent from a new tenant.**

Government limits on rent increases would discourage private ownership of rental housing and **require Government to dramatically increase its provision of public housing**