REIQ
A REAL STEP AHEAD

29 May 2023

Renting in Queensland
Department of Communities, Housing and Digital Economy
PO Box 690
BRISBANE QLD 4001

Email: rentinginqld@chde.qld.gov.au

Dear Sir/Madam,

STAGE 2 RENTAL LAW REFORMS OPTIONS PAPER 2023

The Real Estate Institute of Queensland (**REIQ**) appreciates the opportunity to provide our views on the Stage 2 Rental Law Reforms Options Paper (the **Options Paper**) released by the Department Communities, Housing and Digital Economy for community consultation on 18 April 2023.

As the peak body, we represent the thousands of real estate professionals who facilitate and manage the vast majority of residential tenancy relationships in Queensland. This role enables us to gather unique insights and information directly from those who deal with both parties in a rental relationship.

As outlined in this Submission, the REIQ opposes the implementation of Stage 2 rental reforms at this time. Although we are prepared to support some of the proposed measures in a modified format, we consider the timing and nature of these reforms to be inappropriate and extremely dangerous given the current unprecedented rental crisis and limited housing supply.

The REIQ understands that laws must be reviewed and modernised to reflect changing conditions and community expectations. We support tenant protections and rights being enshrined in residential tenancies legislation. This creates consistency, quality control and holds lessors accountable to a minimum standard and requirement. The rights of lessors and commercial realities, however, must not be overlooked.

Private lessors provide around 95% of the rental housing supply in Queensland. These properties are homes for tenants, but they are ultimately assets owned by lessors. Financial, legal and statutory responsibilities and risks attach to ownership. The gradual erosion of lessor rights and asset control increases the risk of withdrawal of investment housing from the property market. As noted in this Submission, Queensland's rental housing supply has considerably diminished. Whilst the reasons for this are varied, it is evident that legislative reform has had a material impact.

Over the last 3 years, legislative reform has been exclusively focused on improving tenant rights and protections. Meanwhile, lessor rights have been diminished, decision making powers have been removed or limited, and contractual relations have been overridden.

As shown by the recent Property Investor Survey conducted by the REIQ (referenced in our Submission), lessors are concerned by the ongoing erosion of their contractual and statutory rights and they are, in the majority of cases, opposed to Stage 2 rental reforms.

The reforms proposed in the Options Paper are in direct contradiction of the intent of the outcomes of the 2022 Housing Summit. It is widely accepted that our current rental crisis stems from insufficient supply. It will be difficult to address the current supply imbalance in the market if owner rights are diminished any further.

We implore the Queensland Government to reconsider its decision to implement further legislative changes at this time and focus its attention on initiatives to drive supply and enhance investor confidence.

Please note this Submission is not confidential and may be published or publicly disclosed.

We would be pleased to discuss any of the matters raised further and invite you to contact Ms Katrina Beavon, General Counsel and Company Secretary of the REIQ at kbeavon@reiq.com.au or on 3249 7303.

Yours Sincerely

Antonia Mercorella
Chief Executive Officer

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Submission to
Department of Communities, Housing and Digital Economy

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The Real Estate Institute of Queensland (REIQ)

The REIQ is the peak body representing real estate professionals across Queensland. As the State's most trusted and influential advocate for real estate business interests and private property investor rights for more than 104 years, the REIQ remains committed to ensuring the highest levels of professionalism and good governance are achieved through regulatory compliance and the advancement of best practice standards of professional conduct.

The REIQ's enduring purpose is to lead a sustainable industry which continues to make significant contributions to the Queensland economy and to strengthen conditions for those working within the industry. Above all, the peak body aims to:

- Make important contributions to government legislation and policy settings;
- Advocate for balanced regulations for the benefit of all stakeholders;
- Provide industry-leading training for real estate professionals;
- Deliver timely, innovative and market-driven education programs;
- Promote risk management and increase professional competence;
- Implement effective and compliant professional standards; and,
- Contribute to substantial industry research and development.

Membership and customer representation includes over 30,000 property professionals. This includes principal licensees, salespeople, property managers, auctioneers, business brokers, buyers' agents, residential complex managers, and commercial and industrial agents in Queensland.

Collectively, Queensland's real estate sector directly employs over 50,000 people, is one of the top four industries, and pays approximately $8.7 billion State tax each year (2021/22).

WE HELP MORE THAN OUR MEMBERS

The REIQ's vision statement, for the real estate profession, extends our support and expertise beyond our membership to the broader real estate profession and community. We believe everyone should be able to make educated, informed decisions about buying, selling or renting property and business in Queensland.

1. RENTAL HOUSING CRISIS IN QUEENSLAND

Queensland is currently in the grips of an unprecedented rental housing crisis. Housing supply and affordability are at critically low levels.

Data shows that current housing market conditions have been materially impacted by a declining supply of affordable housing. As a result, an alarming volume of Queenslanders have become homeless or are facing homelessness.

In 2022, Queensland consistently broke its own rental market vacancy rate records and has experienced the tightest rental market in history with below 1.0% vacancy rate across the State in the March quarter of 2023, with some markets currently as low as 0.1%[1].

In response to the deteriorating conditions of the rental housing market over the course of 2022, the Queensland Government hosted a Housing Summit on 20 October 2022 with Parliamentary members, Local Government representatives and key stakeholders across all aspects of the housing sector.

Alarmingly, the Queensland Treasurer noted at the Housing Summit, that Queensland is facing a forecasted rental housing undersupply of around 55,000 properties.

Other key factors which are reported to have contributed to the current market conditions in Queensland include:

- the high volume of sales of residential property by investors over the past 5 years, contributing to a decline in rental listings of 48.2% in September 2022 compared to the previous 5-year average[2];
- the increased prevalence of properties on the short-term rental market[3];
- severe weather events experienced in Queensland in March 2022 leading to over 4,500 properties being severely or moderately damaged displacing both owner-occupiers and tenants[4];
- a reduction in the average household population to 2.5 persons per household (ABS Census 2021) and a higher level of sole tenancy tenancies due to COVID-19 influences;
- cost of living pressures and a rise in inflation in Brisbane of 7.4% in the 12 months leading to March 2023[5]; and
- legislative changes being introduced which disadvantage and constrain property owners and make investing in Queensland undesirable[6].

[1] REIQ Residential Vacancy Report, September 2022
[2] 'The Brisbane rental crisis in five charts' CoreLogic, 7 September 2022 https://www.corelogic.com.au/news-research/news/2022/the-brisbane-rental-crisis-in-five-charts
[3] 2019 Australian Short Term Rental Report
[4] QRA Reference: Report by Deloitte Access Economics. Last updated July 2022
[5] Consumer Price Index, September quarter 2022 | Queensland Government Statistician's Office (qgso.qld.gov.au)
[6] COVID-19 Emergency Response Act 2020, Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020, Housing Legislation Amendment Act 2021

Not surprisingly, those most affected by the current crisis are the most vulnerable; persons living with disability, those in regional and indigenous communities, pensioners and domestic and family violence victims.

Need for private investment in Queensland

We are disappointed that the Queensland Government is proposing to introduce further rental law reform instead of focusing on solutions that will boost rental housing supply. The most efficient way to achieve an increase in supply is to encourage private investment in rental housing stock.

Alarmingly, instead of focusing on bringing supply to the market, the introduction of unfair and biased rental law reform that dissuades private investment in Queensland is proposed.

Private owners house approximately 95% of the rental population of Queensland, being over 1.5 million persons[7].

New laws that prejudice the rights of property owners deters private investors from investing in the housing market. In addition, past experience shows that a percentage of investors will sell their assets in response to legislative reform.

Law reform that materially prejudices lessors can also lead to an increase in the cost of renting. If lessors are required to meet more onerous requirements and absorb greater financial risk, rents are likely to be increased to mitigate the impacts of this.

Unrelenting law reform in Queensland

The Stage 2 rental reforms Options Paper marks the fourth reform to rental laws in Queensland within as many years. No other sector has endured this level of legislative reform onslaught.

With the final part of the Stage 1 changes scheduled to take effect on 1 September 2023, property owners and property managers are fatigued by constant legislative reform and increased compliance requirements.

As noted in this Submission and throughout the REIQ Property Investor Survey responses, property owner confidence and commitment has been severely impacted by consistent legislative reform over a number of years.

Impact of rental law reform on private investment

The proposition that tenancy law reform does not impact private investment is unfounded.

The Options Paper refers to a report published by the Australian Housing and Urban Research Institute in November 2022 on regulation of residential tenancies and impacts on investment (**AHURI Report**) and notes the report found little evidence that residential tenancy law has impacted investment in private rental housing.

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[7] ABS Census 2021

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We do not agree that the findings of the AHURI Report are relevant to the rental law reform proposed in Queensland. We have demonstratable evidence to the contrary.

We make the following observations about the AHURI Report and its relevance:

- the report was based on feedback provided by 970 persons in New South Wales and Victoria who either currently own, have recently owned or are intending to acquire an investment property;

- the rental law reforms the report is based upon were:
  (a) the enactment of the *Residential Tenancies Act 2010* (NSW); and
  (b) the 2015 Victorian Fairer Safer Housing Review.

- both reforms were isolated events, with few other legislative interventions taking place in either jurisdiction for **five years either side** of the enactment[8]; and

- the results were inverted between New South Wales and Victoria; one had a positive effect on entries into the market and the other on exits from the market.

In the AHURI Report, feedback from persons surveyed is noted as "*unreliable*" due to contradictory positions expressed[9].

The findings are also not clearly defined in the AHURI Report. The report states that the results may be interpreted in different ways[10].

> *"It may be that the enactment of the RTA NSW 2010 had no apparent effect on investment, and reduced disinvestment, because it was the culmination of a reform process, and so merely confirmed changes of which landlords had long been notified. In comparison, the commencement of the Victorian Fairer Safer Housing review caused some prospective Melbourne investors to pause, perhaps as a matter of 'due diligence'. It may also be that the NSW reforms were simply that much milder than the reforms prefigured in the Victorian review."*

We **do not** agree that the Queensland Government can rely on data within a report that:

- does not have consistent findings;
- was taken from a small sample of individuals of varying standing;
- relates to other State housing markets' which were not in crisis or experiencing equivalently low vacancy rates at the time of reform;
- relates to isolated legislation; and
- does not contemplate the current housing shortage crisis in Queensland.

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[8] *Regulation of residential tenancies and impacts on investment, Report 391*, Australian Housing and Urban Research Institute, November 2022 p36
[9] *Regulation of residential tenancies and impacts on investment, Report 391*, Australian Housing and Urban Research Institute, November 2022 p3
[10] *Regulation of residential tenancies and impacts on investment, Report 391*, Australian Housing and Urban Research Institute, November 2022 p42

We submit that the AHURI Report cannot be relied on as evidence that private investment would not be impacted by tenancy law reforms in Queensland.

Over the course of several years, the REIQ has received (and relayed to the Queensland Government) overwhelming reports that private owners have sold or are selling their properties in response to onerous legislative requirements. We accept that owners have sold investment properties for a number of reasons but a prominent factor in an owner's decision to withdraw property from the permanent rental market over the last three years has been tenancy law reforms and the perceived lack of control over their assets.

The reform proposed in the Options Paper is the fourth rental law related reform in as many years. Property owners in Queensland have 'had enough' and this is evidenced by the diminished number of long-term rental properties in Queensland.

In response to the announcement of the Stage 2 Rental Law Reforms, the REIQ launched an online survey for property investor clients of our property management membership (the **REIQ Property Investor Survey 2023**).

The overwhelming volume of responses and consistent feedback received from respondents provides an insight into investor sentiment which cannot be ignored.

A total of 15 questions were asked of respondents with the ability to provide short written responses. Due to the overwhelming number of responses, the survey remained open until 5:00 pm Thursday 25 May. At this time, there were 3,755 respondents that answered the survey, with more than 18,000 written comments provided.

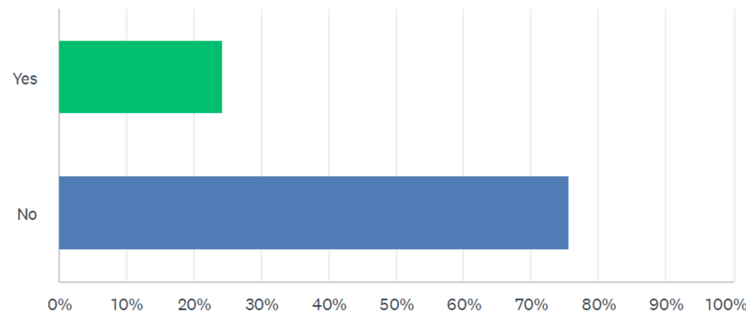
The results of the survey are highlighted throughout this Submission. A copy of the full report can be found in **Annexure B** of this Submission. If desired, we are able to seek permission from respondents to share their contact details provided with relevant representatives of the Queensland Government to communicate further on this matter.

To provide further insight on whether the tenancy law reforms proposed will impact a property owner's decision to sell, the following questions were answered by respondents:

(1) ***In consideration of increasing costs, does the current rent amount cover all of the expenses and holding costs associated with your property? For example, interest expense, rates, utilities, maintenance, insurance and tax.***[11]

A total of 3,528 respondents answered this question. 75.51% of respondents answered **No** and 24.49% of respondents answered **Yes**.

[11] REIQ Property Investor Survey 2023, Question 11 (see Annexure B)



1,683 comments were submitted by respondents, including:

"My property is rented in the NRAS scheme and so the rent is 20% less than market value. It comes nowhere near covering all expenses. Now it will cover even less for a further 7 months because I was foolish enough to trust the Government of Queensland."

"As interest rates continue to rise, the rent is not even covering the house repayment, let alone, rates, utilities, maintenance, insurance and tax."

"Rates in Cairns have increased this year and the council has also added an additional charge onto investors who own rental properties. Insurance has increased annually over 15-20% and we are being advised to expect a further 30% increase 1 July 2023. Handyman and building material costs have also increased by 30-45%"

"There are no caps on any other costs associated with maintaining an investment property. The imbalance of rising costs causes uncertainty regarding the feasibility to continue to maintain said investment property: equates to less rentals in the pending housing crisis."

"I am currently $300/week out of pocket. I don't believe other investors will be able to afford this and will not want to invest in the future which will cause even more issues with the housing crisis."

"The cost of buying/maintaining a property is HUGE, especially for Landlords on lower incomes (trying to get ahead). Rates, Council Fees, Insurance, Property manager fees, Maintenance, damages etc. These Rental Properties have/ are paid for by the Landlord. It doesn't happen without sacrifice!!!!"

"Our property is unencumbered, and the total of all costs is marginally less than the total rent collected."

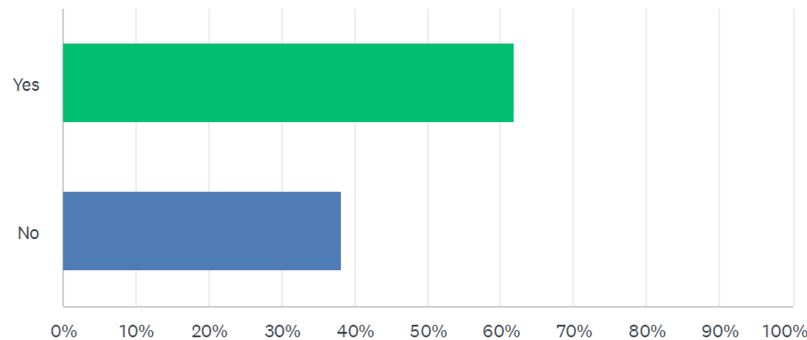
"With increasing interest rates, increasing insurance rates and council rates, and increasing costs of maintenance, owning a rental property is becoming a much more difficult prospect. For us, it is a way of assuring an income on retirement and not relying on the government for a pension. The government should be supporting investors and independent funding of retirement as much as they can."

The comments in the report show that many property owners are currently struggling to afford their rental property. The concern here is that when ownership becomes unaffordable, the property owner is likely to sell or move the property onto the short-term letting market which historically sees greater returns. This concern should resonate with the Queensland Government and stakeholders because without private owners investing in Queensland and keeping their properties on the long-term letting

market, we will continue to have a low supply and housing crisis.

(2) In the past two years, have you considered selling your rental property?[12]

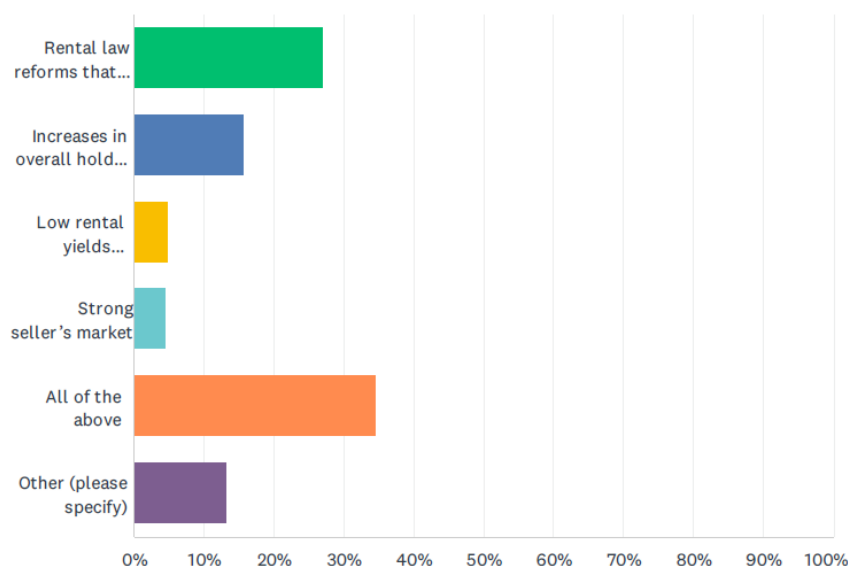
A total of 3,526 respondents answered this question. 61.83% of respondents answered **Yes** and 38.17% of respondents answered **No**.



These results should raise a great level of concern for the Queensland Government.

(3) If you have considered selling your rental property, what is your primary reason for doing so?[13]

A total of 3,514 respondents answered this question. Respondents were given options for this answer including rental law reforms, increases in costs, low rental yields, strong seller's market, all of the above and other concerns.



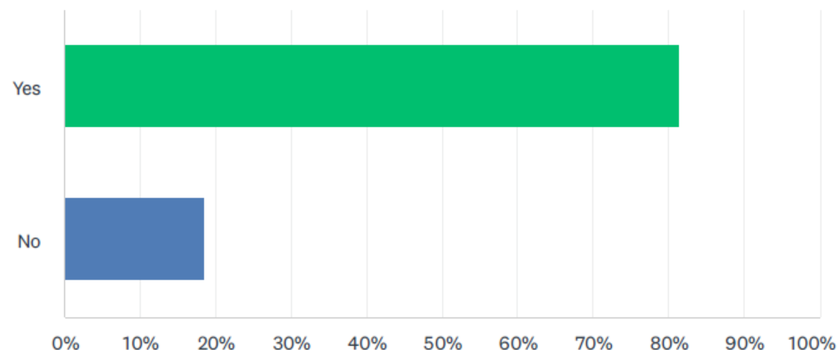
35.09% of respondents indicated that all of these reasons have factored into their consideration of selling their rental property, with rental law reforms causing a further 27.06% of respondents to consider selling.

[12] REIQ Property Investor Survey 2023, Question 12 (see Annexure B)
[13] REIQ Property Investor Survey 2023, Question 13 (see Annexure B)

Of the 466 comments provided, property owners outlined the increasing costs making owning a rental property unsustainable as well as their opposition to the rental law reforms.

(4) ***If you have considered selling your rental property, have recent and future proposed tenancy law changes influenced your likelihood of selling?***[14]

A total of 3,508 respondents answered this question. 81.78% of respondents answered **Yes** and 18.22% of respondents answered **No**.



1,587 comments were submitted by respondents, including:

"If I sold my properties, I will make more money in secured fixed term deposits without all the grief of ongoing problems owning rental properties as well as constantly changing rules. I have already enquired with several banks on this."

"We are more likely to sell now. It's fine if you get a good tenant, but not all tenants are good… Your life ends up an emotional nightmare and you lose money. Who would hang onto property in that situation."

"I treat my tenants fairly. The constant government interference in contractual arrangements and property rights are aggravating. I'll switch to bonds and advise all fellow investors to do the same."

"Selling one rental property already thanks to the previous changes made by QLD government. If more changes implemented I will sell more rental properties."

"We have recently sold four rental properties. We will consider selling others if our rights as a landlord continue to be eroded."

"It is becoming so hard to keep up with the laws which always seem to favour the tenant with no consideration/benefit to the owner."

"These 'reforms' are totally biased against the property owners and give the tenants all rights to do whatever they please with something that is not theirs. If I rent a car, I can't paint it purple. It's not mine. I am paying to rent it … as is."

[14] REIQ Property Investor Survey 2023, Question 14 (see Annexure B)

"Qld government does not like landlords and is keen to do whatever it can to hurt them, too stupid to realize what they do will hurt tenants more."

"I have recently sold on due to tenancy law changes. Whilst I have the same good tenant in my other property I will hold, but if they leave may well sell, as you are losing control over your property that I worked for 50 years to obtain."

It is clear that the proposed reforms will be the final straw for many property owners.

For this reason, the Stage 2 rental law reforms must be **postponed** until:

(1) Stage 1 implementation has been finalised and the true impact of Stage 1 rental law reform can be assessed; and

(2) the market returns to a healthy and stable condition.

In our view, it is vital that the Government take steps to encourage private investment in our rental housing sector to improve and restore supply to the market and ease the consistently record-breaking low vacancies experienced in Queensland over the past 3 years.

The ongoing, unrelenting and antagonistic rental law reforms in Queensland must immediately halt.

It is essential to keep the remaining private investment in the rental market so that conditions do not further worsen.

2. MINOR MODIFICATIONS

PROPOSED OPTIONS FOR MINOR MODIFICATIONS

The Options Paper proposes legislative reform to address accessibility, safety and security of housing for tenants, particularly those who are vulnerable such as persons living with disability, persons experiencing domestic and family violence, seniors and families with young children. The following options are proposed by the Queensland Government:

Option 1 – status quo
No changes are made to the current requirements and resources are developed to educate tenants and lessors on negotiating changes and provide information about safety, security and accessibility changes.

Option 2 - Guide discretion
A process for consent is introduced with prescribed reasons for a lessor refusing consent. Changes would need to be carried out by a qualified tradesperson and the property must be returned to *substantially* the same condition, unless otherwise agreed. The tenant would be responsible for costs and repair to damage caused by installation and removal.

Option 3 - Limit Discretion
A tenant will not need consent to make changes prescribed by law. If a lessor wishes to prevent changes, they need to seek a Queensland Civil and Administrative Tribunal (**QCAT**) order. Tenants must return property in *substantially* the same condition, unless otherwise agreed. The tenant would be responsible for costs and repair to damage caused by installation and removal.

DEVELOPING A SUITABLE FRAMEWORK

The Options Paper proposes to introduce a process to facilitate a tenant obtaining consent for minor modifications of the rental property in which they reside, with varying levels of notification, consent and ability to refuse put forward within the options.

In principle, the REIQ is supportive of changes being made to assist tenants with requests relating to the installation of minor modifications to a property for the limited purpose of accessibility, safety and security.

That said, we consider the proposals are severely lacking in detail. In addition, the proposals do not take into account critical matters which impact on the lessor's ownership of the property, lessor insurance issues, the impact on value of the property and most importantly, safety.

We caution the Queensland Government against developing a regime that permits a tenant to make property modifications without a well-defined statutory framework and reasonable consent system. It is a fundamental principle of tenancy law that tenants are required to seek consent from an owner to make modifications to a property and owners must not unreasonably withhold consent. As outlined in this submission, property owners are strongly opposed to a regime that permits tenants to make modifications without owner consideration and approval.

It should be noted that Stage 1 rental law reforms saw the introduction of Minimum Housing Standards. These new standards, which commence in September 2023, encompass minimum housing requirements which encompass safety and security issues. Consequently, it is our view that safety and security standards in rental properties will be improved and largely achieved once these legislative provisions commence.

In our view, a balanced framework can be achieved that ensures the property owner retains the required overview and control of the property and process, while still assisting the tenant to have minor modifications carried out that they need for accessibility, safety and security purposes.

As a proactive measure and in anticipation of the Stage 2 rental law reforms, the REIQ and Queensland Disability Network (**QDN**) jointly hosted a roundtable to develop a framework for accessibility modifications. The roundtable featured a number of industry stakeholders including:

- Persons with Disability;
- Community Housing Industry Association, Department of Communities;
- Housing and Digital Economy;
- Communify Queensland;
- Tenants Queensland;
- Property Investment Professionals of Australia;
- Bricks & Mortar Media;

and various other guests including occupational therapists and practitioners and professionals involved in the disability sector.

The purpose of the roundtable was to develop a framework for property modifications requests for Queenslanders with disabilities living in rental properties. The forum enabled the voices of all stakeholders to be heard.

Based on the roundtable and various consultation, the REIQ and QDN have developed a framework for minor modification regulation for residential properties in Queensland. This framework incorporates feedback from QDN, the peak body for disability as well as from persons living with disabilities in rental properties. Similarly, we have incorporated the views of the property management sector (a copy of the report on the proposed framework is annexed in **Annexure A**).

This proposed framework:

- provides for a suitable definition of minor and complex modifications;
- provides criteria that dictates when consent/approval is needed or when notification is appropriate; and
- includes important considerations such as who will carry out work, insurance and risk management and where an occupational therapist should be consulted.

It also sets out important considerations for the prescribed grounds of refusal.

Through our stakeholder consultation, it became evident that there are many important and sometimes complicated factors to consider in this area. Consequently, a simple list of prescribed grounds for owner consent/refusal is not sufficient or appropriate.

On that basis, we do not support the proposed refusal grounds and/or grounds under which consent is not required as set out within the Options Paper.

The Options Paper shows a lack of understanding and insight into the matters which the Government is seeking to regulate. For this reason, we strongly recommend the Queensland Government adopt the framework developed by the REIQ and QDN for modifications relating to accessibility ("**Joint Framework**").

DEFINITION OF MINOR MODIFICATIONS

As you will note, the Joint Framework sets out a recommended definition and criteria for minor modifications.

'Minor' modifications are considered to be modifications that could be carried out by a person without needing to be suitably qualified, insured or contracted.

'Complex' modifications are considered to be modifications that would require a suitably qualified and insured contractor to perform (such as works that entailed electrical work, plumbing, carpentry, tiling and other structural changes).

The options outlined in the Options Paper do not define what is to be considered a genuine "minor" modification for the purpose of accessibility, safety and security. Providing mere examples is not sufficient.

It is essential that a clear and appropriate statutory definition and criteria is adopted to ensure the framework is workable and easily interpreted. In our view, ambiguity will lead to an increase in disputes which is disadvantageous for both tenants and lessors.

The complexity of defining minor modifications and criteria should not be overlooked, especially in the case of accessibility for persons living with disability.

Annexure A sets out a matrix developed by the REIQ with QDN to set out a detailed, but not exhaustive, list of possible accessibility minor and complex modifications and relevant considerations for risk management.

The REIQ and QDN request an urgent meeting to discuss this reform in greater detail and to ensure it is appropriately considered and any legislative amendments are properly implemented.

SAFETY & SECURITY MODIFICATIONS

As noted above, we consider that the commencement of the Minimum Housing Standards will ensure that most fundamental safety and security requirements will be met in rental housing from September 2023. We therefore consider that any 'other' modifications for safety and security can be well managed via the current processes under the RTRA Act.

In the event that further legislative change is developed for minor modifications that are safety and security related, we submit that a clear definition of what such modifications are considered to be "minor" for safety and security must be determined. A well-defined

definition of minor will be critically important to avoid disputes and damages claims against tenants.

By way of example, the following changes may appear to be "*minor*" changes that a tenant may desire to improve safety, security and reduce the risk of accidents or injuries:

- installing additional lighting or installing motion-activated lights;
- installing childproof locks on cabinets and drawers containing hazardous materials and installing indoor child safety gates;
- installing a peephole or security camera to improve visibility and security at the front door;
- trimming overgrown vegetation and trees that may be blocking visibility or creating tripping hazards on the property;

Although the above safety and security modifications and changes may be considered minor at first glance, some of the matters listed above may not in reality, be minor in nature and may require expensive and extensive installation and rectification works.

For example, installing a peephole in a fire rated door may compromise its effectiveness. This may also constitute a breach body corporate laws where the premises are located in a complex. Similarly, the cutting back of trees and vegetation may seem minor in nature but the trees and vegetation may have sentimental value to the owner, they may be protected trees and vegetation and/or flora that is slow growing and would take many years to grow back. Meanwhile, the installation of lighting and security systems may require drilling and wiring that is far more complex than first apparent depending on the nature and structure of the premises. Finally, if the premises are part of a unit or apartment complex, body corporate laws may govern the permissiveness of the modification. Accordingly, body corporate approval may be required.

In our experience, tenant requests for safety and security are usually consented to by owners. In some instances, owners will actually fund the modification and/or allow the modification to remain in place at the end of the tenancy. Similarly, even if the desired modification is not approved by the owner, the parties will usually find an alternative means or method to achieve the desired objective through a less expensive or damaging means.

In summary, it is our view that:

- tenants should continue to seek approval for modifications from lessors and lessors should be required to provide approval which must not be unreasonably withheld (tenants may take QCAT action against the owner if required);
- if greater rights are extended to tenants for minor modifications for safety and security reasons, this should be limited to tenants who are considered vulnerable (such as those experiencing or who have experienced domestic and family violence);
- if a tenant requests a minor modification for safety or security reasons and the lessor's ability to refuse is to be limited by legislative constraints, then reasons for refusal should be broad enough to encompass grounds that are based on retaining the

value and amenity of the property, unacceptable risk and excessive and unreasonable costs;

- if the lessor does provide consent to the modification, they should be entitled to impose conditions, such as requiring the modification to be remediated at the end of the tenancy, specifying what contractors/tradespersons are nominated to undertake the works if necessary and what materials must be used.

UNQUALIFIED TRADES WORK

There is a significant risk where unqualified, uninsured and unlicensed persons undertake work to a property, even if such work is considered minor by the tenant.

Where a process is introduced which does not require a lessor's consent, there may be an increased risk in the tenant carrying out the works themselves or engage an unsuitable contractor such as a 'handyman' to carry out works that they are not suitably qualified, insured or licensed to do. Even if it is expressly required under the reform, there is not likely to be any ramification for the tenant if they decide not to or cannot afford to have a suitably qualified tradesperson carry out the works.

Serious consequences of unqualified trades work includes:

- increased risk of accidents and injuries, if works are not carried out properly. This may include electrical shocks, fires, damage to personal property, or falls from ladders or other equipment;
- if works are performed incorrectly, there is a risk of causing further damage to the property. For example, if a tap fixture was changed for accessibility purposes and is not installed correctly creating a leak within a bathroom vanity/cupboard, this could lead to water damage to walls, floors, and ceilings;
- insurance implications, as many insurance policies require that such works be performed by qualified professionals. If an unqualified person performs the works, the insurance coverage may be invalidated, leaving the lessor liable for any damages or losses;
- legal and financial liability, if someone is injured or there is damage to the property as a result of unqualified works, the lessor may be held liable. This can result in legal action and financial damages; and
- decrease in property value if works are poorly executed, particularly if they are visible or affect the functionality of the property.

ASBESTOS

Further to our concerns about works being carried out by unqualified, unlicensed and uninsured persons, is the consideration of the presence of asbestos in a property. If the tenant is not required to seek consent or if the lessor has no control of the changes proposed to be made to the property, the tenant will not be aware of any asbestos present at the property.

It is essential that proper tradespersons are engaged to deal with the asbestos materials correctly when the minor modification is installed. There could be a significant safety risk if the tenant is able to arrange for work without consent from the lessor as they may not be aware of particular issues.

Asbestos was widely used in construction materials until the 1980s and is still present in many residential properties in Queensland. As most people are aware, when asbestos-containing materials are disturbed, they release harmful fibers into the air that can cause serious health problems when inhaled.

Concerningly, asbestos may be inadvertently disturbed by the types of works that can fall within the minor modification (or minor personalisation) categories. For example:

- when walls, ceilings, floors, or other materials that contain asbestos are disturbed during renovation work, the fibers can become airborne and pose a health risk to workers and tenant of the property;

- when drilling or cutting into materials that contain asbestos, such as walls, floors, or pipes, the fibers can be released into the air;

- when insulation materials such as loose-fill insulation, pipe insulation, and duct insulation are disturbed, the fibers can become airborne; and

- where Asbestos was used for floor tiles or linoleum and is disturbed during renovation or demolition work, the fibers can be released into the air.

With planned works, asbestos materials may need to be tested by a qualified professional who is licensed to handle any asbestos-containing materials. This is essential to help ensure the safety of workers and tenants.

REQUIRING PROPERTY OWNERS TO GO TO QCAT

We are opposed to the proposal that property owners may need to apply to QCAT for an order to *prevent* a tenant from making changes to their property. This proposal does not align with long-established principles of tenancy law.

If a tenant accepts a property on a certain basis and subsequently wishes to modify it, it is normal for the tenant to bear the onus of making the request and seeking approval. If the approval is unreasonably withheld by the owner, the tenant may seek recourse at QCAT. The proposal seeks to unreasonably reverse the process.

The proposed reform would place a further undue strain on QCAT resources to deal with the volume of disputes likely to arise as a result of this proposal. Under Stage 1 rental law reforms which came/will come into effect over a three-year period, 20 October 2021, 1 October 2022 and 1 September 2023, QCAT's jurisdiction was increased due to the new tenancy related matters (such as domestic and family violence provisions, pet refusal provisions, ending tenancy provisions, changes to repairs and maintenance provisions and introduction of prescribed minimum housing standards).

It is reported that QCAT has dedicated registry and Tribunal resources for three years to seek to ensure that QCAT is able to deal with such applications within a reasonable period after commencement of the reforms. As at FY22, the average time to a hearing for urgent tenancy matters was 3 weeks and for non-urgent tenancy matters, was 16 weeks[15].

Although we will not have data on the current average hearing times until the next Annual Report from QCAT, we know from industry reports to the REIQ that urgent matters can take up to 6 weeks to be heard in QCAT and non-urgent matters can take several months, if the applicant is the lessor or property manager.

Given the above, it is not reasonable or practical to continue defaulting to QCAT to seek an order to prevent modifications from being made.

This can be avoided if a reasonable framework is introduced that addresses the key concerns of property owners and ensures any minor modifications made to a property do not cause irreparable damage to the property, safety issues, impact the lessor's insurance or the value of the property.

RECTIFICATION

We are very concerned by the proposed change to the threshold requirements for the return of property at the end of the tenancy. Currently, a tenant is required to return the rental premises in the same condition it was at the start of the tenancy, less fair and wear. The Options Paper submits that a tenant may only need to return the property to ***substantially*** the same condition.

We do not agree that this is adequate. The tenant should be required to rectify the property and restore the property to the same condition, or otherwise compensate the lessor if this is not possible.

For example, if a handrail is installed at the property and the tenant removes it at the end of the tenancy to take with them to the next property, the affected wall/s will need to be patched with the entire wall being repainted in the same colour as the other walls in the room. A simple 'patch job' will not be sufficient as further repainting will need to be undertaken to return to the same condition as the tenancy commencement.

Another example is if the tenant needs to drill through a brick to install external security cameras for safety purposes. Proper rectification works must be carried out to maintain the integrity of the structure. Will it be sufficient if the wrong type of materials are used to restore it to substantially the same condition?

This proposal will undoubtedly impact the property structure, property value and cause costs to be incurred by the owner to properly rectify such items if not done so by the tenant. For this reason, we recommend that the property must be returned in the same condition, in order to fairly balance the rights and interests of both parties.

[15] QCAT Annual Report FY22

TIMEFRAME TO RESPOND TO REQUEST

The Options Paper proposes strict and tight timeframes for a response to a tenant's request for minor modifications. We recommend that these timeframes are reconsidered.

Although there may be a genuine urgency to obtain consent and undertake works quickly, adequate time must be permitted for a property manager to obtain the lessor's instructions, and to arrange for professional tradespersons and occupational therapist (if required) to attend the property and attend to works. Additionally, the lessor may need specific advices from professional tradespersons before their consent can be provided.

For this reason, if maximum timeframes are to be imposed, we consider that a more reasonable timeframe be considered. We submit that 14 business days is a more reasonable time frame.

KEY RECOMMENDATIONS

We recommend:

(1) the framework and matrix for accessibility minor modifications developed by the REIQ and QDN is adopted;

(2) if minor modification reforms for safety and security are made, a suitable statutory definition of minor modifications is adopted; and

(3) a reasonable process whereby a tenant can seek consent for safety and security changes is adopted, whereby the lessor can impose conditions such as:

- (a) requiring suitably qualified, licensed and insured tradespersons to carry out the works;
- (b) specifying the type and quality of materials to be used;
- (c) requiring the property to be returned in the same condition as at the start of the tenancy; and
- (d) allowing the lessor to take an additional bond sufficient to cover the costs of rectification.

3. MINOR PERSONALISATION CHANGES

OPTIONS FOR MINOR PERSONALISATION CHANGES

The Options Paper sets out an argument that reform is needed to allow tenants to make minor personalisation changes to the rental property in which they reside. The following options are proposed by the Queensland Government:

Option 1 - Status Quo and Education
No changes are made, and the current consent requirements are upheld. Resources are developed to educate parties to negotiate what changes a tenant may make to a property, including benefits of personalisation and risk mitigation.

Option 2 - Guide Discretion
A process for consent is introduced and the lessor can only refuse consent for prescribed reasons. The property must be returned to *substantially* the same condition, unless otherwise agreed. The tenant would be responsible for costs and repair to damage caused by installation and removal.

Option 3 - Limit discretion
The tenant can make changes that are prescribed by law. If the lessor wishes to prevent the changes, they must seek a QCAT order. The property must be returned to substantially the same condition, unless otherwise agreed. The tenant would be responsible for costs and repair to damage caused by installation and removal.

PREFERRED OPTION

The REIQ is opposed to reforms that allow a tenant to make minor personalisation changes to a property without protecting a lessor's discretionary right to consent to or refuse such changes which adversely impact their property.

Under current tenancy laws, a tenant can already request minor personalisation changes to a rental property in which they reside, and a lessor cannot unreasonably withhold consent. If a tenant feels that a lessor has done so, they have sufficient protections under the RTRA Act and can seek recourse at QCAT. This is consistent with long-established principles of tenancy law.

Through our initial Stakeholder consultation with the property management sector, it was reported that in most cases, a lessor will agree to minor personalisation changes requested by a tenant. Provided that a tenant takes care of their property and agrees to reasonable conditions, such as making good any changes at the end of their tenancy, lessors will generally agree to minor personalisation changes. This is especially true where the tenant has a good history at the property and is a long-term tenant.

We do not consider that there is any substantial basis for legislative reform. It should be noted as well that the options proposed under this topic are some of the most contentious with lessors who feel that they will ultimately lose what limited control they have over their property (as evidenced below in the REIQ Property Investor Survey 2023).

Unless the Queensland Government can demonstrate a clear and genuine need for legislative intervention beyond the process that is currently in place (which in our view, works adequately for the majority of tenants and lessors) we recommend this proposal does not proceed. It will, in our view, erode lessors' rights and provide a significant deterrent to property investment.

Minor personalisation changes should be treated differently to minor modifications. The latter relates to issues of accessibility, safety and security whereas personalisation changes are largely for aesthetic and personal preference purposes.

REASONS FOR REFUSAL

The REIQ opposes reforms relating to personalisation changes. If, however, these reforms are progressed, we submit that the process for owner consent must not unreasonably disadvantage the property owner or cause them undue risk and costs.

We would suggest a broad ability to refuse be adopted in this case and would strongly object to a restrictive list of prescribed reasons for why a property owner can refuse consent.

Under Option 2, it is posed that it would be unreasonable for a property owner to refuse permission if the change would not:

- Breach a law or by-law;
- Expose the tenant or another person to health or safety risks;
- Significantly change the structure, layout or nature of the property;
- Require change to be made to other properties or common property;
- Cause additional maintenance costs for the lessor; and
- Jeopardise the license of a rooming accommodation provider.

We consider this is too restrictive, and would recommend additional grounds such as:

- the cost of rectification is greater than the amount of rental bond that is held;
- that the tenant does not agree to reasonable conditions imposed by the lessor (including requiring a particular tradesperson to carry out the change, particular materials be used); and
- that the lessor can refuse if they are in the process of selling the property or have an intention of selling the property in the near future and the change would likely impact the value of the property.

We note that several of the above grounds are available to a lessor when considering granting consent to a pet/s request.

DEFINING A MINOR PERSONALISATION CHANGE

The definition and scope of what is considered a "*minor personalisation change*" must also be examined. What may seem minor to a tenant may actually be the opposite once risk, safety and costs of rectification are taken into consideration.

For example, if something is attached incorrectly to a part of the property with a wet seal and as a result the waterproofing becomes compromised, this can have significant implications for the property such as water damage which can create an environment conducive to the growth of harmful mould and bacteria.

If a hook or bracket is installed in a part of the wall interfering with wiring or a pipe unbeknownst to the tenant, this could inadvertently cause significant internal damage to the property.

In the REIQ Property Investor Survey 2023, respondents were asked, "***Do you consider painting walls to be a minor personalisation change?***"[16] 3,668 respondents answered with 79.99% responding with **No** and 20.01% responding with **Yes.** Although the Options Paper postulates that painting walls is a "minor" change to a property, a strong majority of survey respondents do not agree.

The REIQ is opposed to the grounds listed in Option 3 that listing changes that would not require the lessor's permission. In particular, the ground of "*making changes that don't penetrate a surface or permanently modify a surface, fixture or structure*". This ground is very broad and could relate to a magnitude of changes that a reasonable person would not consider minor, such as the attaching of adhesive products such as tiles, vinyl, wallpaper or linoleum to surfaces causing damage or discolouration to paint or pre-existing surfaces.

If tenants are not required to seek consent for some changes, they may be more likely to carry out the changes themselves if they appear simple or "*minor*" which will lead to an increase in unlicensed, unqualified and uninsured works. As outlined in Part 2 of this Submission, unqualified trades work is detrimental to a property for a number of reasons.

As the subjective nature makes it difficult to define and articulate a scope of minor personalisation changes, it is imperative that a lessor has discretion over what changes are permitted and what reasonable conditions can be imposed to protect the property.

We would consider that reasonable conditions include:

- requiring suitably qualified and insured tradespersons to undertake the works;
- requiring specific types of materials used;
- that make good works are required at the end of the tenancy (as is typically agreed to in current practice); and
- that the lessor can take an additional bond sufficient to cover the costs of rectification should the tenant fail to undertake same at the end of the tenancy.

RECTIFICATION STANDARD

As outlined under Part 2 'Minor Modifications', we are very concerned that it is proposed that the tenant can return the property in *substantially* the same condition as it was before the change was made.

We do not agree that this is adequate. The tenant must be required to rectify the property and restore it to the same condition fair and wear excepted, or otherwise compensate the lessor if this is not possible.

[16] REIQ Property Investor Survey 2023, Question 3 (see Annexure B)

For example, if the tenant removes hooks from a wall and does so by patching sections of the wall and failing to repaint the entire wall. By leaving patches on the wall, this would in our view place the property owner in a worse position as they would be required to incur costs to repaint the entire wall.

Another example is where a tenant needs to drill through a tile for their personalisation change. The entire tile will need to be replaced, however, the availability of tiles, particularly those in older properties, are limited. Will it be reasonable for the tenant to replace the tile with a tile that is similar? This is particularly relevant where a character property has special features, fittings and inclusions that can no longer be easily sourced or purchased.

The proposed reform will undoubtedly impact the property value and cause costs to be incurred by the property owner to properly rectify such items. The disadvantage to the property owner far exceeds the benefit that may be experienced by the tenant for the minor personalisation change.

REQUIRING PROPERTY OWNERS TO GO TO QCAT

We are also concerned with the proposal that property owners may need to apply to QCAT to prevent a tenant from making personalisation changes, for the same reasons outlined in Part 2 of this Submission with respect to minor modifications.

This option is not suitable as it places an unfair burden on the property owner to incur costs in going to QCAT to prevent changes made to their property. Alterative legislative solutions should be explored rather than a default position of sending parties to QCAT.

In the REIQ Property Investor Survey 2023, respondents were asked, "***If you could only refuse a minor modification by making an application to QCAT, would this impact your decision to keep your rental property?***"[17] 3,630 respondents answered this question. 84.16% answered **Yes** and 15.84% of respondents answered **No**.

1,964 respondents also provided comments in support of their position. These comments can be seen in **Annexure B**. Some of which include:

> *"This is not a practical approach. Why tie up QCAT with this sort of trivial matter? It's a waste to taxpayers also."*
>
> *"I am taking a risk taking on a rental property and need to have control over my asset. It would cause me to much anxiety and not be worth it."*
>
> *"Seriously? Courts are for bigger matters than this. They are an expensive system and should be last resort for major issues only."*
>
> *"Going through QCAT is time consuming and expensive. Why rent out a property if you risk being dragged through QCAT incessantly?"*
>
> *"QCAT cannot handle the complaint rate by both renters and owners now. Like all government bodies it is understaffed and where would the monies come from to answer the increase in demand from owners?"*

[17] REIQ Property Investors Survey 2023, Question 4 (see Annexure B)

"QCAT costs time and money. If we have a tenant who constantly requests unrealistic modifications then this would be very stressful and expensive."

"We would sell off all residential properties over a two-to-three-year period and not invest in residential property in the future"

"It is my property, I don't have time to go through QCAT, I would probably sell"

"The cost to attend QCAT, and make the application shouldn't be borne by the person who owns the property. This is not a question of safety or livability of a property, this is about personal preference for a tenant."

"If the tenant has the authority to make changes of any kind without the owner's consent that will open a whole can of worms and who will decide what is minor and what is major. This is a matter of opinion."

"I would not continue to keep the rental property, it is hard enough presently ensuring our property conforms to requirements. This type of burden would lead me to sell our rental property"

"The government seems not to understand the cost to landlords to keep properties in good condition. Yes, there is an issue with some landlords ripping off tenants, but there are just as many bad tenants who cause thousands in damages increasing insurance costs and downtime as repairs are done."

"QCAT is already backlogged with so many cases and problems. Just for a hearing is already taking 3-6 months. It will just turn me off from leasing out my property and turn to short stay accommodation or remove the rental property from the market all together and the Government can provide their own private leasing to tenants."

RENTAL BOND

If a tenant fails to undertake rectification works, the costs may be taken from the tenant's rental bond. In many cases however, this will not be adequate as the tenant's rental bond may not be sufficient to cover these costs, particularly if there is property damage and rental arrears at the end of the tenancy (which of course, cannot be determined until such time).

It has long been the position of the REIQ that a lessor and tenant should be able to negotiate a higher bond tailored to their tenancy relationship and its terms. We consider that it appropriate for the lessor to require an additional amount of bond as a condition of consent to cover costs of rectification. This bond would be refunded in full should the tenant restore the property to the condition it was prior to the personalisation change being made. We set out our position on additional rental bond further in Part 5 of this Submission.

LESSOR FEEDBACK ON MINOR PERSONALISATION CHANGES

In the REIQ Property Investor Survey 2023, respondents were asked: "***Do you think tenants should be able to make any modifications to your property without your consent?***[18]" 3,755 respondents answered this question with 98.70% of respondents answering **No** and 1.30% respondents answering **Yes**.

[18] REIQ Property Investor Survey 2023, Question 1 (see Annexure B)

2,613 respondents provided comments to support their position (which can be found in **Annexure B**):

> *"Whilst I am sure some tenants will do the right thing and notwithstanding that some modifications may be useful, allowing this will likely add more costs to owners because (1) some owners may need or want to remove unwanted modifications and possibly repair the property after removal of same, and (2) ongoing maintenance of modifications. This also opens the door for modifications done by unapproved contractors or dodgy ones done by owners which could introduce safety issues. This is just such a bad idea."*
>
> *"I have carefully chosen all the things in my house, and I am worried that modifications made by tenants will cause damage that they will refuse to repair."*
>
> *"The Tenant does not own the property and should not be able to make any changes without the owner's consent. What they modify could not be a reasonable modification, structurally, within Council regulations, and impact insurance covering the existing property"*
>
> *"We have seen the result of tenant modification. It has not been done by a professional tradie and has altered the rental property to the detriment of selling it."*
>
> *"If we have new tenants every 12 months, which has happened in the past, the damage to property caused by constant modifying and then repairing will be horrendous and unrealistic to maintain financially for Mum and Dad owners like us."*
>
> *"As it is fine. We often allow tenants requests however would not like to be told we have no say."*
>
> *"It should be acknowledged that the scope of tenant modifications can vary greatly from minor (of little concern to the owner) to major (significant concern to the owner). The owner should therefore retain the right to approve or reject ALL modifications to a property by the tenant. Minor modifications by the tenant should not be refused, but it is difficult to document what would constitute minor modifications."*
>
> *"Modifications would be specifically because a tenant wants a change for their wants and may not be to the benefit of the ongoing building. Even a picture hook in a wall can have structural consequences they are not liable for so anything more than should have approval from the owner."*
>
> *"This is a broad spectrum that is too permissible. Currently, the tenant has to make a request to the owner of the property, and if fair and reasonable most landlords would agree. Taking away the right of refusal could seriously jeopardize the quality and integrity of the property which in turn could cause problems and further costs for the owner to remedy."*

The results show that respondents are very strongly opposed to having no say over what changes could be made to their property.

Respondents were also asked: "***Do you think it is reasonable for a tenant to make a minor personalisation changes to your property without your consent? For example, putting hooks or screws in walls for hanging photos***".[19] 3,678 respondents answered this question with 64.79% answering **No** and 35.21% answering **Yes**.

2,021 respondents provided comments (refer to **Annexure B**). Some of which included:

> *"My house has been professionally painted. Hooks cause damage and it can only be properly*

[19] REIQ Property Investor Survey 2023, Question 2 (see Annexure B)

repaired if the whole wall is painted again in the exact same colour as the other walls in the room."

"Tenants often create more damage adding hooks and there are some surfaces eg VJ boards that are unable to be patched/easily repaired without replacing the entire sheet, creating considerable cost for the owner to fix botched hook additions or removing hooks placed where not wanted by the owner. Some rental properties are subsequently occupied by owners."

"No, not for hooks, nails and screws, there are smarter ways to mount displays and pictures, the use of devices to pierce the wall furniture not only leaves visible marks and devalues the real estate but can also lead to potential water leaks from ruptured water lines and electrocution."

"Not if it potentially damages the property - I have seen many walls studded with inappropriate nails, bolts etc. I do, however, believe that conditional personalisation is acceptable, such as the use of preapproved methods such as 3M products that minimise damage."

"Anything that damages the property in any way (eg paint, holes in walls tc) should have to be restored to the original condition at the tenants' expense upon vacating. It should be checked off as being of an acceptable standard by the landlord or representative"

KEY RECOMMENDATIONS

We recommend:

(1) No changes are made to the current legislation and requirements around minor personalisation changes.

(2) The Queensland Government should deliver greater education and training to the broader community about current tenant rights, what constitutes unreasonably withholding consent and how a tenant can best prepare their request for consent (for example, important details to include with a request to assist the lessor with making a decision).

4. ACCESS AND PRIVACY

OPTIONS FOR ACCESS AND PRIVACY

The Options Paper identifies a "*tension*" between the tenant and lessor, stating the tenant's expectation of privacy and quiet enjoyment of the property conflicts with the lessor's need to access a property, obtain information about a prospective tenant and the property and keep records of the property's condition. The options proposed by the Queensland Government are:

Option 1 - Status Quo and Education
No changes are made, and the current access and privacy requirements are upheld. Education resources will be developed to provide information about the purpose and impacts of entry, rights and obligations, better entry practice, privacy considerations, what information may be appropriate to assess prospective tenant suitability, and guidance about collection and use of personal information.

Option 2 – Balancing access and privacy
Access - A lessor can only have a physical inspection on the property once per year. Other routine inspections can be once every 3 months and with the tenant providing photos, video or by virtual inspection. An additional entry ground to be introduced to allow a buyer under a contract of sale to enter. The notice period of 24 hours for entry is extended to 48 hours.
Privacy - Lessors cannot frequently enter for unnecessary repairs or unrequested services, take unnecessary photos during inspections, enter excessively to show prospective buyers or tenants and must accommodate a tenant's request to be present during inspections. Information collected must be stored securely and only accessed for tenancy management. Tenants will not need to provide identification.

Option 3 – Limit Intrusion
Access - A lessor can only have a physical inspection on the property once per year. Other routine inspections can be once every 6 months and with the tenant providing photos, video or by virtual inspection. An additional entry ground to be introduced to allow a buyer under a contract of sale to enter. The notice period of 24 hours for entry is extended to 72 hours. Entry to show buyers or tenants can be exercised 2 times per week with 72 hours' notice.
Privacy - Entry for repairs is only undertaken to complete necessary repairs or provide services the tenant requested. Tenants must be accommodated if they request to be present during entry. Tenants can object to photos being taken if they identify the tenant or show valuable possessions. Tenants must approve photos before use, and they must be securely stored. Information collected must be stored securely and only accessed for tenancy management. Tenants will not need to provide identification.

PREFERRED OPTION

The consideration of access and privacy in the Options Paper is heavily biased to a tenant's point of view and fails to identify essential considerations and practical realities of ownership issues. Although we do not object to some of the changes proposed within the options, we strongly oppose many of the items within each option as they do not address key issues, will not provide any benefit to the tenant wholistically, and will not alleviate the so-called "tension" between the rights of the tenant and lessor.

REIQ
A REAL STEP AHEAD

ACCESS

We consider it reasonable for routine inspections to continue to occur no more than 4 times per year, with 3 months having lapsed between each inspection.

Presently, it is very common for tenants to receive more than 7 days' notice before entry for routine inspections. Most property managers will organise their routine inspections several weeks in advance and will try to arrange a time suitable for the tenant.

Physical Inspections

We are very concerned with the proposal that a lessor or property manager would only be permitted to physically inspect the premises once per year, with the tenant providing information or photographs of the property in lieu of other inspections.

Physical inspections of a property are an essential aspect of property management as they allow lessors or their agents to identify any issues or potential problems with the property.

There are many reasons why it is important to visually inspect a property in person, such as:

- identifying any maintenance or repair issues that need to be addressed. This can include things like plumbing leaks, electrical issues, or damage to the property's structure or appliances. Identifying these issues early can help prevent them from becoming larger and more expensive problems in future;

- identifying safety concerns such as loose or rotting floorboards, broken stairs, or faulty smoke alarms, to ensure that the property is safe for tenants and visitors;

- identifying misuse of the property or damage caused by tenants, such as holes in walls, broken tiles, or excessive wear and tear; and

- ensuring the property is compliant with local regulations and building codes. A physical inspection allows the lessor or property manager to check that the property meets requirements for things like minimum housing standards, fire safety, pool safety, and pest control.

Additionally, in September 2023, new Minimum Housing Standards will commence. Rental properties will need to be regularly monitored to ensure the new standards are complied with. Regular routine inspections will be central to this.

Property managers have contractual and statutory responsibilities to report to the lessor on the condition of their property. This proposal places the property manager in a position where the condition of the property cannot be adequately assessed and accordingly, there is a much greater risk of missing important repair issues and safety matters.

Relying on information provided by the tenant, or via video/virtual will not be sufficient as the parties would essentially be relying on the tenant to provide information at their own discretion only, with no recourse if they fail to do so (whether by mistake or otherwise).

Importantly, the tenant is unlikely to be aware of what a property manager will actually be looking for when conducting a routine inspection of the property. It is clear that there is a

misconception within the broader community, likely based on the negative experiences of some tenants, that the property manager is primarily concerned with how the tenant lives in the property.

From the property manager's perspective, they are providing an essential service to their client which they have a contractual and statutory obligation to fulfill. Importantly, this service incidentally benefits the tenant by ensuring the identification of potential issues with the condition and standard of the property that the tenant may not be aware of or may not consider to be an issue.

For example, property managers will look at items such as gutters, ceilings, flexi hoses, tiles, glass and alike which may not be damaged but should be regularly checked. If gutters are not checked regularly and become full of debris, there is a risk of clogging which can lead to a leaking roof, water damage and attract pests and vermin. Flexi hoses also pose a risk in properties as they are susceptible to breakage after a period of time and regular checks are necessary to ensure the condition is maintained.

It is also conceivable that a tenant residing in a property, especially for a longer period of time, is less likely to notice and identify issues with a property compared to a property manager who is objectively observing the condition of the property.

Further, not all tenants can facilitate a virtual inspection and there are certain aspects of a property that can't be properly inspected over video or photos. For example, if there is a leak, a smell at the property or moisture build-up.

It is also important that a property manager can physically inspect a property to ensure the tenant is complying with the terms of the tenancy agreement. Physical inspections can reveal:

- if there are more than the approved number of persons occupying the premises;
- if a condition such as a pet needing to reside outside of the premises is being complied with;
- that the tenant is not using the premises for illegal purposes such as operating a business from the premises or conducting illegal activity on the premises;
- if there is a pest infestation at the premises;
- if a tenant has tampered with or removed a smoke alarm; and
- if the tenant has damaged the property and failed to report the damage to the lessor.

Accommodating The Tenant

The proposed requirement to accommodate a tenant with entry time and date must be considered further. Entry is usually subject to both the availability of the property manager and contractor where repairs and maintenance are needed. It is not always viable or practicable for a tenant to be present.

If there are safety concerns and compliance issues, it's essential that the property manager and contractor can access the property in a timely manner.

It is submitted that proceeding with entry without the tenant present (if they are unavailable) infringes on the tenant's privacy. We do not agree with this assertion. Whilst we respect a tenant's right to privacy and quiet enjoyment, lessors have an obligation to attend to repairs and maintenance issues promptly to protect tenant safety and the value of the property.

A tradesperson will usually have limited time available and seeking a time that suits tenants and their hours of availability is not practical or realistic.

It is often reported to the REIQ through our advisory channels that tenants will either continuously reschedule entries with little or no warning despite receiving ample notice or simply refuse entry to a property manager when they attend at a scheduled time and date.

There is presently a plethora of penalties and enforcement action a tenant can take against an owner through QCAT and the Residential Tenancies Authority (**RTA**), as for example, there is recourse that they can seek if a lessor or property manager has entered a property without following the correct process or giving the correct notice for entry.

The REIQ is strongly opposed to the requirement that a lessor (or their property manager) must only attend the property when the tenant is present and allows entry.

If this requirement were introduced, then we consider it is appropriate to introduce an equal right for the lessor or their property manager to seek recourse against a tenant if they are prevented from entering a property when lawfully entitled to.

Where:

- the lessor has a legal entitlement to have a routine inspection undertaken;
- a tenant has been given the requisite notice;
- the property manager has reasonably attempted to accommodate that tenant; and
- the tenant refuses entry,

the property manager should be entitled to re-attend the property to conduct the inspection and the tenant should be penalised on the basis that they are breaching their tenancy agreement and breaching the RTRA Act. Additionally, the lessor or property manager should be compensated for their time.

Similar provisions should apply if a tenant refuses access to parts of the property during the routine inspection.

Safety For Property Managers

We would also like consideration to be given to greater protection for property managers for safety when entering a property to conduct a routine inspection.

Property managers will usually request for any pets to be restrained, however they are often in situations where pets are unrestrained and pose a safety issue to the property manager.

Additionally, there has been a notable increase in reporting to the REIQ of property managers being abused and assaulted by tenants at the property when undertaking routine inspections.

Although such incidents can be reported to police, the property manager's responsibilities to the client do not cease simply because of the tenant causing harm to the property manager. There is currently an ability for a lessor to terminate a tenancy agreement for objectionable behaviour, however this is very difficult for property managers to prove and provide sufficient evidence to satisfy QCAT in terminating a tenancy agreement.

We suggest consideration is given to what penalties could be imposed on the tenant under the RTRA Act if they engage in such behaviour.

Moving Items Of Tenant's Property

In Queensland, property managers are allowed to move items during inspections if it is reasonable and necessary to do so, for example, in order to access certain areas of the property, such as behind furniture or appliances, to open cupboards and check for any damage or maintenance issues.

Generally, property managers will exercise caution and ensure they are careful not to cause any damage to the tenant's belongings or the property itself when moving items, if necessary.

A property manager will usually communicate this with a tenant and seek consent prior to the routine inspection as well as requesting that access is clear to all parts of the property. Notwithstanding, it is a common occurrence for parts of a property to be obstructed to prevent the property manager from having access.

Insurance

The REIQ has concerns about how a lessor's insurance policy will be impacted if their property manager has not physically attended a property within a 12-month period. Generally, a condition of lessor insurance products is to ensure the property is inspected at adequate intervals to ascertain the ongoing condition of the property which may be critical evidence if a claim is made on the insurance.

We note some insurers will request information about the tenancy from the date that their policy started for that property and not the start of that specific tenancy. This means that the routine inspection reports prepared by a property manager will become vital evidence as to the condition of the property covered by that policy.

Lessor Feedback

In the REIQ Property Investor Survey 2023, respondents were asked, "***Would you be satisfied if physical routine inspections were limited to once every 12 months as opposed to the current three months?***"[20] 3,626 respondents answered this question with 91.51% answering **No** and 8.49% answering **Yes**.

Additionally, respondents were asked: "***Would you be satisfied if you had to rely on a tenant providing a virtual inspection of your property rather than a physical inspection conducted by you or your property manager?***"[21] 3,616 respondents answered with question with 95.44% of respondents answering **No** and 4.56% of respondents answering **Yes**.

Respondents also submitted comments to support their views. These can be seen in **Annexure B** and include the following:

> *"Even every 6 months would be fine for an inspection but must be physical inspection by an independent party i.e. property manager or landlord themselves"*
>
> *"They can hide things and owner or agent needs to inspect to pick up on maintenance required."*
>
> *"This is closely linked to duty of care and insurance premiums. Insurance will double if property*

[20] REIQ Property Investor Survey 2023, Question 5 (see Annexure B)
[21] REIQ Property Investor Survey 2023, Question 6 (see Annexure B)

managers can't inspect properly. Maybe 4 months in between inspections instead of 3 months. Most agents already do this anyway."

"This forms part of the lease agreement, the Property Manager is a skilled professional and knows what they are looking for."

"You can hide a lot with a camera, in person is always better. Also gives the tenant the opportunity to discuss any issues face to face with the agent."

"A property manager is paid by myself to look after the property and ensure that the tenants are keeping it in good condition"

"Tenants can create a lot of damage in 12 months which creates substantial cost to the owner to rectify after they vacate. A tenant who is treating the property correctly should not object to a quarterly inspection. Inspections can be done professionally and while the tenant is or is not present, depending on their preference. What is the problem the Government is trying to solve here? It is easier to prevent a problem early with a tenant that is not complying with lease conditions in how they are looking after their rental property. This can usually only be detected by a physical inspection as a virtual inspection can be selective on what is shown. I found this out recently with damage to my own property by the new tenant on the first inspection after tenancy."

"It is IMPOSSIBLE to tell physical problems with the property virtually. We own the property and have the right to check it in person for any problems. There will be no rental properties if this law is enforced. Owners will sell."

"Some tenants don't even own smart phones or have the technical knowhow to take a video."

"Virtual inspections can hide damage physical inspection by the manger is more beneficial"

"Tenants are not qualified to look for damaging maintenance items or have a vested interest in protecting my property."

"A virtual inspection could miss parts of building, whether deliberately or by mistake."

"No, it would be important to have a physical inspection. We have had tenants put a chopping board on the counter hiding a huge burn in the countertop, a basket on a carpeted floor hiding a major hole made by a burn."

"I have had significant issues with tenants causing damage to my properties, especially in relation to the escape of liquid over time. eg. One tenant failed to use a shower curtain and allowed shower water to flood the bathroom and enter the carpet in the living room on a regular basis for 3 months between physical inspections. This caused significant moisture and mould issues that insurance would not cover due to it having occurred over a significant period of time. If I had been unable to conduct that 3 monthly inspection and had to wait 12 months, or had relied on the tenant providing me a brief 'virtual' inspection that didn't specifically identify the damage, the damage to the property would have been much more extreme. Those who own properties should have a right to inspect them regularly to ensure that the tenant that is being allowed to temporarily reside in it, is abiding by the tenancy agreement and keeping it in good condition."

Entry for buyers under a contract of sale

The addition of an entry ground to allow a buyer to enter in order to do certain acts under a contract of sale is a welcome addition. However, the grounds for entry need to be specified to ensure entry is allowed for all circumstances for which a buyer is contractually entitled to access the property:

- bank valuation;

- building and pest inspection;
- pre-settlement inspection; and
- inspections required in accordance with any Special Conditions of the Contract of Sale.

The frequency of entry and notice periods under these grounds must balance the rights of both parties. There should not be a limitation as proposed under Option 3 for entry under these grounds. A lessor is contractually obligated to allow a buyer entry on or before particular dates, this should be permitted regardless of when the last entry occurred.

PRIVACY

Part of the recommended reforms set out under Option 2 are reasonable and will provide clarity to the sector in relation to the tenancy applications process and the storage of personal information.

It would be beneficial for the real estate sector to have clear statutory guidance about how information from clients and third parties should be collected and stored, given the current disparity of requirements under the different legislative instruments applicable to the real estate sector.

Firstly, the *Privacy Act 1988* may not apply to many agencies if they fall under the $3 million threshold. There are also conflicting time frames and requirements for storing information depending on what the information relates under the *Property Occupations Act 2014* and *Property Occupations Regulation 2014*, RTRA Act and *Agents Financial Administration Act 2014*.

We suggest further to Option 2, that consideration is given to prescribing what information about a tenant can be requested by a property manager, and what period of time same must be securely stored.

For example, it should be a requirement that any information collected about a person applying for a tenancy who is not successful be immediately destroyed once the property is leased.

To align with the REIQ's Best Practice Recommendation, information about a tenant should be securely stored for a maximum period of 7 years. This is to ensure the property manager has evidence that they have satisfied their responsibility to the client competently. It will also assist should a future claim be made against the property manager or a future claim be made by the tenant against the lessor and the lessors insurance requires such evidence to uphold the policy.

The Options Paper proposes that tenants should not be required to provide identification. We do not agree with this proposition. It is a requirement of everyday life to provide identification when accessing personal necessities such as establishing a phone connection, utilities, employment, accessing government benefits and so on. There is no reasonable basis for a tenant to avoid being identified when applying for a tenancy which allows them to reside in a property belonging to another person.

We also do not agree with the proposal that information provided by a tenant can only be used to process a tenancy application.

Information provided in a tenancy application and tenancy agreement is used for several valid reasons that serve both parties including the tenant. For example, if the tenant goes missing or passes away on the property, the lessor or property manager needs to have their next of kin details.

Information that can be requested

We strongly oppose the limitations set out in Option 3 of the Options Paper. In particular, prohibiting lessors from obtaining financial statements that show transactions made by a prospective tenant. It is necessary for a lessor or property manager to obtain financial statements from a tenant to verify that they have financial capacity to meet their obligations under the tenancy.

If this is not assessed, the tenant may be placed in financial hardship if they are accepted, and the lessor may incur risk and costs if the tenant cannot meet financial obligations. The lessor's insurance may also be invalidated if it cannot be demonstrated that reasonable checks were undertaken to ensure the tenant was suitable for the tenancy.

Consideration must also be given to insurance and an agent's requirement to act in the best interests of client. The agent has a fiduciary obligation to their client under the *Property Occupations Act 2014*.

If a claim is made against the lessor under their insurance, confirmation of what steps the property manager undertook is vital evidence. Similarly, if a claim is made against the lessors' agent, this evidence is essential for their professional indemnity insurer and the Office of Fair Trading.

In terms of what information is suitable for a property manager to request, the REIQ's best practice position is to request:

- the tenant's personal information (name, address, contact details, date of birth, vehicle registration detail);
- what dependents the tenant has and who the approved occupants are;
- if the tenant is a smoker or has any pets;
- details of the past 2-3 rental properties occupied by the tenant including contact details for the previous agent/lessor;
- employment details, government assistance details, student details;
- personal references;
- 100points of identification with at least one form of photo identification;
- proof of income – the last 2 pay slips of the tenant, Centrelink statement or tax return (if self-employed); and
- confirmation of whether the tenant has previously been party to a dispute relating to rental bond.

This information allows a lessor or property manager to:

1. identify the tenant and undertake any suitability searches they are required to;
2. confirm if the tenant has the financial means to meet their contractual obligation to pay rent and other amounts under the general tenancy agreement; and
3. confirm if the tenant has a good rental history and will take care of the property.

As the peak body, the REIQ is eager to work with the Queensland Government to develop reasonable requirements for tenancy application processes and to deliver an education campaign to the property management sector.

Tenancy Applications

With property technology improvements and advancements, lessors and property managers prefer applications to be submitted via an online tenancy application platform such as 1Form, Tenant Options, T-App, Snug and Apply Now.

When applications are made by way of third-party platforms, generally the platform will allow the tenant to create an online profile and submit tenancy applications to multiple properties using information requested via the platform.

A benefit of using such platforms is that the information collected is stored securely on the third-party platform, which the property manager can access. These systems generally operate with a high level of cyber security. These platforms can also be very useful for tenants who are looking for a rental property, as they allow tenants to apply for multiple properties at once and track their applications online.

If applications are taken by property managers directly, the privacy of the tenant can be protected by ensuring that cyber security measures are in place, including storing information securely.

We oppose the position set out in the options paper that requiring such information infringes on the tenant's right to privacy. Of course, it is the tenant's right that any information provided must be securely stored so that their privacy is not compromised.

Equally, the property owner has a right to decide who they wish to lease their property to. This is a fundamental contractual right that will be eroded if the tenant is not required to provide adequate and relevant information when applying for a tenancy.

Taking Photographs

Property managers are required to take photographs of the rental property during inspections. There are already legislative constraints that must be followed to protect the tenant's privacy.

Property managers must ensure that the photographs are only used for the purposes of conducting the inspection and maintaining the property. The photographs cannot be used for any other purpose, such as advertising the property for rent or sale, without the tenant's written consent.

Additionally, property managers generally do take care to respect the tenant's privacy when taking photographs. They typically will only take photos of areas that are relevant to the inspection, such as the condition of the property or any maintenance issues and will not take photos of the tenant's personal belongings, such as their clothing, furniture, or other items that may be considered private unless this is unavoidable.

For the reasons outlined in this Part 4, we are very concerned with the proposal that tenants will have ultimate control over what photographs may be used as evidence for routine inspection reports.

As the primary evidence to support the routine inspection report, it is crucial that property managers are able to take photographs during the routine inspection that are an accurate representation of the condition of the property. This is not only essential for the lessor's insurance purposes as outlined above, but also to support their own professional indemnity insurance to confirm they have done their job correctly.

EDUCATION

We acknowledge that tenants' privacy rights need to be balanced against the commercial and legal needs of a property owner. We agree there is a need for further education in relation to this topic. As the peak body, we can play a vital role in this area.

For example, there are currently penalties and recourse available to a tenant if the lessor or property manager enters the premises without following the requisite process and giving the correct notice. Increasing cyber awareness and precautions that all parties can take could also assist parties with understanding what they can do to best protect themselves and interests of others against the increasing threat of cybercrime.

KEY RECOMMENDATIONS

We recommend:

(1) No changes are made with respect to the regulation of routine inspections. Routine inspections should continue to be permitted up to 4 times per year, occurring at least 3 months after a previous inspection and providing the tenant with at least 7 days' notice. Physical inspections should not be limited.

(2) If the lessor (or property manager) is required to accommodate the tenant with entry, then a consequence (such as a penalty and compensation) should be introduced if the tenant refuses/fails to give lawful access at the agreed time and date.

(3) Penalties are introduced if a tenant commits objectionable behaviour by abusing or assaulting a property manager while they are conducting a routine inspection of the property or accessing the property for other purposes.

(4) A new ground of entry is introduced to allow buyers under a contract of sale to access the property for any reason they are contractually entitled to under the contract of sale.

(5) A review is undertaken of what type of information is collected about a prospective tenant with due consideration of both the rights of the tenant and property owner. In addition, statutory guidance is given on timeframes for storing information.

(6) The lessor (and their property manager) retain the right to take photographs of the property to support routine inspections and repairs and maintenance issues with the photographs to be stored securely and not to be used for any other purpose.

(7) Education is provided to the broader community about privacy and access issues.

5. RENTAL BOND PROCESS

OPTIONS FOR RENTAL BOND PROCESS

The Options Paper proposes reform to address tenant's concerns relating to the rental bond claim process and to allow the use of commercial bond products in Queensland. The following options are proposed by the Queensland Government:

Option 1 - Status Quo and Education
No change is made to the rental bond process and education resources are developed to educate about rental bond process including requirements that tenants need to meet to receive their full bond, importance of providing evidence of the bond claim, importance of entry condition and exit condition reports and best practice approaches to bond.

Option 2 - Require bond claims to be substantiated
The law is reformed to require lessors to substantiate their rental bond claims and to allow the use of commercial bond products in Queensland.

Option 3 - Require bond claims and tenant's liability to be proven
The law is reformed to require lessors to prove their rental bond claims and a tenant's liability and to allow the use of commercial bond products in Queensland.

IMPORTANT CONSIDERATIONS

The Options Paper sets out compelling evidence of one type of bond claim issue experienced by a minority of tenants in Queensland but ignores factual data indicating that:

- the overwhelming majority of rental bonds are returned **<u>without issue</u>**;
- statutory protections already in place are highly effective for tenants in Queensland, if utilised; and
- one of the most common causes for delay of rental bond return arises from a tenant making a claim for the bond prematurely before the tenancy ends.

RENTAL BOND CLAIM PROCESS

It is our view that the proposed options are misguided and do not offer an adequate solution to the alleged problem posed by the Options Paper.

It is already the case that a lessor or property manager must provide the reason and amounts of any claims made on the bond. If a bond claim is disputed by a tenant or if a tenant claims a bond and the property manager is required to dispute the claim, the property manager will need to substantiate the amount they claim the lessor is entitled to. We do not agree that the options put forward are justified or will achieve anything materially significant or different from the status quo.

There is, however, an opportunity to reduce rental bond disputes which may be achieved by broader community education.

Although we are aware that rental bond refund delays do arise, the issue of bonds being delayed to the extent that legislative reform is needed is, in our view, overstated by the Options Paper.

The RTA Annual Report 2021/22 provides valuable insight into the efficacy of the rental bond refund process in Queensland.

For the 2021–22 period, bond refunds have been processed within 0.6 days on average[22]. The RTA notes that on average a tenant will receive a refund within 2-3 days of the RTA receiving the bond refund request.

A total of 624,427 bonds were held by the RTA in the 2021/22 financial year[23], with 258,802 bond refunds being processed. In the same year, a total of 13,089 bond dispute resolution requests were received, representing only 5% of all bond refunds.

It should also be noted that RTA conciliation can be very effective for parties where there is a bond dispute. In 2021-22 the RTA resolved 76.3% of all disputes where parties volunteers to participate.

When the parties reach agreement on how the bond will be paid out, the bond refund can be fast-tracked and, in some circumstances, paid out automatically.

This means if there is a claim made by the lessor or property manager and the tenant agrees to have that amount withheld (for example, if the tenant stopped paying rent within a few weeks of their tenancy ending) the remaining bond they are entitled to can be fast-tracked.

Unfortunately, there are some common circumstances where a bond release is unnecessarily delayed as a result of the parties' own actions and failure to properly follow the bond claim process.

Tenant claiming bond prematurely

Firstly, when tenants make a claim on the rental bond through the RTA before their tenancy has ended or before the property manager has completed the exit inspection (as required within three business days under s66 of the RTRA Act), this can cause an undue delay to the release of the tenant's bond. Prematurely claiming the bond can make the process more difficult for both parties than it may have otherwise been.

If tenants are better educated or if communication can be improved from the RTA platform so that the tenant is not prematurely claiming the bond, the volume of disputes would be reduced, and bond release would be expedited. We recommend this issue is investigated with the RTA to determine how prevalent it is and its connection with the volume of bond disputes escalated to the RTA and QCAT.

A middle step in the RTA bond claim process may be considered whereby if a tenant starts the process, the RTA should confirm with the lessor or property manager that the tenancy has ended before processing the bond claim. This step could also impose a requirement for the lessor or property manager to respond within 1-2 business days to ensure the step

[22] RTA Annual Report 2021/22, p15
[23] RTA Annual Report 2021/22, p13

doesn't delay the bond claim process, appreciating the need for the tenant to promptly receive a refund of the bond, or part thereof, that they are entitled to.

Full bond being held up for partial release

The second most prominent reason why a bond refund may be delayed is where an entire bond needs to be held up with the RTA while a claim on part of the bond is being finalised. In this scenario, a bond release may be delayed because:

- the lessor or property manager is not able to confirm the amount they will need to claim until they incur the costs of repair, ie. the repair works have been carried out; or
- the lessor or property manager is aware of the approximate amount in dispute but has not finalised a release of the part of the bond that is not disputed.

If the lessor or property manager does not know what amount they will need to claim on a bond, for example if they are awaiting a quote on repairs, they may have no choice but to hold up the entire bond until the costs have been incurred. A lessor cannot make a claim on a bond for repairs without first *incurring* the costs.

If a property manager does not claim the correct amount and proceeds with a partial release in the meantime and the costs are higher than anticipated, the lessor will be responsible for the costs and their property manager may be in breach of their professional duties and obligations to the lessor. This would be most relevant in circumstances where extensive repair work or cleaning is needed (outside the scope of fair wear and tear or a lessor obligation under the RTRA Act).

The second reason noted above can be addressed, we believe, through industry education. Given the statistics released by the RTA, we do not believe this is a prevalent issue and it does not warrant statutory reform. It may be the case that the property manager is acting with caution not to release an undisputed portion of the bond until all matters in relation to the tenancy are finalised.

Substantiating a bond claim

As noted above, it is already the case that when a property manager makes a claim on a tenant's bond, they must have evidence to substantiate their claim. A tenant can dispute a claim and if the property manager cannot demonstrate the amount incurred by the lessor and their entitlement to compensation under the tenancy agreement, QCAT will not allow the claim on the bond. There are numerous QCAT decisions that evidence this.

We do not consider the law reform on this issue proposed will alter the current process in any meaningful way.

RENTAL BOND AMOUNT

The consistent feedback we receive from our membership and property owners is that the maximum bond amount permitted to be taken under the RTRA Act in current circumstances (4 weeks' rent for residential tenancies, 2 weeks' rent for rooming accommodation) is often insufficient.

Lessors commonly absorb costs incurred by the tenant failing to pay rent or seriously

damaging their property and are required to seek compensation against a tenant in QCAT for an amount above the bond.

It is commonly reported that tenants will stop paying rent 2-3 weeks before the end of their tenancy with the intention that rent for this period would be deducted from their bond return.

The problem with this common practice is that by doing so, the tenant reduces the amount left to cover repairs, cleaning and other obligations under their tenancy agreement to 1-2 weeks rent, which of course, scarcely covers such costs.

As a result, if the lessor wishes to seek compensation for the amount they incur from the tenant failing to meet their obligations under the tenancy agreement, they must make a claim for compensation in QCAT.

If a tenant pays rent until the end of their tenancy agreement, as agreed to under the terms of their tenancy, then they are far more likely to receive a full bond refund. If they ensure the property is taken care of (save for fair wear and tear) and returned in the same condition as at the start of the tenancy, then they are far more likely to receive a full bond refund. These critical factors are often overlooked when bond disputes arise.

Given the above, we suggest consideration is given to:

- amending the bond provisions to allow for parties to negotiate and agree to a higher amount of bond being taken, being reasonable for the type of property, features and inclusions; and
- greater community education about meeting tenant obligations under tenancy agreements so that a full bond refund can be given after the expiry of a tenancy.

ADDITIONAL BOND AMOUNTS

We propose that consideration is given to permitting the lessor or property manager to take a higher bond where there is an additional risk to the property, such as if a pet is permitted at the property or, as outlined in Part 2 and 3 of this Submission, if a minor modification or minor personalisation change is agreed to.

As noted above, where a change to a property carries a greater risk to the property and a potentially a higher cost of repair than what the bond affords, the lessor should be entitled to request same as a condition of consent.

For example, in Western Australia, a maximum amount of $260 may be charged for a pet bond, irrespective of the number of pets being allowed[24]. In Victoria, a lessor is able to request an additional bond if a tenant requests a modification to the property[25].

In the REIQ Property Investor Survey 2023, respondents were asked, "***Do you think that the amount of bond you are currently permitted to take is adequate to cover costs associated with***

[24] https://www.commerce.wa.gov.au/consumer-protection/pet-bonds
[25] *Residential Tenancies Act 1997* (Vic) s34

potential claims, property damage or rent arrears?"[26] 3,604 respondents answered this question with 61.18% responding that bond **is not adequate** to cover these costs.

1,841 respondents also provided comments in support of their position. These comments can be seen in **Annexure B**. Some of which include:

> *"I nearly always have to pay to repair things out of my own pocket. Tenants stop paying rent the last few weeks of tenancy so that it gets paid out of bond and there is nothing left over to pay for damage."*

> *"In my previous experience, the bond is really just going to cover the cleaning and damages cost and is not sufficient for rent arrears. Granted the landlord insurance is there to cover this however in totality it's often not enough."*

> *"We should be allowed a pet bond. 5-6 weeks rent would be better. The problem now is that the 'smart' tenants claim their bond the day before vacating resulting in property managers being on the back foot and having to lodge QCAT application."*

> *"It can take 3+ months to go through the QCAT process of removing a tenant, if they decide to stop paying rent for that whole period then it could affect my mortgage and the bond already barely covers the period of rent before we can lodge QCAT warrant of possession."*

> *"Mostly tenants just don't make their few last monthly rent obligations and let the bond carry them forward leaving little for the landlord to recover for the cost of any necessary repairs after the end of the tenancy."*

COMMERCIAL BOND PRODUCTS

We are generally supportive of enabling the use of commercial bond products in Queensland. Commercial bond products can be a useful option for tenants who may not have the funds available for a traditional rental bond. In addition, this may assist where tenants are transitioning from one property to another and do not have sufficient funds for both bonds.

Importantly, the use of these products can provide benefit to the tenant such as flexibility and convenience, without impacting the lessors interest in the bond and practical facilitation of the bond claim process.

Some providers will pay the rental bond as a loan which allows the tenant to make repayments over time with interest. Some providers will allow a tenant to pay the rental bond in installments with the provider paying the full bond at the start of the tenancy for a fee.

Another type of product that providers may offer is a rental bond guarantee, whereby tenants pay a fee to the provider and the supplier provides a guarantee to a specified amount.

Due to the fees and interest associated with commercial bond products, it is important for tenants to understand the terms and conditions of any product before entering into an agreement, and to ensure that they understand their obligations.

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[26] REIQ Property Investor Survey 2023, Question 7 (see Annexure B)

We recommend resources are created to educate the broader community about commercial bond products, if the tenancies laws are reformed to allow use of these products in Queensland.

KEY RECOMMENDATIONS

We recommend:

(1) Review of the initial steps of the rental bond claim process and introduction of an additional step in which a tenant needs to confirm if their tenancy agreement has ended before making a claim for their bond.

(2) Consideration is given to amending the bond provisions to allow for parties to negotiate and agree to a higher amount of bond being lodged.

(3) The Queensland Government implement an education campaign to the broader community about meeting obligations under tenancy agreements so that a full bond refund can be given after the expiry of a tenancy.

(4) Provisions are made to enable additional rental bonds to be taken for circumstances where there is a higher risk to the property and the maximum rental bond is not likely to be sufficient, such as a pet bond, a bond for minor personalisation changes or changes relating to safety and security.

(5) Legislative reform is implemented to enable commercial bond products to be used by tenants in Queensland, provided it does not impact the bond claim process.

6. FEES ASSOCIATIED WITH TENANCY

OPTIONS FOR RENT PAYMENT, UTILITY AND RELETTING FEES

The Options Paper proposes law reform to put limitations on rent payments, utility payments and reletting fees and charges. The following options are proposed by the Queensland Government:

Option 1 - Status Quo and Education
No change is made to the current requirements. Resources are developed to provide guidance about negotiating fees, service charges and other costs and availability of other rental assistance.

Option 2 - Increase transparency
The laws are reformed so that tenants can only be offered fee-free rent payment methods. Utility bills that the tenant is responsible for must be forwarded within one month of receipt. Reletting costs are capped to a fixed amount or by a scale determined by the time remaining on the agreed tenancy.

Option 3 - Limit increases and charges
The laws are reformed so that tenants can only be offered fee-free rent payment methods. Tenants would only be required to pay for excessive water consumption charges with bills being passed on within one month of receipt. Reletting costs are capped to a fixed amount or by a scale determined by the time remaining on the agreed tenancy. Reletting costs cannot be charged for a tenant that is accessing more affordable housing or accepting an offer of social housing or will experience excessive hardship.

FEE-FREE RENT PAYMENT METHODS

There are many benefits associated with the use of third-party rent payment platforms. These benefits apply to the tenant and property manager.

It is our view that the current requirement to provide at least one fee-free method is sufficient and allows the tenant the choice of how they wish to pay their rent. The benefits of using third-party rent payment platforms include:

(a) Security

Third-party rent payment platforms generally offer a greater level of security to the parties as payment details are secure.

This is important where bank account details are exchanged for rent payment and by keeping information securely within a platform, parties are less likely to be susceptible to cyber-crime and fraudulent requests over email, for example, to change bank account details. Using the platform can ultimately protect the tenant from losing money.

(b) Tracking payments

Funds can be tracked more easily to ensure that any amount includes the proper

reference information so it can be receipted and accounted for by the property manager, as required by law. Given that an agency may receive hundreds of payments each week, it is important for funds to include proper reference information.

(c) Reducing missed payments and rent arrears

By setting up direct debiting within third-party rent payment platforms, a tenant is less likely to miss a rent payment, pay rent late and fall into arrears. There are industry reports showing that such methods have assisted tenants in managing rent payments resulting in a reduction of the number of tenants in rent arrears and the quantity of arrears.

(d) Other payments

Third-party rent payment platforms can also provide a convenient method for the lessor or property manager to receive payment of other amounts required under the tenancy such as the bond payment, water or other invoiced payments. This method is more expedient for both the property manager and tenant and is used with the tenants permission.

Although fees associated with the payment transactions can be as low as $1.25, some providers charge up to $5 per payment if a credit card is used by a tenant, which we consider to be significant considering that payments may be made weekly.

For the above reasons, we encourage lessors and property managers to ensure if they do include a third-party rent payment method as a method of payment of rent in the General Tenancy Agreement, that they are selecting a reputable provider with appropriate fees.

RELETTING FEES

The REIQ is strongly opposed to reletting fees being capped given they are reflective of the costs incurred by the lessor when a tenant breaks their lease. We consider the current limitations on reletting costs are fair and reasonable.

If a tenant ends a fixed term agreement before the agreed end date, this constitutes a breach of the agreement and is known as a 'break lease'. A tenancy agreement is a legally binding agreement, and it is reasonable for an owner to seek certain compensation in such circumstances.

Existing statutory protection

Under the RTRA Act, there are several important statutory protections available for tenants:

- the lessor is required to mitigate the losses associated with the break lease;
- if the tenant is experiencing excessive hardship (such as serious financial or health issues) they may seek an order requesting an early release;
- if they believe reletting costs charged are unreasonable, they can make an application for review; and
- QCAT will not allow a claim of compensation from the lessor if they do not agree the costs are reasonable, or if the lessor did not take steps to mitigate the tenant's costs.

Currently, tenants are exercising their right to dispute compensation claims made by property managers associated with a tenant's break lease on a regular basis in QCAT. The proposition that tenants are powerless to do anything, as submitted in the Options Paper, is in our view, not accurate.

Additionally, when considering such matters, QCAT will take a conservative approach and require a very high level of evidence that the lessor has taken steps to mitigate the tenant's costs[27]. Property managers must demonstrate they have undertaken all efforts to mitigate the costs such as what steps were taken to re-advertise the property quickly, the comparative market analysis, number of enquiries received and responded to, viewings facilitated, applications received and processed.

Generally in practice, property managers will do all things necessary to expediently relet the property and the time it takes to find a replacement tenant can vary depending on factors such as the location, condition and rental price of the property, and the demand for rental properties in the area.

Notwithstanding, the tenant is still protected and QCAT decisions are discretionary depending on what member is presiding over the matter. For example, the REIQ has received reports that in recent times, QCAT members will not make an order for reletting costs at all, even if there is evidence to support that the lessor is rightfully entitled to reletting costs, if the tenancy is near its end date.

Reasonable amount of reletting costs

It is occasionally reported to the REIQ that lessors choose not to charge reletting costs or will charge much less than they are entitled to as they wish to assist their tenant with leaving the property.

If the Queensland Government intends to regulate reletting costs in the manner proposed – which we do not support - we recommend more extensive research is conducted to determine what level of reletting costs are presently charged to the tenant and on what scale.

It should be remembered however, that by breaking lease, a tenant is breaching a legally binding contract with the lessor. The lessor does not have the same rights if they wanted to end a lease early. Imposing reletting costs can be modest compared to realistic consequences for contract breaches.

Lessor Feedback

In the REIQ Property Investor Survey 2023, respondents were asked, "***If the tenant chooses to break lease (end a tenancy earlier than agreed), what should the tenant have to pay you as the owner?***"[28] 3,576 respondents answered this question with a majority in support of the current requirements being upheld.

78.41% of respondents selected *Option 1 - loss of rent until the property is re-let or until the end of the tenancy agreement plus reasonable re-letting and advertising costs.*

[27] Property 1301 Pty Ltd t/as Rental Trends v Traynor [2019] QCATA 50, Hughes & anor v Garnett [2017] QCATA 26

[28] REIQ Property Investor Survey 2023, Question 8 (see Annexure B)

14.85% of respondents selected Option 2 – costs determined by the time remaining on the agreed term: For example:- four weeks rent if 75 per cent or more of the agreed term remains- three weeks rent if 50 per cent and less than 75 per cent of the agreed term remains-two weeks rent if 25 per cent and less than 50 per cent of the agreed term remains- one weeks rent if less than 25 percent of the agreed term remains.

UTILITY CHARGES

We are opposed to the proposal in Option 3 which recommends a lessor be required to absorb water consumption charges of a tenant with the tenant only being responsible for an amount over *reasonable consumption for a comparable property*. The Options Paper proposes this reform on the basis of *reducing the tenant's costs*.

Water consumption, like other utility charges, should be borne by the tenant. This is consistent with tenancy law across Australia.

The other proposal, requiring a lessor or property manager to pass on utility accounts within 30 days of receipt is in our view not unreasonable.

KEY RECOMMENDATIONS

We recommend:

(1) No change is made regarding rent payment methods (this will mean that a lessor or property manager must provide at least one fee-free payment method to the tenant).

(2) Education is developed to help lessors or property managers identify available third-party rent payment platforms that are most secure and provide the greatest benefit to the tenant.

(3) No change is made with respect to reletting fees and greater education is provided to the broader community about current statutory protections for tenants.

(4) No change is made to tenant liability for water consumption charges.

(5) Changes are made to require utility accounts to be passed on within 30 days of receipt.

7. TENANCY LAW REFORMS COMMENCING 1 JULY 2023

On 18 April 2023, the Deputy Premier verbally introduced amendments to the *Local Government Electoral and Other Legislation (Expenditure Caps) Amendment Bill 2022* to amend the RTRA Act and Regulation.

No stakeholder, industry or committee consultation was undertaken on these consequential reforms to tenancy law and, regardless, the Queensland Government passed the Bill on the same date.

The changes introduced affected rent increase provisions as well as amending s277 of the RTRA Act, changing the end of a fixed term agreement.

Under the changes, from 1 July 2023, rent under a tenancy agreement cannot be increased within 12 months from the day the rent was last increased or the first day the tenant was required to pay rent under the tenancy agreement. These requirements apply if the same tenant renews or enters into a new tenancy agreement for the same property.

For example, if the tenant was on a 6-month tenancy agreement and renewed this agreement, the rent could not be increased within 12 months from the day the rent was last increased or the first day the tenant was required to pay rent (being the first day of the previous tenancy agreement).

Our concern arises from the transitional provisions introduced which state that these requirements will apply to tenancy agreements (including renewals) entered into before 1 July 2023 (therefore being a retrospective law) and will invalidate terms of tenancy agreements already in effect and to come into effect before 1 July 2023.

The rushed commencement exacerbates this issue because the laws were passed within 3 months of the commencement date. Given it is best practice for tenancy agreements to be renewed at least three months from an expiry date, there is a high and incalculable number of agreements which were renewed for this period with the rent amount agreed to becoming invalid.

Regardless of whether one agrees with the minimum 12-month rule, the manner in which these new laws were introduced and passed was, in our view, highly inappropriate. The process lacked transparency and essential legislative integrity.

In addition, the lack of clear communication and guidance on the new laws caused widespread confusion and concern throughout the rental housing sector. The REIQ was inundated with enquiries identifying and querying consequential ramifications not contemplated in the Queensland Government's haste to pass these laws.

Many parties now do not know what to do or where they legally stand if the terms of their tenancy agreement are now voided. In particular, property owners were not given time to plan or budget for the changes which retrospectively impact their tenancies.

In addition to the rent increase limit changes, the Deputy Premier verbally introduced changes to s277 of the RTRA Act which was also passed on the same day without any industry consultation.

These changes will also apply from 1 July 2023. As a consequence, if a Form 12 Notice to Leave or Form 13 Notice of Intention to Leave to end a tenancy agreement under a prescribed ground is issued, a residential tenancy agreement will only end if the tenant has handed over possession of the premises **on or after** the handover date. This means that if a tenant does not vacate the premises by the handover date, the tenancy agreement will not end.

If a lessor or property manager is required to apply to QCAT for an order to terminate the tenancy, then the tenant may potentially stay in the property for several months until a warrant of possession can be carried out.

Unfortunately, if the tenant decides to move out after the handover date, this will detrimentally impact not only the lessor but all other parties relying on the tenant to vacate by a particular date.

If a new tenancy agreement is already entered and the lessor cannot give vacate possession of the property to the new tenant, this will constitute a breach of the new tenancy agreement. The new tenant will also potentially have nowhere to go if they have left their tenancy to move into the property.

If the lessor has sold the property and settlement is impacted because the lessor cannot give vacant possession, this may put the lessor in breach of their contract and at risk of termination. A buyer may have nowhere to go if they have vacated their previous property in reliance on moving into the property.

There are many considerations that the Queensland Government neglected to consider by denying consultation. The delay in tabling the amendments meant that the true nature of the changes could not be assessed for several days after the law was passed and accordingly, misinformation was detrimentally spread throughout the industry.

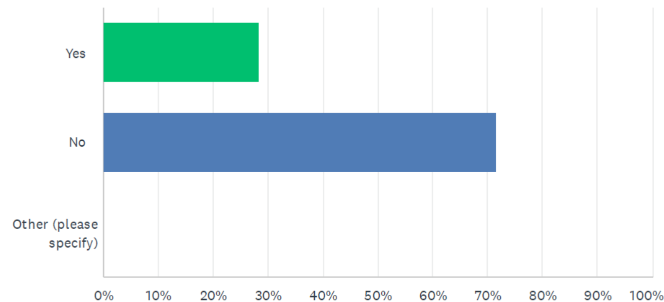
We are not yet convinced that the retrospective nature of these reforms is lawful or constitutional in nature.

Given the laws have not yet come into effect, we strongly recommend they are **delayed** until proper consultation can be taken from industry stakeholders to ensure the implications can be well understood and planned for before commencement.

To that end, please refer to **Annexure D**, a copy of the FAQ developed by the REIQ to assist property managers to understand the confusing new laws. This outlines the potentially damaging ramifications of the new laws.

We recommend these provisions should be delayed until **at least 1 January 2024**. This will allow a period for consultation to be undertaken and time for parties to prepare and ensure their tenancy agreements are compliant before the laws come into effect.

Notably, in the REIQ Property Investor Survey 2023, respondents were asked, "***Does your current tenancy agreement/s include a rent increase that will become void from 1 July due to recent retrospective rent increase limits?***"[29] 3,555 respondents answered this question with 71.67% confirming their current tenancy agreements **do not** actually allow for a rent increase after 1 July 2023.



Additionally, since 18 April 2023, the REIQ has been inundated with emails, phone calls and messages from lessors to express their concern and opposition to these changes. We annex a sample of these correspondences in **Annexure C** to this Submission.

[29] REIQ Property Investor Survey 2023, Question 9 (see Annexure B)

8. STAGE 1 RENTAL LAW REFORMS

The *Housing Legislation Amendment Act 2021* (**Stage 1 Rental Law Reforms**) is currently being introduced in Queensland in stages:

- on 20 October 2021, initial provisions came into effect including those relating to domestic and family violence;
- on 1 October 2022, the majority of changes came into effect including those relating to pets, ending tenancies, repairs and maintenance and retaliation; and
- the remaining provisions relating to minimum housing standards will come into effect on 1 September 2023 for new and renewed tenancies, and 1 September 2024 for all tenancies.

Presently, the rental housing sector is preparing for the minimum housing standards coming into effect by identifying areas of each rental property that may not presently comply and arranging for works to be undertaken and improvements to be installed to ensure compliance with the standards. To this end, the REIQ has undertaken training with the property management sector and has provided a suite of resources to help lessors and tenants navigate these changes.

In the past eight months since the commencement of the majority of changes under Stage 1 of the rental law reforms, the REIQ has noted many areas of improvement that can be reviewed should the Queensland Government proceed with Stage 2 rental law reforms at this time.

(1) Time frame for pet request – lots in a community titles scheme

Under the RTRA Act, if a lessor does not provide a response to a tenant's request to keep a pet at the premises within 14 days, then the lessor is automatically deemed to have approved the request. If a request is deemed approved, reasonable conditions of approval cannot be imposed.

For lots in community titles schemes (such as units, townhouses, apartments), the lessor **cannot** provide approval without seeking approval from the body corporate, if same is a requirement under the body corporate by-laws.

Under applicable legislation, body corporates are permitted to take up to 6 weeks to respond to a lot owners request for such approval.

As a precaution, lessors are opting to refuse pet requests on the basis that they cannot impose reasonable conditions of approval.

The REIQ has consulted on this issue with industry and stakeholders for the body corporate management profession. We would be happy to discuss further with the Department, if consistency can be achieved between the time frames.

(2) Repair Orders

It would be beneficial for a register of Repair Orders made by QCAT to be made available to the public. Tenants could search properties to confirm if an outstanding Repair Order is attached to a particular property, as could property managers when accepting new appointments to manage rental premises.

(3) Retaliation

We are aware through our channels of QCAT setting aside valid Notices to Leave on the basis of the end of fixed term tenancy under the retaliation provisions, where the original action in question is far removed with significant time lapsing.

By way of example based on a real matter in 2022, a tenant issued a Notice to Remedy Breach to a lessor to have repairs undertaken to the property. The lessor complied with the notice within the required period and there was no further dispute between the parties. More than six months later, at the end of that tenancy, the lessor issued a Notice to Leave to confirm the tenancy was ending on the agreed end date. The tenant disputed the Notice to Leave in QCAT on the basis that the tenant considered it retaliatory action from the lessor. QCAT then set aside the Notice to Leave, and the tenant was permitted to stay in the property.

To avoid the retaliatory provisions being exploited in this way, we recommend a time limitation is introduced. Therefore, a tenant cannot rely on the retaliatory provisions if at least, for example 6 months, have passed since the initial action that the lessor is allegedly retaliating against.

9. RECOMMENDATIONS

In conclusion, the REIQ does not support any further wholesale rental reforms at this time. The fragility of the Queensland rental market is well documented and has been acknowledged by the Palaszczuk Government itself.

Broad-ranging legislative reforms of the kind contemplated in the Options Paper will further destabilise investor confidence and potentially drive investors away from the permanent rental market.

We recommend that Stage 2 Rental Law Reforms are placed on hold for at least 12 months, In addition, we submit that recent laws passed on 18 April 2023 are urgently repealed and are included in Stage 2 consultation so that the State Government can take appropriate stakeholder consultation on the changes made, at a later date.

A summary of our recommendations and responses in relation to the Options Paper is outlined below:

(1) The framework and matrix for accessibility minor modifications developed by the REIQ and QDN be adopted.

(2) If minor modification reforms for safety and security are made, a suitable statutory definition of minor modifications is adopted.

(3) A reasonable process whereby a tenant can seek consent for safety and security changes is adopted, whereby the lessor can impose conditions such as:

  (a) requiring suitably qualified, licensed and insured tradespersons to carry out the works;

  (b) specifying the type and quality of materials to be used;

  (c) requiring the property to be returned in the same condition as at the start of the tenancy; and

  (d) allowing the lessor to take an additional bond sufficient to cover the costs of rectification.

(4) No changes are made to the current legislation and requirements around minor personalisation changes.

(5) The Queensland Government should deliver greater education and training to the broader community about current tenant rights, what constitutes unreasonably withholding consent and how a tenant can best prepare their request for consent (for example, important details to include with a request to assist the lessor with making a decision).

(6) No changes are made with respect to the regulation of routine inspections. Routine inspections should continue to be permitted up to 4 times per year, occurring at least 3 months after a previous inspection and providing the tenant with at least 7 days'

notice. Physical inspections should not be limited.

(7) If the lessor (or property manager) is required to accommodate the tenant with entry, then a consequence (such as a penalty and compensation) should be introduced if the tenant refuses/fails to give lawful access at the agreed time and date.

(8) Penalties are introduced if a tenant commits objectionable behaviour by abusing or assaulting a property manager while they are conducting a routine inspection of the property or accessing the property for other purposes.

(9) A new ground of entry is introduced to allow buyers under a contract of sale to access the property for any reason they are contractually entitled to under the contract of sale.

(10) A review is undertaken of what type of information is collected about a prospective tenant with due consideration of both the rights of the tenant and property owner. In addition, statutory guidance is given on timeframes for storing information.

(11) The lessor (and their property manager) retain the right to take photographs of the property to support routine inspections and repairs and maintenance issues with the photographs to be stored securely and not to be used for any other purpose.

(12) Education is provided to the broader community about privacy and access issues.

(13) Review of the initial steps of the rental bond claim process and introduction of an additional step in which a tenant needs to confirm if their tenancy agreement has ended before making a claim for their bond.

(14) Consideration is given to amending the bond provisions to allow for parties to negotiate and agree to a higher amount of bond being lodged.

(15) The Queensland Government implement an education campaign to the broader community about meeting obligations under tenancy agreements so that a full bond refund can be given after the expiry of a tenancy.

(16) Provisions are made to enable additional rental bonds to be taken for circumstances where there is a higher risk to the property and the maximum rental bond is not likely to be sufficient, such as a pet bond, a bond for minor personalisation changes or changes relating to safety and security.

(17) Legislative reform is implemented to enable commercial bond products to be used by tenants in Queensland, provided it does not impact the bond claim process.

(18) No change is made regarding rent payment methods (this will mean that a lessor or property manager must provide at least one fee-free payment method to the tenant).

(19) Education is developed to help lessors or property managers identify available third-party rent payment platforms that are most secure and provide the greatest benefit to the tenant.

(20) No change is made with respect to reletting fees and greater education is provided to the broader community about current statutory protections for tenants.

(21) No change is made to tenant liability for water consumption charges.

(22) Changes are made to require utility accounts to be passed on within 30 days of receipt.

Annexure A

REIQ & QDN Minor Modifications Framework & Matrix

REIQ & QDN RESPONSE TO STAGE 2 RENTAL LAW REFORM OPTIONS PAPER

The Real Estate Institute of Queensland (**REIQ**) as the peak industry body for the real estate profession in Queensland has recently collaborated with Queenslanders with Disability Network (**QDN**), being Queensland's organisation advocating for the rights of persons with disability.

The REIQ and QDN acknowledge the importance of ensuring homes for Queensland tenants living with disability are accessible and adaptable to meet their diverse needs, while still ensuring the rights of the property owner are not diminished.

By virtue of its advocacy work with the Queensland Government, the REIQ is aware of an intention to legislate minor modification in residential properties in Queensland within the next 12 months. The REIQ, nor to its knowledge other relevant stakeholders, have not yet been invited to consult on such regulation.

As a proactive measure in July 2022, the REIQ and QDN jointly hosted a roundtable with a number of stakeholders including QDN Members representing persons with disability, Community Housing Industry Association, Department of Communities, Housing and Digital Economy, Communify Queensland, Tenants Queensland, Property Investment Professionals of Australia, Bricks & Mortar Media and guests to discuss this issue and explore a range of considerations that may inform regulation. The purpose of the roundtable was to formulate a central idea of what such regulation should encompass.

To this end, the REIQ and QDN have developed a framework for acceptable minor modification regulation for residential properties in Queensland, based on the lived experience of persons living with disability, as well as practical expertise drawn from the property management sector (please refer to Schedule 1).

Defining Minor and Complex Modifications

A key principle that was generally agreed between stakeholders, was that parameters should be set and defined as to what modifications should be considered *minor* or *complex*.

'Minor' modifications were considered to be modifications that could be carried out by a person without needing to be suitably qualified, insured or contracted.

'Complex' modifications were considered to be modifications that would require a suitably qualified and insured contractor to perform (such as works that entailed electrical work, plumbing, carpentry, tiling, structural changes).

The proposed framework intends to provide a matrix of what modifications for each section of a residential property could be considered minor or complex.

Considering Consent or Notification

It was generally agreed by stakeholders that:

- modifications classified as minor should be within the tenant's discretion to carry out, or have carried out, without the consent of the property owner albeit that notification should still be given; and
- modifications classified as complex should only be carried out with the property owner's consent.

Risk management is an important consideration of when consent should be given for a particular modification. If a modification has the potential of causing a risk of damage to the property or injury to a person, then it is our view that the consent of the owner should be obtained so that a suitably qualified and insured contractor can be engaged. Such considerations are particularised in the matrix.

We consider it is also important that prior to requesting changes, a tenant should seek advice from an occupational therapist who specialises in home modification assessments, to ensure the changes requested will adequately meet the needs of the person living with disability.

Minor modifications in other States and Territories

The other States and Territories of Australia have varying regulation with respect to this issue. Modifications for the purpose of accessibility are defined and regulated in some States however not all.

In New South Wales, tenants can make changes to residential properties only if the property owner consents to the modification or legislation permits it[1]. If a request is considered minor, then the landlord must not unreasonably withhold consent.

Minor modifications are strictly defined and set out with respect to certain items. The property owner may also impost a condition that such changes can only be carried out if installed or altered by a person appropriately qualified to install a fixture, or carry out alterations, additions, or renovations[2].

In Victoria[3], tenants can make changes to their residence without the property owners' consent for:

- non-permanent window film for insulation, reduced heat transfer or privacy;
- a wireless doorbell;
- curtains (but the renter must not throw out the original curtains);
- adhesive child safety locks on drawers and doors;
- pressure mounted child safety gates; and
- a lock on a letterbox.

There are a number of other alterations tenants may make without permission, only if the property is not listed on the Victoria Heritage Register.

[1] Residential Tenancies Act 2010 (NSW), s66
[2] Residential Tenancies Regulation 2019 (NSW), s22
[3] Residential Tenancies Act 1997 (Vic), s64

Otherwise, if the tenant wishes to make an alteration, they must request permission from the property owner. There are also certain alterations that a property owner cannot unreasonably refuse. A property owner may also request additional security deposit to cover the cost of undoing changes at the end of the tenancy. The length of tenancy can also determine whether consent is needed for certain alterations.

Tenants must have the written agreement of the property owner (and the owners corporation if there is one) before they make any modifications required for persons with disability. Property owners' cannot refuse disability-related modifications without good reason.

In South Australia[4], tenants can't alter a property without the consent of the property owner. There are some restrictions on circumstances where a property owner will need a good reason to refuse consent. Unless otherwise agreed, alterations must be removed by the tenant at the end of the tenancy.

Properties owned by the South Australian Housing Trust are managed and can be modified by Housing SA to meet the needs of persons living with a disability. Housing SA prescribes a series of eligibility criteria including:

- the modifications are for the tenant or another occupant approved by Housing SA in line with the Visitors, other occupants and overcrowding policy;
- the modifications are essential and there's no other reasonable alternative;
- the disability impacts on the person's ability to access and use the property, or their independence would be compromised without the modifications and they would need additional services, for example increased home based services, hospitalisation;
- the need for the modifications is verified by an appropriately qualified, registered and relevant health professional, for example a physiotherapist, occupational therapist, general practitioner;
- the property is suitable for the modifications, for example it can be structurally modified, it isn't listed for a future redevelopment; and
- the modifications aren't the responsibility of another agency, for example National Disability Insurance Agency, Commonwealth-funded aged care services.

There are also requirements specified for minor or major modifications.

In Western Australia, a tenant may make alterations to a property only if stipulated in their tenancy agreement and if they have obtained any consent required under the term of the agreement. If the term requires the consent of the property owner, they must not withhold consent unreasonably[5].

If a tenant is a person living with disability, they may with the property owner's consent, affix furniture to the wall such as bulky bookcases and cupboards, flat-screen TVs and mobility aids[6].

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[4] Residential Tenancies Act 1995 (SA), s70

[5] Residential Tenancies Act 1987 (WA), s47

[6] Residential Tenancies Act 1987 (WA), s47(2A)

Property owners may only refuse consent in the abovementioned circumstances for the following reasons:

- if affixing the item to the wall would disturb material containing asbestos; or
- if the premises are entered in the Register of Heritage Places compiled under the Heritage of Western Australia Act 1990 section 46; or
- if the premises is a lot in a scheme under the Strata Titles Act 1985, the by-laws for the scheme prohibit affixing the item to the wall of the premises; or
- for another prescribed reason.

The legislation does not differentiate between simple and complex modifications.

In the Australian Capital Territory, 'minor modification' and 'special modification' are defined[7].

> *'Minor modification' to premises under a residential tenancy agreement, means—*
>
> *(a) a renovation, alteration or addition that can be removed or undone so that the premises are restored to substantially the same condition as the premises were in at the commencement of the agreement, fair wear and tear excepted; or*
>
> *(b) a modification prescribed by regulation.*
>
> *'Special modification' to premises under a residential tenancy agreement, means—*
>
> *(a) a minor modification; or*
>
> *(b) a renovation, alteration or addition for 1 of the following reasons:*
>
> *(i) the safety of the tenant or other people on the premises;*
>
> *(ii) on written recommendation of a health practitioner—to assist a tenant in relation to the tenant's disability;*
>
> *(iii) to improve the energy efficiency of the premises;*
>
> *(iv) to allow access to telecommunications services; and*
>
> *(v) the security of the premises, or the tenant or other people on the premises.*

If a tenant makes a request for a special modification, the property owner may refuse consent only if they obtain ACAT's prior approval, and in any other case, the property owner must not unreasonably refuse consent[8].

In Tasmania, unless a tenancy agreement provides otherwise, a tenant must not make any alterations or additions, or add fixtures to a property without the written consent of the landlord[9].

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[7] Residential Tenancies Act 1997 (ACT), s71AA

[8] Residential Tenancies Act 1997 (ACT), s71AB

[9] Residential Tenancy Act 1997 (TAS), s54

At the end of the lease, the tenant is responsible for the removal costs of any unauthorised alterations, additions or added fixtures. A common example is satellite dishes on the roof.

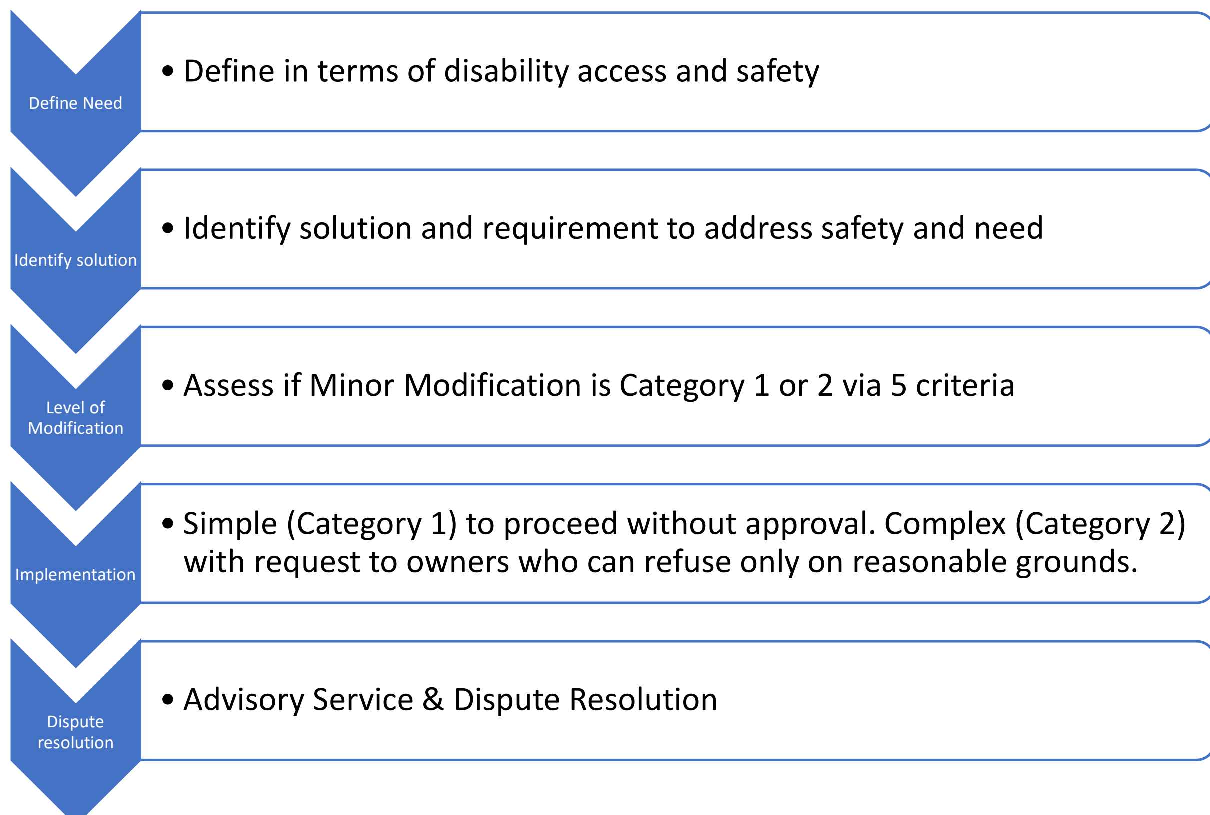
In the Northern Territory, it is a term of a tenancy agreement that the tenant must not, without the landlord's written consent or otherwise than in accordance with the Act, make an alteration or addition to the premises or ancillary property[10].

Installing Modifications

Proposed Framework

The REIQ and QDN ('we') recommend that the Department implement the social model of disability which recognises people are disabled by barriers in society, not by their impairment or difference. Barriers can be physical, like buildings not having accessible toilets, or they can be caused by people's attitudes to difference, like assuming people with disability can't do certain things.

The social model helps us recognise barriers that make life harder for people with disability. Removing these barriers creates equality and offers people with disability more independence, choice, and control. Not everyone uses the social model and that's ok. How anyone chooses to talk about their disability is up to them.



[10] Residential Tenancies Act (NT), s55

QDN REIQ

The following table outlines the relevant criteria and process applicable to a proposed minor modification to a property:

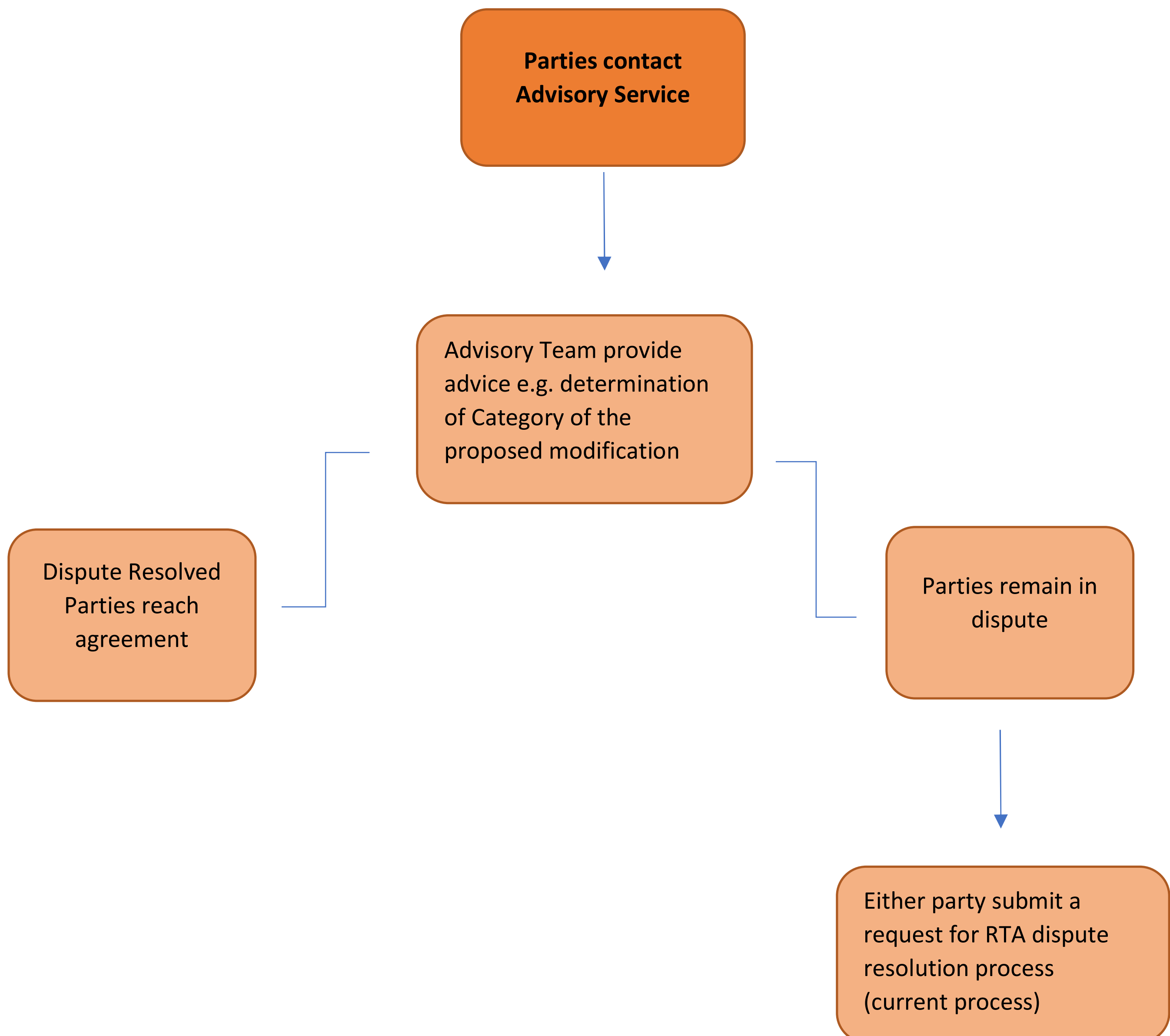
	Minor Modifications		Major Modifications
Criteria	**Category 1**	**Category 2**	**Category 3**
Portability	Can be taken with you to the next property	May interact with structure but can be removed	Is structural in nature
Installation/ Removal	Can be installed/removed by tenant	may require require a handyman or tradesperson to complete without material damage to the property Removal: make good obligations are to be complied with	Requires appropriately licensed/qualified tradesperson and/or health practictitioner to complete
Structural	Does not involve structural changes	Involves level of change to non-structural items	Involves structural change
Risk	Can be installed by tenant without professional input Low impact to property during installation and make good obligations	Professional input may be required 1. Tradesperson 2. Health Professional	Professional input is required 1. Tradesperson 2. Health Professional Prescribed Evidence required**
Decision Making/Approval	No approval needed	Request is made by the tenant (prescribed form). The owner can only be refused on prescribed grounds* or approved with prescribed conditions Response required within 7 business days. • An ability for a PM to request an extension for another 7 business days with substantiated reason for extension • If no response – refer to RTA Committee Urgent Approval – response provided with 2 business days – Urgent application	Approval required – assessed on a case by case basis

*Category 2	
Prescribed Grounds for Refusal	**Prescribed Conditions for Approval**
1. Property is being sold; 2. modification likely to cause material damage to the property or inclusions that could not practicably be repaired for a cost that is less than the amount of the rental bond for the premises; 3. modification could not practicably be restored back to its original standard or appearance; 4. the tenant has not agreed to the reasonable conditions proposed by the lessor for approval to modify the property; 5. modification would contravene a law; 6. modification would contravene body-corporate by-law applying to the property; 7. modification would cause potential health issues to future occupants or owner.	1. Subject to Body Corporate approval; 2. Modifications to be performed by a specified tradesperson; 3. Costs to be borne by the tenants; 4. Make good obligations – costs to be borne by the tenants or as agreed otherwise (Note: to be dealt with on a case by case basis).
Category 3 **Prescribed Evidence	Provided by Prescribed Expert (e.g. NDIS/OT/GP/Applicable Specialist)

Dispute Resolution Process

Parties to contact the RTA Tenancy Dispute Resolution Web Service – to access the modifications advisory service. This service can also be established to manage disputes relating to Minimum Housing Standards investigations and management of Repair Orders.

It is proposed that the advisory team consists of – RTA, NDIS, Person with disability, OT and Building representatives. A person with disability will also be invited to be part of the advisory team (determined through selection process and criteria of experience). The proposed workflow is as follows:



Other considerations:

1. QDN and REIQ to continue working with the broader property sector to develop access criteria, levels, icons and implement accessibility features on existing real estate platforms e.g., realestate.com.au

2. Tenancy scheme for funding of minor modifications and make good arrangements. This could be funded through unclaimed rental bonds and/or interest earned on bonds that are kept secure by the RTA.

    a. Parameters could include maximum of modification costs similar to NDIS.
    b. Additional funding to programs like Home Assist Secure – to fund minor modifications for those unable to meet the costs
    c. Funding to go towards eligible tenants who cannot afford to make good at the end of a tenancy.

3. An Education Campaign is integral to the success of any legislative changes proposed and is key to underpinning the framework. This campaign both promotes the program for tenants, but also educated Property Managers and Owners around the importance of Minor Modifications related to accessibility and safety and contributes to sustainable tenancies for people with disability. As part of the initial promotion of the project, both tenants and property managers will need support in relation to minor modifications. QDN and the REIQ could continue the partnership and work with respective stakeholders to ensure best outcomes. It is hoped that through this campaign, minor modifications that are installed could be left in properties to add additional features and subsequently be promoted through real estate platforms.

QDN
REIQ

Matrix for Home Accessibility and Safety Modifications – For Department's consideration

This Matrix builds upon a Framework jointly developed by the Real Estate Institute of Queensland (REIQ) and Queenslanders with Disability Network Ltd (QDN) to facilitate the development of more 'user-friendly' and timely modifications of rental properties tenanted by people with disability. It builds upon the outcomes of an August 2022 roundtable hosted by both organisations where housing and community industry stakeholders along with people with disability representatives broadly endorsed key components of the Framework

The Matrix provides examples of Category One and Two Minor Modifications and Category Three Major Modifications detailed in the Framework. They are provided as suggestions/options, rather than a prescriptive list of solutions around each of the modification categories. Many solutions to be effective need to be tailored to the disability type and specific support needs of individual tenants.

People with disability and different disability types

People with disability make up 1 in 5 Queenslanders, with an estimated 306,400 Queenslanders of all ages have a profound or severe disability. People with a profound or severe disability require assistance in everyday activities, including core activities such as self-care, mobility, activities of daily living, social participation and communication. People with disability, like everyone else, want to live as safely and independently as possible. Minor modifications in the home can support independence for people.

The table below provides an overview of the disability types. It is important to note that a number of people with disability live with more than one disability type which compounds their functional ability to undertake every-day activities of daily living.

Type	Description	Functional Needs in the home
Physical	Impact on the ability to perform physical activities, such as moving around external and internal parts of a property, undertaking personal care and daily living activities and may also be associated with speech/communication challenges. Generally, relates to musculoskeletal, circulatory, respiratory and nervous systems.	Ability to enter and move safely around the interior and exterior of a property and undertake personal care (bathing, toileting) and daily living activities (meal preparation, cleaning) independently
Intellectual	Difficulties with thinking, learning, communicating and memory. This can affect peoples' ability to undertake complex tasks and solve problems re personal care and activities of daily living needs.	Ability to undertake personal care and daily living tasks and

		social participation independently and safely
Sensory	Impairments in hearing and vision. Sensory disability can have a significant effect on communication, including being understood clearly, it can also impact a person's ability to undertake personal care, social interaction and daily living activities.	Ability to enter and move safely around the interior and exterior of a property and undertake personal care and daily living activities, safely and independently
Neurological	Impairments of the nervous system occurring after birth which can impact upon a person's mobility; dexterity, thinking processes and as such, ability to undertake personal care and daily living activities.	Ability to enter and move safely around the interior and exterior of a property and undertake personal care and daily living activities, safely and independently. Ability to live independently and safely.
Speech	Speech loss, impairment and/or difficulty in being understood verbally, resulting in issues re communication, social interactions and social connection	Ability to communicate and action daily living activities live independently and safely.
Psychosocial	A disability that may arise from a serious mental illness and can impact motivation, emotional and sensory balance and communication, interpersonal and conflict resolution abilities. Not everyone who has a mental illness will have a psychosocial disability, but for people who do, it can be longstanding.	Ability to live independently, move safely around the interior and exterior of the

		dwelling, undertake personal care and tasks of daily living.

Entering the Home				
Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification Category 3**	**Risk Management Strategies /Potential solutions**
Changes to the street number	People need larger sized numbers or colour contrast to ensure that the residence number is visible and accessible to people with vision impairments	Replacing the street number with one that is a different size, format (braille), colour or finish. Painting the number onto the kerb of the property (Category 2)	Installing lighting or making a structural change.	If the street number is screwed onto the exterior of the house or mailbox, or painted, modification may be done by tenant or through handyman. If an alteration to the structure or electrical fittings need to be modified, then a licenced tradesperson should be engaged.
The front entrance location or visibility	People need clear and unimpeded access to their home to ensure that the entry way is clear for access. People need to be able to see door locks and entrance to ensure that entrance is well lit and safe, and tenants can access key locks	Installing sensor lights on pathways and property entrance (if solar or battery) (Category 2) Cut back bushes or shrubs overhanging footpath or property entrance. (Category 1 or 2 depending upon need for licenced tradesperson/landscaper/tree lopper)	Installing sensor lights (if wired)	Sensor lights that do not require wiring can be installed by tenant. If alterations to the structure of the home or electrical fittings need to be modified to install the lights, then a licenced tradesperson should be engaged. In cases where bushes are only slightly overgrown, they may be cut back by the tenant or a handyman. Conversely, where the bushes are overgrown to an extent where they require professional attention, a licenced tradesperson/ landscaper may need to be engaged.
Steps at the entry door	People need step free access and a smooth entry to their home to ensure that people with mobility issues and devices, including wheelchairs, have access to a property independently.	Install a modular ramp system at the steps. (Category 2)	Insert handrails on steps. Remove steps and replace with a ramp or a graded path. Install handrails along the path or ensure surrounding soil and/or grass is level with the new path at the edges	It is recommended to consult an occupational therapist to assess which modifications are suitable for the individual tenant and this issue. A licenced tradesperson would be required to carry out each of the listed modifications.

Steps are slippery and dangerous	People need to be able to access their home without feeling unsafe and reduce the risk of injury.	Tape non-slip, colour-contrasting strips (self-adhesive tape glue strips) to the top (tread) of each step. Ensure each step has a smooth surface before applying the strips, as they do not adhere well to rough surfaces. Clean the steps regularly, making sure no excess water remains. (Category 1)	Paint the steps with slip-resistant paint.	Most materials required to carry out these modifications can be purchased from a hardware store. The modifications are also simple in nature and could be made by the tenant themselves or by a handyman.
The edge of the steps cannot be clearly seen.	People need to be able to clearly see the steps and entry to a property, so they feel confident and are physically safe to navigate entry (covers more than just people with mobility issues)	Install sensor lights (if not wired) that automatically light up the steps as they are approached. Paint the edges of the risers and/or treads of the steps with a strip of colour-contrasting paint. Tape non-slip, colour contrasting strips to the top (tread) of each step. (Category 2)	Install wired sensor lights. (Category 3)	The materials required to carry out these modifications can be purchased at hardwares, lighting and discount department stores. The modifications can generally be made by the tenant or a handyman. If alterations to the structure of the home or electrical fittings need to be modified to install wired lights, then a licenced tradesperson should be engaged.
There is a step or change of level at a doorway	People using wheelchairs or mobility aids need a smooth surface to ensure they can access all levels of the property safely.	Install a plastic modular or portable ramp at the step/change of level. Place a wedge/threshold ramp at the step/change of level. (Category 1)	Install a grab rail on the wall. Install a handrail from wall to ground or landing. Remove the step and replace with a graded path.	Installation of grab rails and handrails is likely to require the expertise of a licenced tradesperson to ensure they are installed correctly and are safe for users. The removal of a step and replacement of it with a graded path with handrails would also require the skills of a licenced tradesperson to carry out.

			Install handrails along the path or ensure the surrounding soil and/or grass is level with the new path at the edges. (Category 3)	
For people with disability related to mobility, dexterity and strength. Door handles, doorways and doors, can be a significant unintentional barrier for people with certain disabilities. The following modifications would be required so that people with limited mobility and/or dexterity in their upper bodies/hands and/or cognitive or sensory impairment are able to manage door handles independently to ensure they can access the property unassisted and with safety.				
The door handle and lock require two hands to operate		Replacing door handles with no locking mechanism (Category 2)	Replace the existing door handle with a key-in-lock lever action handle. Install a lever door handle and separate deadlock. (Category 3)	These modifications would require the skill of a licenced tradesperson (locksmith). An Occupational Therapist may also provide advise re most effective option for the tenant. .
The round door handles are difficult to turn		Use a piece of non-slip matting or slip resistant cover which fits over the door handle to help grip the handle. Use a clip-on lever door handle. Replace the handles with lever door handles. (Category 2)		These modification do not require the skill of a licenced tradesperson.

There are too many keys to manage the different door locks around the home		Use of different coloured keys for doors to assist people with cognitive / sensory impairments and psycho-social impacts. (Category1). Change the lock cylinder on all doors to be keyed alike. One key then operates all doors. (Category 2)		It is likely lock cylinder changes would require the skill of a licenced tradesperson
The lock is located too close to the door frame		Install a lever door handle with a separate deadlock or a key-in-lock lever action handle on the entry door. (Category 2) Use a built-up key holder to assist in putting the key in the lock. This is a key with a moulded or larger handle attached to its base. It gives an easier grip, good leverage and more length to assist in turning the key. Category 2)		These modifications are likely to require the skill of a licenced tradesperson (locksmith) An Occupational Therapist may provide the tenant with advice re best option.
The style of door does not allow for easy opening and closing		Attach a piece of string/rope around the door handle to pull the door closed. (Category 1) Rehang doors so they swing in the opposite direction e.g. outwards rather than inwards. (Category 2)	Remove or change the style of the door.	Attaching a piece of string to a door handle is an easy modification which could be done by the tenant or a handyman. Removing, changing, or rehanging a door is likely to require the skill of a licenced tradesperson.

The doors do not stay open		Place a doorstopper at the bottom of the door. Use a door wedge. Use a door hook. (Category 1) Attach a magnetic catch on the door frame. Remove the closer on the security screen door. (Category 2)		These modifications could be carried out by the tenant or handyman.
The door, the door handle and the lock are hard to see	People with low vision/ neurological impairment need to be able to differentiate between the different elements in the entry way to ensure that they can access the property unassisted and safely. (Category 1)		Paint the door frames contrasting colour to the walls. Ensure the door handles and locks are a contrasting colour to the door.	These modifications can be carried out by a qualified tradesperson.

Internal Hallways, doorways and windows

Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification – Category 3**	**Risk Management**

The hallways and doors are too narrow	People with wheelchairs and those using mobility devices need to be able to navigate around a home without obstacles and to ensure they can access all parts of the property independently.	If door frames and walls are being damaged by equipment, install corner and wall protection. (Category 2)	Widen doorways off hallways. Remove doors to create extra door clearance. (Category 3)	Installing corner and wall protection can be done by the tenant or handyman. Removing doors may require the use of a licensed tradesperson - but no structural change. Widening doorways will require structural change and the skill of a licenced tradesperson.
The window latches are difficult to reach, open and close	People with mobility issues, including those using wheelchairs and mobility devices and people with limited dexterity and strength need to be able to access windows and lock them unassisted to ensure that they can safely open and lock their residence.	Use a long-handed reacher stick to reach the window latch. (Category 1) Arrange for the window to be serviced so that the opening/closing mechanisms operate properly. Install winders on windows. (Category 2)	Install windows that have height adjustable window latches.	The use of a long-handed reacher stick does not require assistance from a licenced tradesperson. Arranging a window service would involve engaging a tradesperson as would the installation of winders on windows, however, not require structural changes. The installation of new windows with height adjustable latches would require structural change and need the skill of a qualified tradesperson.

Bathroom / toilet				
For people with disability related to mobility, dexterity and strength. Bathrooms and access to the bathroom and toilet facilities are essential for everyone in the house, they are also a significant area of risk for people with disability due to their size and hazardous nature in relation to water and slippery surfaces. Being able to use bathrooms and toilets independently can be a significant challenge for people with certain disabilities for a range of reasons outlined below. The following modifications would assist people with mobility issues, including mobility devices, and sensory impairments to access all bathroom facilities safely, independently and with the required support. Having a level access to the shower means people in chairs and using mobility devices can get into the shower area independently, and having a shower fixture that is removable, enables them to shower without a support worker or carer for assistance. Having grab rails in the toilet area, supports people to use toilet facilities without assistance.				
Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification – Category 3**	**Risk Management**
The door limits the amount of circulation space in the bathroom		Rehang the door so that it sits outwards. (Category 2)		This modification may require the skill of a licenced tradesperson.
There is a step into the shower		Install grab rails to give better stability while getting in and out of the shower. (Category 2)	Install a false draining floor in the shower recess or shower floor. Ensure the sides of the false draining floor are flush against the sides of the shower recess or walls.	A false draining floor modification is likely to require the skill of a licenced tradesperson. It is recommended that tenants consult an Occupational Therapist before installing hand and grab rails.
A fixed shower screen limits access			Replace the fixed shower screen with a shower curtain hanging from a continuous curtain rail. Consider using a weighted shower curtain for safety. (Category 3)	The replacement of a shower screen involves structural change and will require the skill of a qualified tradesperson.
The waterflow is hard to direct because the shower rose is fixed		Replace the fixed shower rose with a hand-held shower set on mounting brackets or a vertical grab rail. The shower rose can		Such a modification is likely to require the skill of a qualified tradesperson to the tenant or a handyman could do this. However it is recommended they check

		then be used in a sitting or standing position. For baths, use a hand-held shower with adaptors that push onto single and double bath taps. (Category 2)		with the supplier to ensure the supplied vertical rail is appropriate for use as a grab rail. For safety reasons it is recommended that a vertical grab rail be used and that you seek advice from an Occupational Therapist prior to installation. It is also recommended that before fitting the hand-held shower with a flexible shower hose, the tenant or handyman seek advice from and electrician and/or plumber to ensure the finished installation complies with the requirements of the Plumbing Codes and Wiring Rules.
Seating is needed in the shower		Place a plastic shower chair/stool with metal legs and non-slip feet in the shower. Plastic garden chairs are not recommended as hot water makes them brittle and crack over time. Use a mobile over-toilet shower chair if the shower allows wheel-in access. (Category 1) Install a drop-down shower seat. Install grab rails for support.		Placing a plastic or mobile chair in the shower does not require the skill of a qualified tradesperson. Installing a drop-down shower seat and grab rails would require the skill of a licenced tradesperson. These. Advice from an occupational therapist is also recommended prior to the installation of both items. .

		(Category 2)		
The bath edge is high, and the base of the bath is low		Place an adjustable bath board on top of the bath. Use a bath board and bath seat (inserted low in the bath) if the bath is made of steel (as the weight of the person on the bath seat may cause damage to baths made of weaker materials). Use an over bath swivel chair. Use a tub transfer bench if the bath edge does not support a bath board. (Category 1 or 2 depending on complexity)		All of these modifications involve the use of pre-made objects and can be managed by the tenant.
The toilet seat is low		Use a raised toilet seat (with or without handles). Use a height adjustable over-toilet frame that has a built-in seat and armrests to raise seat height and to provide armrest support. Use a toilet surround frame to provide armrest support. Use a mobile over-toilet shower chair if the area can be accessed by a wheelchair.		Again, these are pre-made structures and can be managed by the tenant.

		(Category 1)		
There is no structural support around the toilet		Install grab rails that clamp onto the toilet to provide armrest support. (Category 2) Use a toilet surround frame to provide armrest support. Use a height adjustable over-toilet frame to raise seat height and provide armrest support. Use a mobile over-toilet shower chair if the area can be accessed by a wheelchair. (Category 1) Install grab rails on the wall. (Category 2)		The modifications requiring the use of pre-made structures can be managed by the tenant. The installation of grab rails would likely require the skill of a licenced tradesperson and it is recommended consultation occurs with an occupational therapist when installing grab rails.
The bathroom floor is slippery, especially when wet.		Place self-adhesive, non-slip rubber strips or shapes on the floor (including the shower and bath surfaces). Clean the shower/ bathroom floor regularly and ventilate. (Category 1) Treat the bathroom/ shower floor with a 'slip resistive when		Treating the bathroom floor with a slip resistive solution, placing self-adhesive rubber strips on the floor and regularly cleaning the shower/bathroom floor can be managed by the tenant. Removing existing flooring and replacing with slip resistant flooring would require a registered tradesperson, however not structural change.

		wet' solution to give the surface a better grip. Remove existing flooring and replace with 'slip resistant when wet' flooring. (Category 2)		

Kitchen				
For people with disability related to mobility, dexterity, strength, sensory impairment. Safe access to kitchens and kitchen appliances are essential for everyone in the house. Stove tops and ovens can provide an unintended barrier to use for people with disability. The hotplate controls may not be clear enough for people with low vision to see, or too small for people with low dexterity to hold properly. Shelves may be set too high or too deep so that people using mobility devices cannot reach easily. Cooking appliances can be a safety hazard for people using mobility devices if not set up in an accessible way. Many modifications can be made simply and with no structural impact to the home and support the independence of people with disability at home.				
Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification – Category 3**	**Risk Management**
The hotplate controls are too small to grasp		Use a contour turner over the top of the hotplate controls to help with turning them. Consider other appliances for cooking which may be easier to operate e.g. a freestanding single hotplate, a microwave oven, a small grill oven, a crock-pot or an electric fry pan. (Category 1)		These are simple modifications as they involve the use of pre-made objects.
The hotplate control markers are very small		Place fluorescent markers, stickers or puff paint (dimensional fabric paints that	Install direct lighting to cooking area. This might be a light in the	Placing fluorescent markers, stickers etc can be done by the tenant.

		have a raised surface) on the hotplate control markers to highlight them and make them more visible. (Category 2)	range hood or a 'down light' above the kitchen bench. (Category 3)	The installation lighting will require assistance from a licenced tradesperson or electrician.
The oven door is in the way when removing items from the oven			Replace the oven with a model which has a side opening door. (Category 3)	Replacing an oven would require the skill of a licenced qualified tradesperson.
There is no set down area next to the oven		Clear the bench space near the oven to ensure there is a safe set down area next to the oven. Use a trolley with wheels to move items to a clear bench space. (Category 1) If you use a wheelchair for mobility, consider using a stable table as a set down area		These are all simple works which would not require the skill of a tradesperson.
The oven is too low		Place a firm chair next to the oven to sit on while using the oven. Consider using cooking appliances that can be placed on a bench e.g. a microwave oven, a small grill oven or an electric fry pan. (Category 1)		These modifications do not require the skill of a tradesperson.

The shelves in the fridge are too deep, high or low		Store most-used items within easy reach in the fridge. Place a firm chair or stool next to the fridge to sit on while reaching items on the lower shelves. (Category 1)		These modifications do not require the skill of a tradesperson.
The sink, stove and fridge are too far apart		Use a trolley with wheels to move heavy items around the kitchen. If a wheelchair is being used for mobility, consider using a stable table to move items around the kitchen. (Category 1)		These modifications do not require the skill of a tradesperson.

Bedroom				
Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification – Category 3**	**Risk Management**
The toilet is too far from the bedroom		Place a commode next to the bed. Keep a bedpan or urinal bottle in a convenient place close to the bed and use with a plastic draw sheet. (Category 1)		These modifications do not require a tradesperson.

The light switch is too far from the bed	People need to feel safe at night to navigate the bedroom. Installing an additional switch that can be reached from the bed ensures that people with disability are safer by being able to see obstacles in their path if needing to move around at night.	Place a lamp beside the bed. Attach a night light just above bed height. Plug in sensor lights are also an option. Keep a torch close to the bed. (Category 1) Install an additional rocker switch for the light close to the bed. (Category 2)		Placing a lamp, torch or night light above the bed do not require a tradesperson. Installing an additional rocker switch will require tradesperson such as an electrician.

Cupboards, wardrobes and drawers				
Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification – Category 3**	**Risk Management**
The shelves/hanging rails are either too high or low	People need to be able to access clothes and personal items safely and independently and reduce risk of injury. Moving hanging rails or shelves to a lower position ensures that they can reach things without support.	Use a long handled pick up stick to reach the items you want. Use a piece of dowel or timber rod with a hook on the end to reach the required items. (Category 1) Move the hanging rail to a lower position in the wardrobe. Install a second hanging rail in the wardrobe that is below the standard rail. Install pull-down baskets if the shelves are too high.		Using a pickup stick or an object with a hook on it does not require the assistance of a qualified tradesperson. The installation of new structures in the cupboard/wardrobe could be done by the tenant or may require a tradesperson.

		Category 1 or 2)		
The shelving in the cupboard/pantry is too deep	People need to be able to access food and items safely and independently and reduce risk of injury. Changing shelving ensures that people using mobility devices or with limited mobility can access their needs without support.	Store regularly used items on a kitchen bench top or a trolley. Use baskets to store regularly used items and place on top of cupboards, shelves or the pantry floor. Consider using drawers to store grocery items. (Category 1) Install small wire baskets on the inside of cupboard doors to store regularly used items. Install a lazy susan to store regularly used items. Install 180-degree hinges on the doors. Lower or raise shelves to make them easier to reach. Install pull-down baskets. Install a pull-out pantry. (Category 2)		The first options listed fall under Category 1 - do not require a tradesperson. Additions/moderations to the pantry /cupboard listed as Category 2 may require the assistance of a licenced tradesperson.
The drawers and cupboards are too hard to open and close	People need to be able to access storage cupboards and shelves independently and ensure that	Install vertical or horizontal easy-pull D handles.		All of the modifications listed would require a licenced tradesperson.

	people with limited mobility and dexterity are able to use independently and safely	Install open shelving for easy access to regularly used items. Replace difficult-to-open drawers with drawers on easy glide runners with stops. Place 180 degrees hinges on the cupboard to allow them to be pulled back easily, Remove the cupboard door and install a curtain. (Category 2)		

Lighting, controls, taps and flooring				
For people with disability related to mobility, dexterity, strength and vision impairment. Being able to access lighting and turn taps on and off are essential for everyone in the house. Having lighting that is bright enough so that people with low vision can navigate safely through the house is essential. For people with low dexterity or using mobility devices like wheelchairs, being able to reach light and power switches is essential for independent living in the home. A simple change of style of tap can ensure that people with disability using mobility devices or with low dexterity/strength can turn taps on and off without assistance.				
Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification – Category 3**	**Risk Management**
The lighting level is low		Replace the light bulbs with higher output bulbs.		These modifications could be done by the tenant however may require the assistance of a tradesperson.

		Install task lighting or plug-in sensor lights to focus light in particular areas. (Category 1 or 2)		
There is not enough lighting as the ceiling fan is in place of the ceiling light		Install a fan with a light fitting included. Consider a fan with a remote control. (Category 2)		Installation of a fan requires i assistance from a tradesperson.
The light bulbs are high on the ceiling.		Use a small plastic device called a globe grabber which is fitted on the end of a long handle.		This modification could be carried out by the tenant or a handyman.
The light and power switches are difficult to turn on and off as they are too small and/or too hard to reach.		Use a piece of dowel or timber rod fitted with a rubber thimble on the end to turn light and power switches on and off. (Category 1) Replace standard switches with large rocker switches. Mount a plug-in power board on the wall, floor or in a place that can be easily reached. Consider a power board with a large rocker switch. (Category 2)		Using a piece of dowel or timber rod fitted with a rubber thimble is a simple modification that can be managed by the tenant. The replacement of switches or mounting of power boards are likely to require the assistance of a qualified electrician.
The mat and carpet edge are a trip hazard		Secure carpet edges. Remove any mats, carpets or vinyl where edges cannot be secured. (Category 2)		Removal of mats can be managed by the tenant. Removing carpet/vinyl will require tradesperson assistance.

The taps are difficult to turn		Attach a removable tap turner to the tap. (Category 1) Change taps so that they half-turn, with either short or long lever handles. (Category 2)	.	Attaching a removable tap turner to the tap would not require a qualified tradesperson. Changing taps may require the assistance of a licenced tradesperson. .

Outdoor areas				
Issue	**Why it is needed**	**Minor Modification - Category 1 and 2**	**Major Modification – Category 3**	**Risk Management**
The clothesline is too high	People need to be able to reach clotheslines independently, so that they can undertake daily tasks without the need of assistance. This ensures that people using mobility devices like wheelchairs can do daily living tasks like laundry without assistance.	Install a fold-down clothesline outside home (e.g. Paraline). Use a drying rack. (Category 1) Install a fully retractable clothesline to outside walls and/or posts. Install a height adjustable rotary clothesline. (Category 2)		Category 1 modifications do not require a tradesperson. Installation of the fully retractable and height adjustable clotheslines may require a tradesperson (Category 1 or 2)
The garden gate latch is difficult to reach and use	People need to be able to access all areas of the property including outside areas	Attach a length of rope to the gate latch and use it to pull the latch open and closed.	Remove the garden gate.	All listed modifications do not require a tradesperson.

	independently. Being able to open the garden gate unassisted supports this and ensures people using mobility devices and/or with low dexterity/strength can access garden areas.	Use a wedge to keep the gate open. (Category 1) Replace the gate latch with a lever handle opener. (Category 2)		
The garden gate latch is located on one side only	People need to be able to access all areas of the property including outside areas independently. Being able to open the garden gate unassisted supports this and ensures people using mobility devices and/or with low dexterity/strength can access garden areas.	Install 180-degree hinges on the gate. Install spring hinges on the gate. Install a lever handle on both sides of the gate. (Category 2)		Installation of the listed items may require a tradesperson.
The garden tap is difficult to turn	People need to be able to access all features in a property. A simple change of style of tap can ensure that people with disability using mobility devices or with low dexterity/strength can turn taps on and off without assistance.	Use a tap turner. (Category 1) Install a lever handle. (Category 2)		Listed modifications may require a tradesperson.
It is difficult to open the letter box with one hand	People need to be able to open a letter box unassisted, Changing the type of letterbox ensures that people with mobility devices and/or low dexterity or	Install a letter box with a side-opening door, drop-down door or no door. (Category 1)		The installation of a letterbox should not require a licenced tradesperson.

	strength can access the letterbox independently.			
The gardens are too low		Use a pot plucker. Use long handed garden tools. Re-pot plans into large pots to raise their height. (Category 1) Consider establishing raised garden beds. (Category 2)		Using a pot plucker or garden tools can be managed by the tenant. Re-potting plants or establishing raised garden beds may require a licenced tradesperson/landscaper.

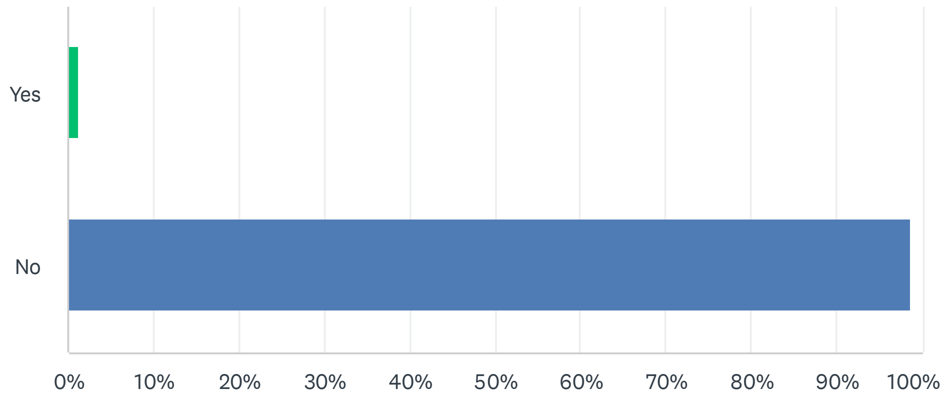
A REAL STEP AHEAD

Annexure B

REIQ Property Investor Survey Report

Q1 Do you think tenants should be able to make any modifications to your property without your consent?

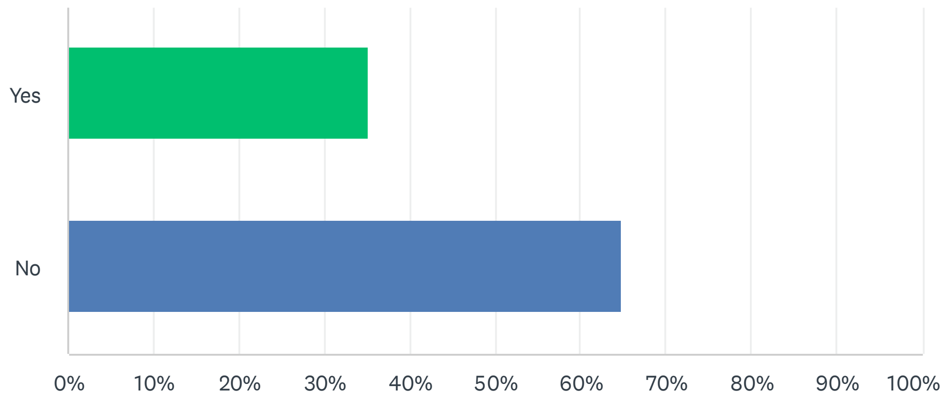
Answered: 3,755 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	1.30%	49
No	98.70%	3,706
TOTAL		3,755

Q2 Do you think it is reasonable for a tenant to make a minor personalisation changes to your property without your consent? For example, putting hooks or screws in walls for hanging photos

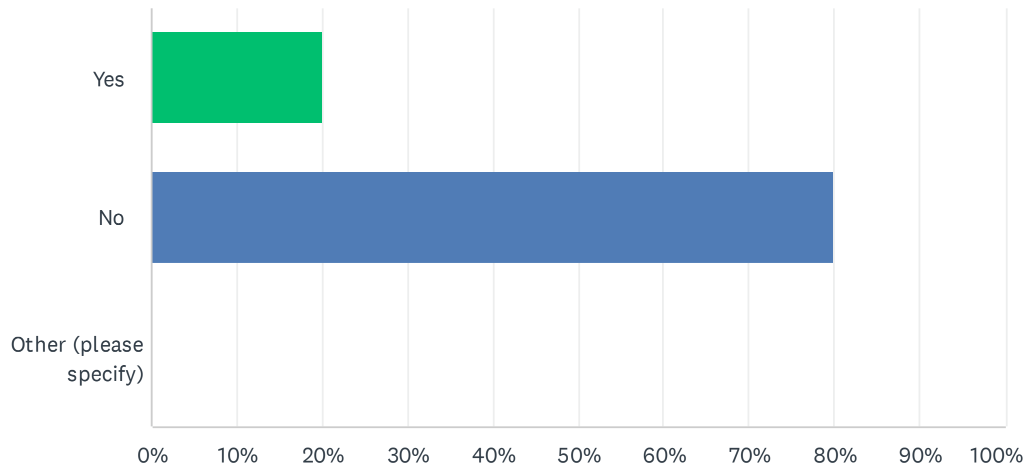
Answered: 3,678 Skipped: 77



ANSWER CHOICES	RESPONSES	
Yes	35.21%	1,295
No	64.79%	2,383
TOTAL		3,678

Q3 Do you consider painting walls to be a minor personalisation change?

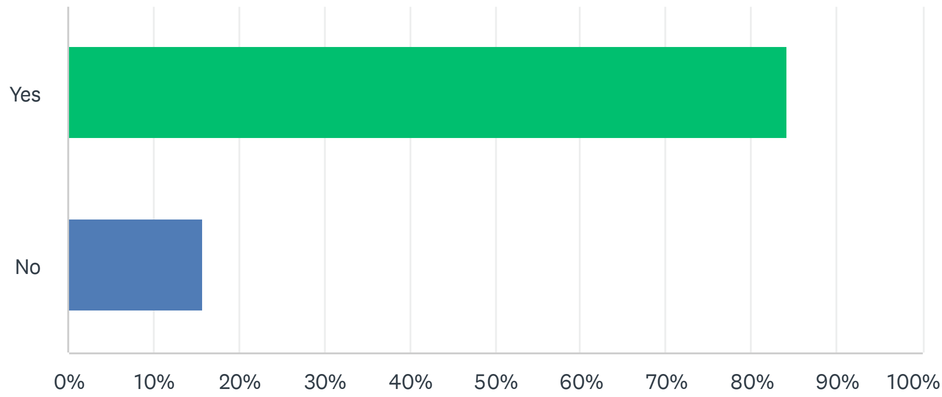
Answered: 3,668 Skipped: 87



ANSWER CHOICES	RESPONSES	
Yes	20.01%	734
No	79.99%	2,934
Other (please specify)	0.00%	0
TOTAL		3,668

Q4 If you could only refuse a minor modification by making an application to QCAT, would this impact your decision to keep your rental property?

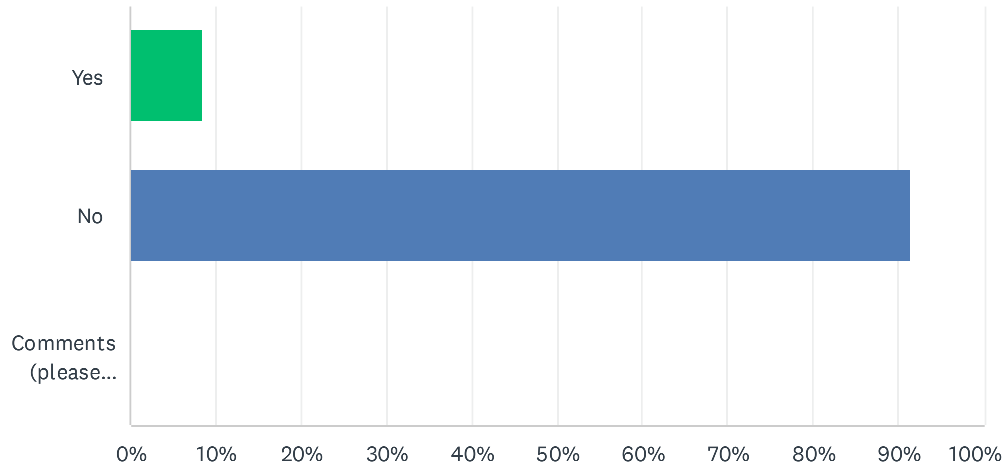
Answered: 3,630 Skipped: 125



ANSWER CHOICES	RESPONSES	
Yes	84.16%	3,055
No	15.84%	575
TOTAL		3,630

Q5 Would you be satisfied if physical routine inspections were limited to once every 12 months as opposed to the current three months?

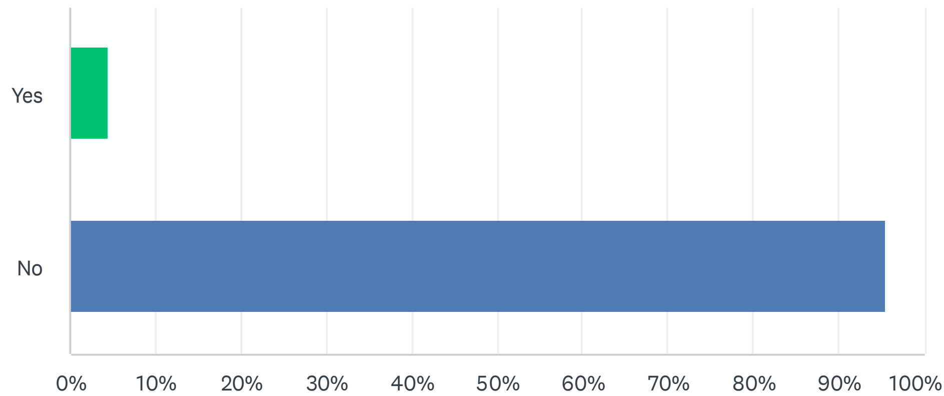
Answered: 3,626 Skipped: 129



ANSWER CHOICES	RESPONSES	
Yes	8.49%	308
No	91.51%	3,318
Comments (please specify)	0.00%	0
TOTAL		3,626

Q6 Would you be satisfied if you had to rely on a tenant providing a virtual inspection of your property rather than a physical inspection conducted by you or your property manager?

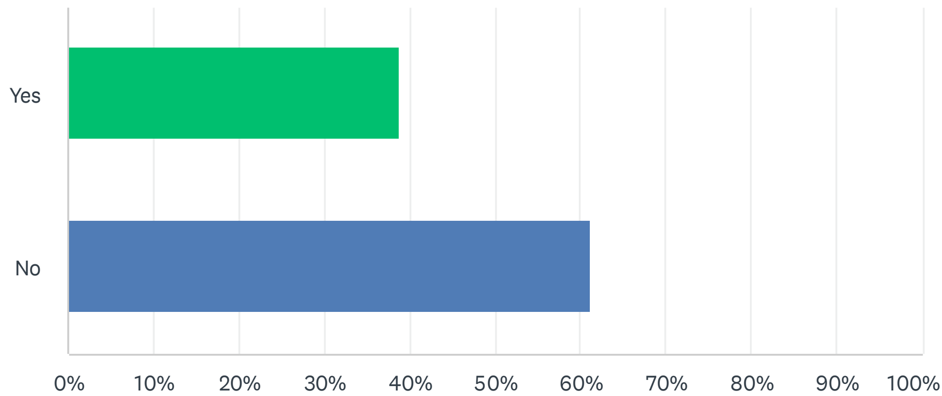
Answered: 3,616 Skipped: 139



ANSWER CHOICES	RESPONSES	
Yes	4.56%	165
No	95.44%	3,451
TOTAL		3,616

Q7 Do you think that the amount of bond you are currently permitted to take is adequate to cover costs associated with potential claims, property damage or rent arrears?

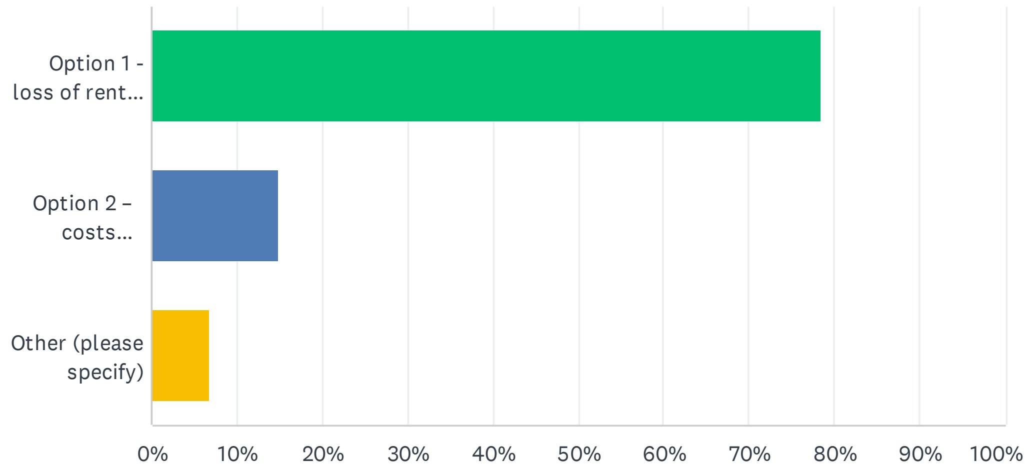
Answered: 3,604 Skipped: 151



ANSWER CHOICES	RESPONSES	
Yes	38.82%	1,399
No	61.18%	2,205
TOTAL		3,604

Q8 If the tenant chooses to break lease (end a tenancy earlier than agreed), what should the tenant have to pay you as the owner?

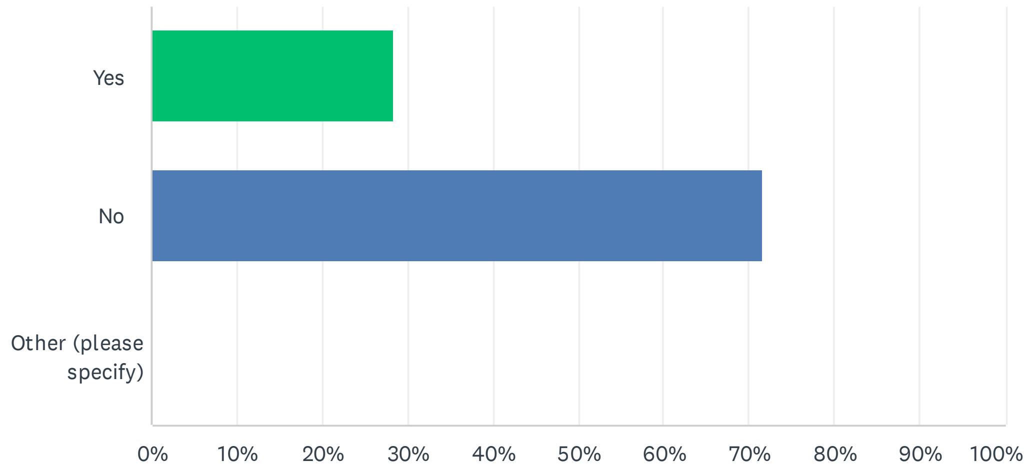
Answered: 3,576 Skipped: 179



ANSWER CHOICES	RESPONSES	
Option 1 - loss of rent until the property is re-let or until the end of the tenancy agreement plus reasonable re-letting and advertising costs	78.41%	2,804
Option 2 – costs determined by the time remaining on the agreed term: For example:- four weeks rent if 75 per cent or more of the agreed term remains- three weeks rent if 50 per cent and less than 75 per cent of the agreed term remains- two weeks rent if 25 per cent and less than 50 per cent of the agreed term remains- one weeks rent if less than 25 per cent of the agreed term remains.	14.85%	531
Other (please specify)	6.74%	241
TOTAL		3,576

Q9 Does your current tenancy agreement/s include a rent increase that will become void from 1 July due to recent retrospective rent increase limits?

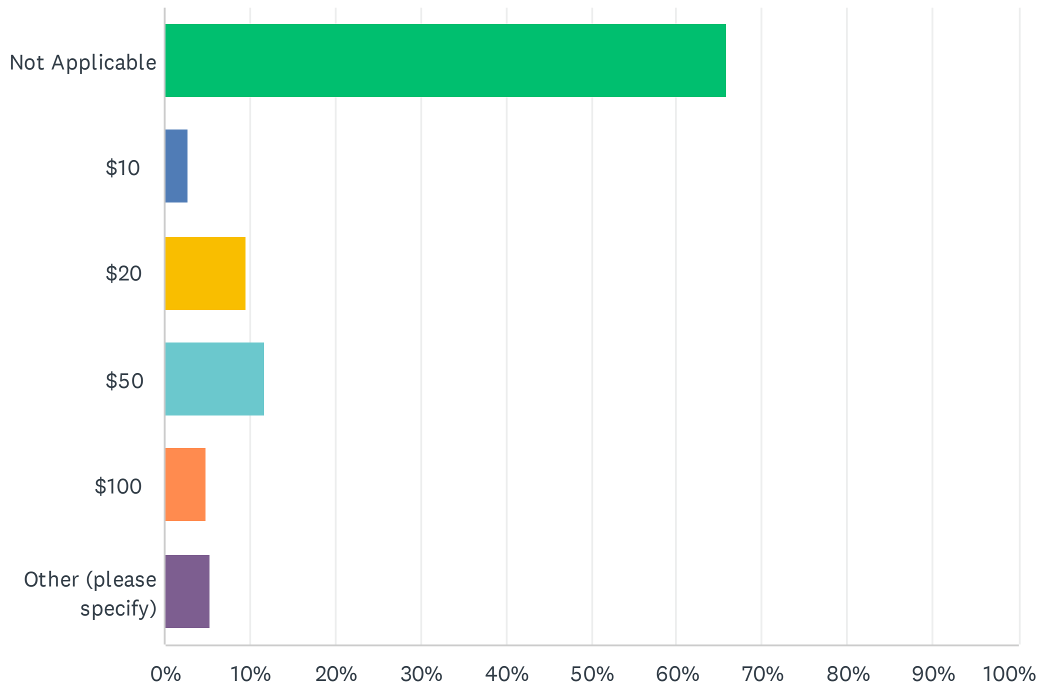
Answered: 3,555 Skipped: 200



ANSWER CHOICES	RESPONSES	
Yes	28.33%	1,007
No	71.67%	2,548
Other (please specify)	0.00%	0
TOTAL		3,555

Q10 If your current tenancy agreement/s included a rent increase that has become void, approximately how much lost rental income per week does this represent?

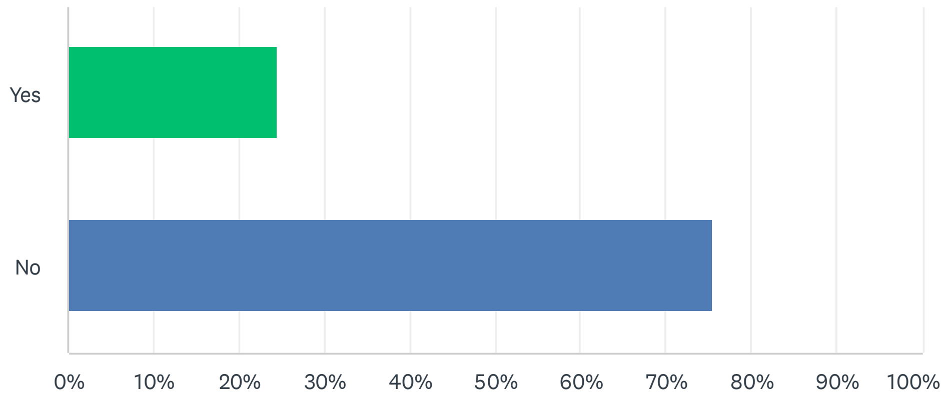
Answered: 3,539 Skipped: 216



ANSWER CHOICES	RESPONSES	
Not Applicable	65.78%	2,328
$10	2.83%	100
$20	9.52%	337
$50	11.70%	414
$100	4.89%	173
Other (please specify)	5.28%	187
TOTAL		3,539

Q11 In consideration of increasing costs, does the current rent amount cover all of the expenses and holding costs associated with your property? For example, interest expense, rates, utilities, maintenance, insurance and tax.

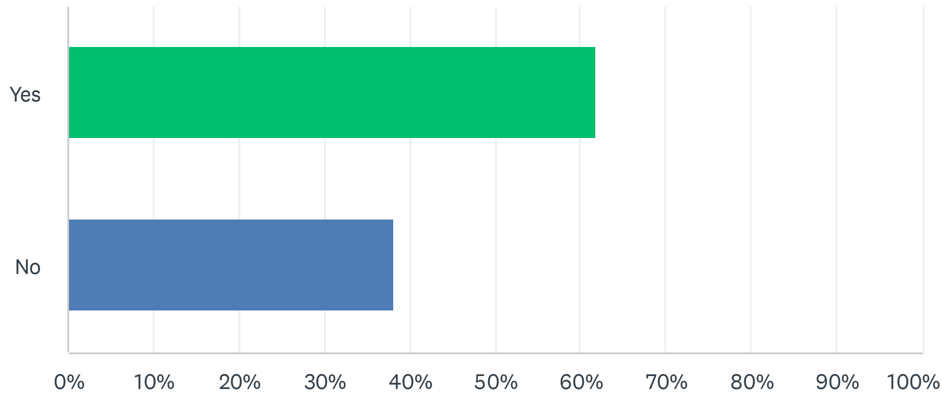
Answered: 3,528 Skipped: 227



ANSWER CHOICES	RESPONSES	
Yes	24.49%	864
No	75.51%	2,664
TOTAL		3,528

Q12 In the past two years, have you considered selling your rental property?

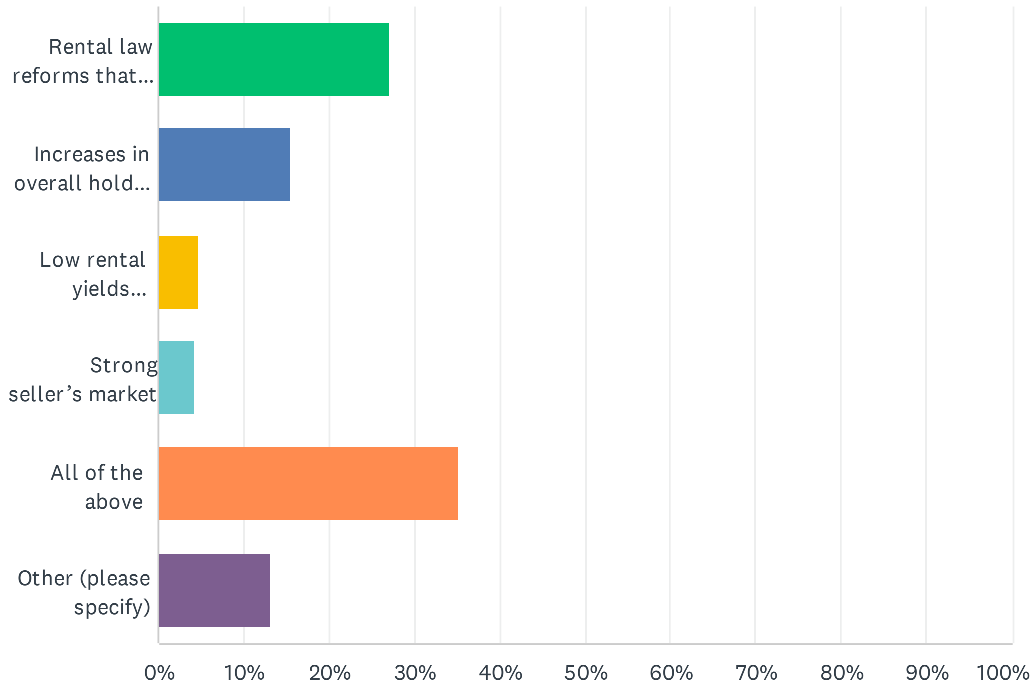
Answered: 3,526 Skipped: 229



ANSWER CHOICES	RESPONSES	
Yes	61.83%	2,180
No	38.17%	1,346
TOTAL		3,526

Q13 If you have considered selling your rental property, what is your primary reason for doing so?

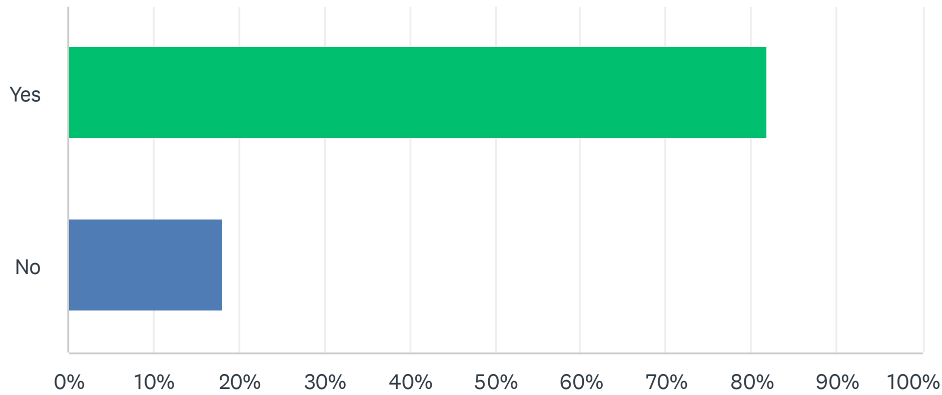
Answered: 3,514 Skipped: 241



ANSWER CHOICES	RESPONSES	
Rental law reforms that limit my rights	27.06%	951
Increases in overall holding costs (i.e. council rates, water rates, land tax, services charges such as electricity, insurance, strata levies, maintenance and interest on loans)	15.51%	545
Low rental yields impacting return on investment	4.78%	168
Strong seller's market	4.30%	151
All of the above	35.09%	1,233
Other (please specify)	13.26%	466
TOTAL		3,514

Q14 If you have considered selling your rental property, have recent and future proposed tenancy law changes influenced your likelihood of selling?

Answered: 3,508 Skipped: 247



ANSWER CHOICES	RESPONSES	
Yes	81.78%	2,869
No	18.22%	639
TOTAL		3,508

Q15 Please provide any other matters impacting you as a property owner or any other issues you would like us to consider.

Answered: 3,464 Skipped: 291

Q16 If you would like to receive any updates about our campaign, please enter your email below, otherwise please enter 'n/a'.By entering your email below, you agree and accept the REIQ Privacy Policy.

Answered: 3,382 Skipped: 373

REIQ
A REAL STEP AHEAD

Annexure C

Sample of email correspondences received by the REIQ in relation to rent increases

From: [redacted]
Sent: Thursday, 27 April 2023 4:00 PM
To: REIQ - Advocacy

Follow Up Flag: Follow up
Flag Status: Flagged

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

To whom it may concern,

In regards to the new rental laws.
We feel the restrictions to the rental increases should start in July but not be back dated. Also, the current ruling in relation to Notice to Leave end dates should be retained.

Regards

Sent from Outlook for iOS

From:
Sent: Wednesday, 10 May 2023 9:36 PM
To: REIQ - Advocacy
Subject: Notice to leave amendments

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Hi,

I'm emailing in regards to my objection to the new Notice to Leave end dates.

We feel the restrictions to the rental increases should start in July but not be back dated. Also, the current ruling in relation to Notice to Leave end dates should be retained.

Changing the vocab to on or after is going to cause huge stress to landlords which will have a backlash on tenants. Landlords that need to move back into their homes are going to struggle and to make a ruling that goes against the owner of the property is ridiculous. This may result in more properties put up for sale, therefore resulting in less houses in the rental pool. It will have a huge knock on effect. There should be a reasonable reason as to why a landlord would not renew a lease, yes but what you have put in place is doing no one any favours.

There is so much going out there in favour of the tenants, and yes there are plenty of greedy landlords, but there are also plenty of landlords who are just trying to cover their mortgage, pay their bills and survive with the constant interest increases.

I do partly agree with the no raising rent every 6 months, but there has to be something set in place to assist landlords too, not just the tenants.

I do not agree with the new amendments that were rushed through to law without any negotiation nor knowledge of its existence.

Regards,

From:	
Sent:	Wednesday, 10 May 2023 2:06 PM
To:	REIQ - Advocacy
Subject:	Concerned
Follow Up Flag:	Follow up
Flag Status:	Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

I just received an email from my Property consultants and one change that I think will have hugely negative effects on the rental market is the Notice to Leave (ending tenancies). I have no issue with the 12-month rent lock but I have grave concerns about tenants not leaving if they are required to do so at the end of a lease. Does this now protect tenants if they decide that they aren't going to pay rent?

I see the investments in properties in the future declining significantly as landlords aren't protected against lease endings and tenants can decide to stay for as long as they like in a house that they don't own. This lack of property investment by landlords will mean that there are even fewer rentals available which will drive rental prices up even more and see more people living in cars and tents from a housing shortage. I predict this will then have a ripple effect on other areas like the building industry and the stock market. Insurance claims and premiums may also increase if tenants refuse to vacate the premises.

What happens if a tenant trashes the place? Are they able to continue living there and do so over and over again refusing to leave?

I would love some further clarification around this.

Kind regards

From:
Sent: Monday, 8 May 2023 3:42 PM
To: REIQ - Advocacy
Subject: Changes to tenancy laws from July

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Hello

As requested to share views on the change of legislation...

I agree that tenants require a fair level of security in their tenancy, and I also feel that some landlords may have been quick to increase rents substantially. However, legislation has to be fair to both parties.

Landlords provide an exceptionally important role in the economy. For people who cannot afford to purchase property, don't wish to do so, or are ineligible for government provided accommodation, we provide a service that is measured by market forces - which includes rental demand as well as costs of purchasing, paying for and maintaining the property.

The key areas that seem unreasonable are:

Tenant does not vacate on due date. There has to be more protection for the property owner. Many owners are not making any profit from rent, many are losing money each week. It is their legal property and they should have fair legal rights to utilise it. Imagine having to pay mortgage, rates and insurance for months and not receiving rent towards it.

12 months is a long time to wait to increase rent if necessary. Personally, I never increase any rent before 12 months, and only by single digits. However some people might need to. Mortgage repayments are nearly treble what they were 18 months ago. An agreed 6 months agreement should stand up for what it is - an agreement for that period. A new tenancy agreement should provide the opportunity to change the rent - even if 2 months notice must be provided. Things have changed - mortgage costs are way up. The property owner should have the right to sign a new tenancy agreement with new terms (because the previous one has ended).

We are seeing people selling investment properties off, and fewer investment loans are being applied for. This is reducing the private rental stock. Continued legislative changes to the detriment of the property owner, make it very unattractive to continue to provide a property to rent, and will further reduce the rental supply and drive up demand and inevitably prices.

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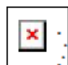


Sender notified by
Mailtrack

From:	
Sent:	Monday, 8 May 2023 3:19 PM
To:	REIQ - Advocacy
Subject:	Tenancy Law Changes - April 2023
Follow Up Flag:	Follow up
Flag Status:	Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Good Afternoon:

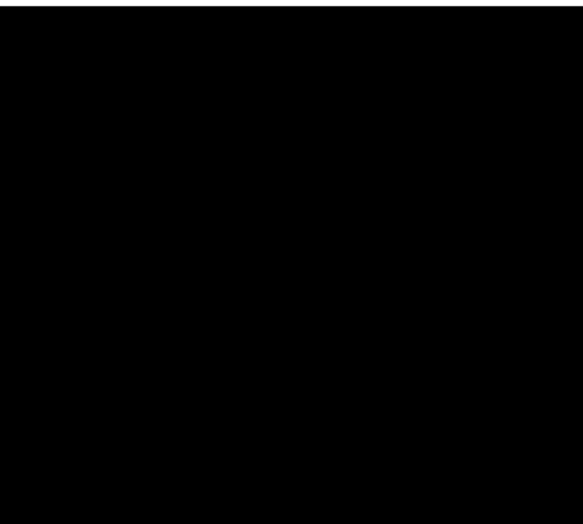
In response to the recent changes to Tenancy Law introduced by the State government this has impacted some of our property owners detrimentally due to the changes affecting existing agreements and therefore circumventing their ability to increase rents in current agreements. Those affected were attempting to regain some lost ground due to the recent spate of interest rate hikes.

The view generally has been along the lines of, if the state government thinks there are problems with the rental market, this action is making it more and more unattractive for landlords to hold rental properties and they are seriously considering selling the investment property and exiting the market altogether. This situation will only exacerbate the shortage of rental properties.

I think this is an example of poorly drafted legislation that was rushed through and unfortunately without any consultation with the peak body (REIQ) for any relevant input.

Sadly it seems we are experiencing this all too frequently lately.

Kind regards



From:	
Sent:	Friday, 5 May 2023 1:40 PM
To:	REIQ - Advocacy
Subject:	Rental Reforms
Follow Up Flag:	Follow up
Flag Status:	Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

I could not believe what I was listening to when I was sent the podcast of the new legislations that the Labour Government has planned for the Rental Market.

There has been absolutely no discissions held with any of the stake holders to access the impact this is going to have not only on the Rental Market but also Investors and current tenants.

Also, how can they back date these changes when there has been no consultation with anyone and no warnings that this is what their intentions are?

WHO, came up with these changes??
Obviously, someone who has no idea of what is happening in the rental market and does not care.

This will make a lot of investors pull out of the rental market and then there will be a bigger crisis than there is now.

There needs to be a lot of discussions held before they allow these changes to take place.

Kind Regards

From:	[redacted]
Sent:	Saturday, 29 April 2023 2:57 PM
To:	REIQ - Advocacy
Subject:	New rental laws.

Follow Up Flag:	Follow up
Flag Status:	Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Hi,

As a concerned landlord I wish to object against backdating anything, especially regarding rent increases. Surely the start of the new financial year would suffice.

Also the proposed laws affecting vacate dates should not be changed.

Regards

From: [redacted]
Sent: Saturday, 29 April 2023 8:36 AM
To: REIQ - Advocacy
Subject: New amendments

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

To whom it may concern, I am very concerned about the new amendment regarding Notice to leave and think it should not be changed as the change could cause a ripple affect and affect multiple people causing more damage and issues.
Regards
Home Owner

From: [redacted]
Sent: Friday, 28 April 2023 12:34 PM
To: REIQ - Advocacy
Subject: Amendments to the Residential Tenancies and Rooming Act

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Dear Sirs,

Objections to the amendments, and rationale for those

Firstly, in general, retrospective legislation is a very bad idea, and is unfair. People enter into arrangements and agreements based on the prevailing law at the time and are entitled to rely on that law when constructing arrangements. If you alter that basic premise and enter an arena where you know there is a risk of retrospective legislation adversely affecting investment decisions, that risk becomes unacceptable, and investors will withdraw from markets where that risk is there.

If the objective of the amendments to legislation is to help ease the "rental crisis" (is it really a "crisis"?), the opposite will be the outcome as investors will simply vacate the increasingly hostile Queensland market, and the stock of available property for rental will reduce. That will have the obvious effect of increasing rents, not reducing them!

A second serious issue is the lack of transparency surrounding the introduction of those amendments. The lack of stakeholder consultation and secrecy with which those were introduced to parliament and then passed, suggests the government knows very well the amendments are questionable, which in itself sends a very negative signal to the market. More is to come we fear, rightly. Again, that fear will serve to deter investment in the Queensland market.

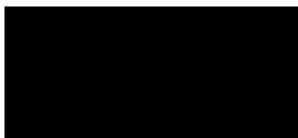
Now let us deal with a seemingly innocuous amendment which in fact is an extremely dangerous one. Under Section 277, the present definition of Vacant Possession is that vacant possession is affected by the tenant leaving on or before the Handover Date specified in the notice of termination. The amendment apparently now states that Vacant Possession will be effected by the tenant leaving on or AFTER (my emphasis) the Handover Date. What in effect that has done is introduce the same squatters rights as exist in Britain, whereunder an unscrupulous tenant basically can stay as long as they wish, with no recourse for the property owner. That is absolutely unacceptable by any measure. It means an owner cannot arrange a new tenant, or sell the property with vacant possession, as there is no certainty the tenant can be made to leave. This is no better than a back door social housing measure which relieves the Queensland government of the need to invest in the house, as the existing owner has done so for them at the owner's expense. Is that really the intention of this government? If so, it is a very serious breach of faith with the community and will have quite disastrous consequences for the reputation of Queensland as a safe investment environment.

Put another way, in a world of competing markets for inbound investment, there is no shortage of other, better, environments elsewhere in Australia within which to invest. We presently have property investment in Queensland, which we shall now be selling and will not again invest in Queensland as we have ceased to trust this government.

The Queensland government needs to understand the reason there is an apparent shortage of rental property, so as to plan and act sensibly to address that issue. Queensland is seen as a desirable location by people in cooler parts of Australia and there has been steady migration internally to Queensland over many years. The harsh covid measures adopted, particularly by Victoria, had the effect of accelerating that internal migration. That herd of people has to find somewhere to live! Supply is simply not keeping up with the demand, and the recent collapses of building companies has exacerbated the issue measurably. What is needed is a cohesive, well thought through strategy to generate sufficient supply. Discouraging investors is hardly a good start! It is my view that there will need to be some government intervention, similar to what was needed to reassure depositors to banks in the wake of the 2008 GFC. Perhaps some form of guarantee that building company commitments will continue to be met in the event of a collapse of a company. I am not a great fan of government doing what business does better, but the devastating consequences to people building homes of losing all their money in such collapses cannot be overstated. Something significant needs to be done to restore confidence so people will continue to invest in building their homes, and investment properties. The approach taken by the US in supporting banks in the wake of the GFC is not a bad model, with suitable industry specific tailoring.

Please feel free at any time to contact me regarding these, as I am more than happy to become a passionate and vocal advocate on this.

All my best



From:
Sent: Friday, 28 April 2023 9:24 AM
To: REIQ - Advocacy

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Dear REIQ

Firstly, thank you for your very thorough and compelling video detailing the latest law changes to the relevant QLD Government Acts.

I am particularly angry with the last amendment concerning the vacate dates. As a landlord, not only is it nonsensical, it is unworkable for all parties except the tenant for whom, essentially, squatting rights have been provided.

The lease has ended, not been renewed, for whatever reason, the property manager or owner has organised the new tenant, who has made the necessary arrangements at their end to move accommodation on a specific date. The new tenants have committed financially as well, with contract signed and money paid, and the current tenant decides to stay. I understand that the governments' solution is just to apply to court for eviction. Apparently, it takes three weeks to get a hearing date now so what will happen in that time?

It is a diabolical situation for all parties except the potentially squatting tenant. I hope that most tenants would do the right thing but that's placing a lot of faith in their integrity! Little wonder there was no transparency to the progress of this law, because any light shone on this would have exposed it for the sham law that it is.

Your efforts to advocate for change will be greatly appreciated.

Kind regards

From:
Sent: Friday, 28 April 2023 8:56 AM
To: REIQ - Advocacy
Subject: Objection to Tenancy Law Changes

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Hi,

I would like to lodge a formal objection to the new law changes regarding the following clause:-

10. WHAT IF I HAVE ANOTHER TENANT READY TO MOVE IN OR THE PROPERTY HAS BEEN SOLD AND SETTLEMENT HAS BEEN SCHEDULED?

Unfortunately, if the tenant decides to move out after the handover date, this will impact any new tenancy for the property or if the property has been sold, it may delay settlement.

If a new agreement is already entered and you cannot give vacate possession of the property to the new tenant, this will be a breach of the new tenancy agreement.

If the lessor has sold the property and settlement is impacted because the lessor cannot give vacant possession, this may put the lessor in breach of their contract and at risk of termination. The lessor should seek legal advice about their rights under the contract as well as their rights against the tenant/s.

I can't believe that this can be legal. No one, including myself will want to invest in a rental property if you no longer have any control over the property. This clause is completely ridiculous. So, now the tenant has all the power and can do what they like. The landlord can't rent the property or sell the property if the tenants don't let you - UNBELIEVABLE. This is absolutely terrifying. The tenant will have the power to bankrupt landlords. This is completely one-sided and totally unfair.

Please let me know if there are any steps I can take to stop this from happening.

Regards,

From:	
Sent:	Friday, 28 April 2023 8:32 AM
To:	REIQ - Advocacy
Subject:	Rental reforms 2023

Follow Up Flag:	Follow up
Flag Status:	Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

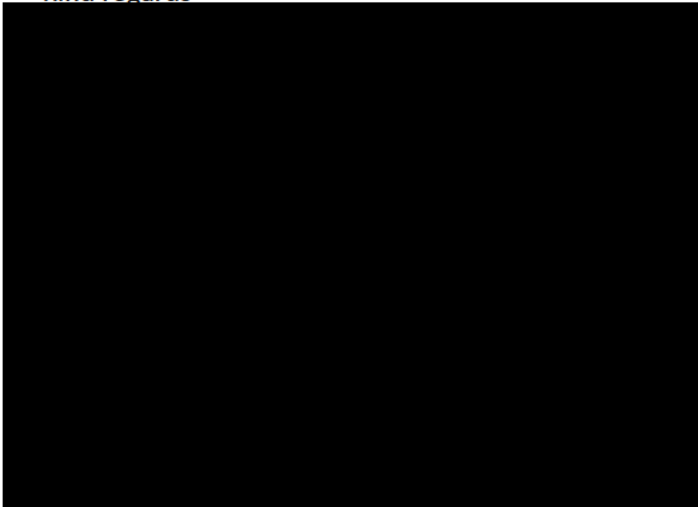
Hi

I'm writing to you to express grave concerns over the rental reforms planned for 2023. Firstly, the rental increase clause should **NOT BE BACK DATED** and additionally the notice to leave reform is extremely distressing.
We are landlords of a property in QLD and if these reforms don't get changed, I believe **A LOT** of landlords will sell their properties thus making the housing rental crisis an even larger problem.

Landlords have a lot of pressure too in this economic climate to maintain properties, cope with rising interest rates and then to put all the power in the hands of the tenants is unacceptable.

We hope you can fight the Government on this issue.

Kind regards



From:
Sent: Thursday, 27 April 2023 4:50 PM
To: REIQ - Advocacy
Subject: Rental increases restrictions

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Hi,

I would like to formally express my concerns about the rental restrictions on increasing the rent. We have been a very fair landlord and not put the rent up during this rental crisis. Now because the government are putting limits on our rental increases, I have no option but to increase the rent now and every 12 months thereafter to the maximum we can achieve. This is not fair on landlords that have done the right thing by their tenants. It is also not fair on the tenants who have had care and consideration from the landlords that have kept the rent lower than they should have.

Also, with the increase in loan repayments, how are the landlords supposed to cut even? If the rent is not high enough and the rental is costing us money, we will have no option but to sell the rental. Again, it leaves us with no option but to put the rent up to the maximum amount possible every 12 months. If we had the option in increasing every 6 months, we may have been able to keep the rent lower, but now we can't because we don't know how much the costs to us are going to be. 12 months is way too long to find out we have made the wrong decision in reducing the rent for our tenants.

If vacant possession is up to the tenant, the tenancy has the possibility of not ending. Where does that leave the owner of the home? This does not make sense. I strongly object.

Kind regards

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From:
Sent: Thursday, 27 April 2023 4:04 PM
To: REIQ - Advocacy
Subject: Concerns regarding 2023 Rental Reforms

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Good afternoon,

As a landlord of Qld investment properties, I believe restrictions to the rental increases should start in July 2023, but should NOT be back-dated.

Also, I believe the current ruling in relation to the "Notice to Leave" end dates should be retained.

Regards

Sent from Yahoo Mail on Android

From:	
Sent:	Saturday, 22 April 2023 10:31 AM
To:	REIQ - Advocacy
Subject:	My thoughts on the current rental crisis
Importance:	High
Follow Up Flag:	Follow up
Flag Status:	Completed

EXTERNAL SENDER: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content can be trusted.

Dear REIQ,

For what it's worth. I am absolutely dumbfounded at the recent decision by the QLD Government to regulate the Rent Increases currently occurring in our rental market.

Let me get this straight, the Governments (including local, state and federal governments) have slowly but surely created this Rental Crisis over the past 10 years by…

1. Introducing policies and taxes that discourage property investment. (High Land Taxes, High Stamp Duties and extra Stamp Duties on Foreign Buyers are the initial thoughts that come to mind).
2. Meddling in the tenancy laws and regulations which now favour tenants to such a degree that investors are thinking twice about whether they want to own an investment property or not.
3. Increasing student and migrant intake putting further pressure on the rental market.
4. Limiting land development and subdivisions, reducing the amount of housing available.
5. Placing significant lags on new developments largely hindered by "bureaucracy" meaning it takes far longer to get a project off the ground and completed – just ask any developer or builder who has had to deal with the BCC over the past few year – it's an absolute joke.
6. Not acting soon enough on the chronic shortage of public housing and leaving it predominantly to the private sector.

And now, they want to 'CAP' how much a landlord can raise their rents in what I thought was a democratic capitalist economy.

The fact is, rents did NOT INCREASE or change significantly for almost a decade in most areas in Brisbane between 2010 and 2020. There were even times when landlords had to drop rents in order to secure a tenant.

Landlords have had to endure increasing costs associated with property investment including interest rate rises (which by the way, wasn't supposed to happen until 2024 according to the RBA!), increases in repair and maintenance costs (try hiring a tradie these days and you'll see how expensive it is), increasing land taxes, Council Rates, Insurance Costs and so forth.

The Government should be ENCOURAGING property investment, not DISCOURAGING it.

Bringing more investors into the market will provide more rental properties to meet demand. This will in turn balance out the property market and reduce the amount of rent increases currently occurring. It's simple economics.

The government should be incentivising private investors of Australia who currently provide 90% of all rental properties to continue to do so, and not propose caps or restrictions to their investment decisions.

Many of these are Mum and Dad investors on average wages who scrimp and save hard in order to afford a rental property in the hope that one day, they may (not always guaranteed!) experience some growth and get some benefit.

Why on earth would you want to discourage this and create more pressure on the rental market!

Mrs Palaszczuk … with fewer rental properties available due to investors abandoning the property market in droves, what do you think is going to happen to the weekly rents then? God help us all!

Regards

From:
Sent: Tuesday, 2 May 2023 2:13 PM
To: REIQ - Advocacy;
Subject: Objections to the new amendments

Follow Up Flag: Follow up
Flag Status: Flagged

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To whom this concerns,
Steve and myself are investment property owners with a couple of properties, one being in our self managed superfund. Our real estate agent has brought to our attention the new amendments passed through and being introduced in July 2023.
Firstly is our objections to the rental increase as of July 2023. We understand the amendment to now 12 monthly rental increase, but this should not be back dated. This is unfair to investment owners struggling to cop all the bank interest rate increases that banks are very quick to implement.
Secondly but actually even more important is the current ruling in relation to the Notice to leave end dates. By changing this there is absolutely no protection for the landlord if the tenants won't move out. Our only way is to then take legal action and that is more time and money for the investor. Final date is final date and should not be up to the tenants.
The way this was passed through without any form of agreement or discussion with other parties is very questionable of this government. I feel almost we are getting dictated to, the way we manage our investments. I was of the thinking that it is good for our economy to invest and grow our money and so when retiring we can be comfortable and not sponge of the government. I hope I have voiced our objection to these rulings sufficiently.
Regards

Sent from my iPad

Annexure D

FAQ for Tenancy Law Reforms 18 April 2023

Tenancy Law Changes April 2023 - Rent Increases & Ending Tenancies

CHANGES COMING INTO EFFECT ON 1 JULY 2023

On 18 April 2023, the Deputy Premier verbally introduced amendments to the *Local Government Electoral and Other Legislation (Expenditure Caps) Amendment Bill 2022* to amend the *Residential Tenancies and Rooming Accommodation Act 2008 (RTRA Act) and Regulation*. Despite no stakeholder, industry or committee consultation, the Bill passed on the same date. The changes to the law introduced will affect rent increase provisions as well as amending other provisions in the RTRA Act.

1. WHAT IS THE NEW MINIMUM PERIOD FOR A RENT INCREASE

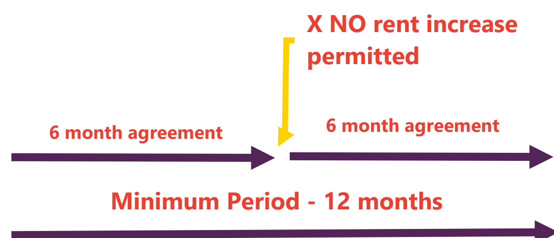
From 1 July 2023, rent cannot be increased within 12 months from:

- the day the rent was last increased; or
- the first day the tenant was required to pay rent under the tenancy agreement.

This will apply **regardless** of when the tenancy agreement started. See Question 4.

These requirements apply during a fixed term agreement or periodic agreement. They will also apply if the same tenant renews or enters into a new tenancy agreement for the same property.

For example, if the tenant was on a 6-month tenancy agreement and renewed this agreement, the rent could not be increased within 12 months from the day the rent was last increased or the first day the tenant was required to pay rent (being the first day of the previous tenancy agreement).



2. WHAT NOTICE MUST BE GIVEN TO INCREASE RENT

If the lessor wishes to increase rent during a fixed term agreement or periodic agreement, a written notice must be given to the tenant.

The notice must state the amount of increased rent and the date the increased rent becomes payable.

This date must not be earlier than the later of:

- 2 months after the day the notice is given to the tenant under a residential tenancy agreement;
- 4 weeks after the day the notice is given to the tenant under a rooming accommodation agreement;
- the end of the **minimum period**.

This means that a notice cannot require rent to be increased before the end of the minimum period of 12 months (refer to Q1).

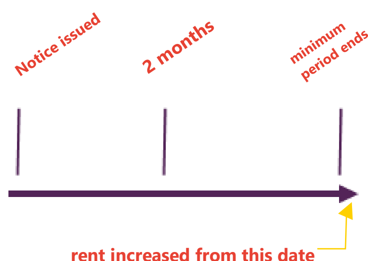
The REIQ's best practice recommendation is to issue the notice at least 2 months' before the expiry of the minimum period so that the rent increase can take effect from the next date.

For tenancy renewals, the notice requirements have not changed. The 2-month notice period does not apply where a new tenancy agreement is being entered with the same tenant.

By way of example:

Scenario 1 – notice is issued less than 2 months from minimum period end date. The rent increase will apply after the 2-month notice period.

Scenario 2 – notice issued with minimum period ending after 2 months from notice date. The rent increase will apply after the minimum period ends.



Scenario 3 – notice issued 2 months from minimum period end date. The rent increase will apply after the minimum period ends.

3. DO I NEED TO HAVE SPECIAL TERMS TO ALLOW FOR THE RENT INCREASE

The requirements under s91(7) have not changed. This means that rent under a fixed term agreement may not be increased before the term ends unless:

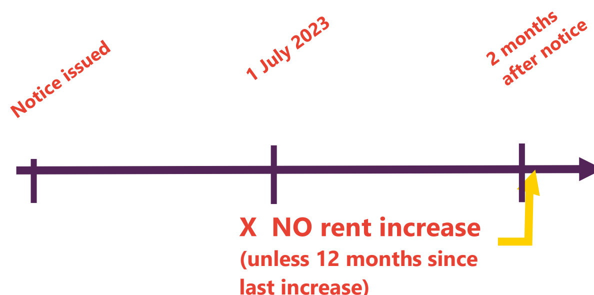
- the agreement provides for a rent increase; and
- the agreement states the amount of the increase or how the amount of the increase will be worked out; and
- the increase is made under the agreement.

4. WILL RENT INCREASE TERMS IN EXISTING AGREEMENTS OR RENEWALS BECOME INVALID?

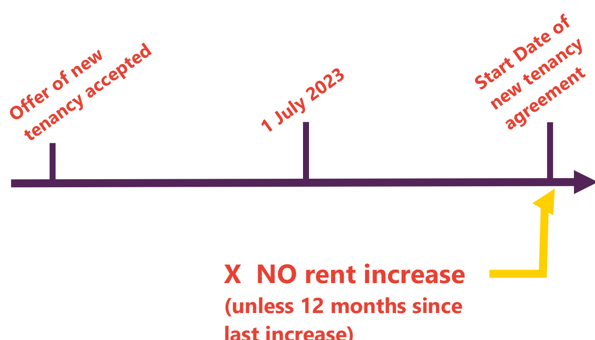
Yes. The transitional provisions that were introduced provide that if a term of a residential tenancy agreement or rooming accommodation agreement in effect on 1 July 2023 is inconsistent with these new provisions, **regardless of when** the agreement was entered into by the parties, the term is **void** to the extent of the inconsistency.

This means that from 1 July 2023, you cannot increase rent under the terms of an existing agreement unless the rent increase will become payable after the end of the minimum period of 12 months (refer to Q1). **This will also apply to tenancy renewals.**

Scenario 1 – even if a notice to increase rent is validly issued before 1 July 2023 under the terms of an existing agreement, if the rent increase is to apply on a date from 1 July 2023, it will be **invalid** unless rent has **not** been increased in the preceding 12 months.



Scenario 2 – if a tenancy is renewed and the start date is after 1 July 2023, any increase in rent from the last agreement will be **invalid** unless the rent was **not** increased in the preceding 12 months.



It is recommended that you advise your clients of these changes as soon as possible to minimise any detrimental impact and avoid potential professional negligence.

5. DO WE NEED TO VARY THE TERMS OF THE EXISTING TENANCY AGREEMENTS?

The transitional provisions state that terms will only be invalid to the extent they are not consistent with the new provisions. This means that there may be parts of the rent increase terms that are not void.

In some cases a formal variation may not be necessary however lessors and their agents should seek legal advice about any variations that might be needed.

For renewals, if you issue a new tenancy agreement to a renewing tenant and it contains an invalid rent increase, lessors should seek legal advice about how to validly vary that tenancy agreement.

6. WHAT IF THERE IS A CHANGE OF PARTIES?

These provisions are not affected by a change of lessor (ie. the property being sold), lessor's agent, or if a co-tenant is removed from the tenancy agreement. These requirements will continue to apply.

For example, under a co-tenancy arrangement, even if only one of the tenants wishes to renew the tenancy of the property and the other co-tenants wish to leave, these requirements will apply.

7. DO THESE CHANGES AFFECT HOW MUCH RENT CAN BE INCREASED?

No. You should continue to follow usual procedure to ensure you comply with your obligations under the *Property Occupations Act 2014* (Qld) by providing a comparative market analysis to your client when discussing market rent attainable for the property. *Refer to the REIQ's Best Practice Guidelines for more information.*

8. HOW DO THE REQUIREMENTS WORK FOR A BREAK LEASE SCENARIO?

- If a tenant ends a lease before its expiry without grounds, the next tenancy is treated as a new agreement with a new tenant and the requirements will not apply.
- For example, if one tenant breaks lease during their tenancy and another person signs an agreement to rent the premises after the first tenant has vacated, then the rent the new tenant pays can be an increased amount from the rent the first tenant was paying, regardless of when the last rent increase was.

The agreement the new tenant has entered into is a new agreement and unrelated to the prior tenancy agreement.

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9. WHAT IF RENT HAS ALREADY BEEN PAID IN ADVANCE FOR A PERIOD AFTER 1 JULY 2023?

If you have collected rent for a period after 1 July 2023 and the amount is now invalid due to the changes to the rent increase provisions, then you must refund the balance back to the tenant.

If you have any doubt as to whether a refund of rent applies, you should seek legal advice.

You may also need to consider if you are required to refund your client for any fees or commission taken on rents collected. The REIQ recommends seeking legal advice in this respect.

If you are an REIQ Accredited Agency, you may contact the REIQ for a referral to Carter Newell Lawyers for 30 minutes of free legal advice for eligible matters.

10. IF THE TENANT OFFERS TO PAY A RENT INCREASE, CAN WE ACCEPT?

It is important to understand you cannot contract out of these requirements, meaning that you cannot reach a mutual agreement with the tenant to increase the rent.

For example, if a tenant offers to pay an increased rent amount when renewing a tenancy within the 12-month minimum period, by accepting this increase you may be contracting out of, or otherwise acting in contravention of, the RTRA Act.

The REIQ recommends seeking legal advice as to the validity of accepting a rent increase within the minimum period.

11. IF A RENT INCREASE HAS BEEN AGREED TO SO THAT THE LESSOR CAN INSTALL AIRCONDITIONING, WILL THIS BE INVALID?

Yes. The reason for the rent increase is irrelevant. If the increase will take effect within 12 months of the last increase or the date which the rent first became payable, then it will be invalid.

12. HOW DO THESE REQUIREMENTS WORK FOR PROPERTIES UNDER NRAS?

There are no concessions for tenants transitioning from the National Rental Affordability Scheme. This means that for properties that are no longer covered by NRAS, from 1 July 2023 property owners are entitled to increase the rent to market value when renewing tenancies (provided that no increase has occurred in the preceding 12-month period).

If a lower rent amount has been agreed to by a lessor with a scheduled rent increase after 1 July 2023, the rent increase will be invalid unless rent has not previously been increased within the preceding 12-month period.

13. HOW DO THESE REQUIREMENTS OPERATE FOR COMMUNITY HOUSING?

The relevant sections of the RTRA Act that relate to rent increases and notice periods (ss 91 and 93) do not apply if:

- the lessor is the chief executive of the department in which the Housing Act is administered, acting on behalf of the State; or
- the lessor is the State and the tenant is an officer or employee of the State; or
- the lessor is the replacement lessor under a community housing provider.

The requirements may apply to a property under community housing depending on the structure of the arrangement.

ENDING TENANCIES

14. WHAT CHANGES HAVE BEEN MADE TO THESE PROVISIONS?

As part of the changes, s277 of the RTRA Act has been amended. These changes will also apply from 1 July 2023.

If a Form 12 Notice to Leave or Form 13 Notice of Intention to Leave to end a tenancy agreement under a prescribed ground is issued, a residential tenancy agreement **will only end** if the tenant has handed over possession of the premises **on or after** the handover date.

This means that if a tenant **does not vacate** the premises by the handover date, the tenancy agreement **will not end.**

For example, a Form 12 Notice to Leave is issued to a tenant to end a fixed term tenancy agreement. The handover date is 10 August 2023, however the tenant **does not** provide vacant possession by this date. The tenancy agreement **will not end** until such time that the tenant gives possession of the property back to the lessor or lessor's agent.

15. WHAT HAPPENS IF THE TENANT DOESN'T LEAVE ON THE HANDOVER DATE?

The lessor or lessor's agent may only be able to end the tenancy by making an application to QCAT under s293 or s294 of the RTRA Act for a termination order.

This application must be made **within 2 weeks** after the handover day.

The lessor or lessor's agent may only be able to retake possession of the property by obtaining a warrant of possession under s350 of the RTRA Act.

If this is necessary, the tenant may potentially stay in the property for several months until a warrant of possession can be carried out.

16. WHAT IF I HAVE ANOTHER TENANT READY TO MOVE IN OR THE PROPERTY HAS BEEN SOLD AND SETTLEMENT HAS BEEN SCHEDULED?

Unfortunately, if the tenant decides to move out after the handover date, this will impact any new tenancy for the property or if the property has been sold, it may delay settlement.

If a new agreement is already entered and you cannot give vacate possession of the property to the new tenant, this will be a breach of the new tenancy agreement.

If the lessor has sold the property and settlement is impacted because the lessor cannot give vacant possession, this may put the lessor in breach of their contract and at risk of termination. The lessor should seek legal advice about their rights under the contract as well as their rights against the tenant/s.

17. DOES THIS APPLY TO A NOTICE TO LEAVE BEFORE 1 JULY 2023?

It is difficult to determine how the transitional provisions will work due to the limited drafting of the new s576 of the RTRA Act.

The changes to s277 will not affect the ending of a residential tenancy agreement on a day before 1 July 2023, if the notice is given **and** the tenant has handed over vacant possession.

It is not clear how the provisions will apply to notices issued before 1 July 2023 where the end date is after 1 July 2023.

It is not clear if these provisions will apply to notices issued before 1 July 2023 with and end date before 1 July 2023 however the tenant has not handed over vacant possession.

These matters will not become apparent until they are tested in QCAT and a determination is given. The REIQ will ensure members are updated once this information comes to hand.

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This FAQ is general advice only and should not be taken as legal advice. Please note the REIQ will update the contents of this FAQ once more information becomes available.

If you have any questions or need best practice advice and you are an REIQ member, you can contact the Property Management Support Service on 1300 697 347 or pmsupport@reiq.com.au.

Let us know your views on these changes. Email us at advocacy@reiq.com.au