

Consumer Affairs Victoria

Email: yoursay@fairersaferhousing.vic.gov.au;

Mail to Residential Tenancies Act Review,

Consumer Affairs Victoria,

GPO Box 123,

MELBOURNE VIC 3001

5th February 2017

To Whom it May Concern

Re: Rental Tenancies Act Review – Fairer Safer Housing

Summary of proposed changes to the Residential Tenancies Act that are of concern to us are discussed below.

MINIMUM STANDARDS FOR RENTAL HOMES.

Rental properties vary in the quality, age, location and type – these factors combine to set the rental value. Houses of lower quality in some areas are rented at a lower rate that meets that market and attracts a certain demographic of the rental group. Likewise, inner city upmarket properties attract higher rentals and tenants that can afford to pay. Therefore the rental market is variable and reflects the capacity of the market to pay. Whilst it is reasonable that rental properties should be safe, there is currently adequate protection and requirements. REIV believes implementing minimum standards will lead increased costs to landlords, pressure on rents, difficulties in ascertaining compliance, the Victorian Building Code already provides for safe housing and as such a separate standard should not apply to rental properties. Additionally rental property insurance policies require that dwellings be safe. This creates another unreasonable impost on landlords. Therefore setting standards will:

- impose unreasonable impost on lower rental properties;
- add significant cost to retrofit older rental properties;
- compromise the ability for rental properties to be cost effective;
- impact on viability by reducing the owners ability to generate a reasonable return that covers costs and provides an income.

LIMITS ON PETS IN RENTAL PROPERTIES.

Some properties are suitable for pets and others aren't. Responsible pet owners who respect the property are always well appreciated by landlords. Many tenants have inappropriate pets in rental properties which can cause friction with neighbours, damage the property, and reduce the desirability of that property in respect of re-letting. Once a pet property always a pet property. The landlord should retain rights to veto pets on the basis that:

- the pet may be inappropriate (ie a large dog in a small yard);

- the pet may cause damage (ie dogs inside destroying fixtures, doors, walls and defecating on carpets)
- a pet may be unsuitable (ie yard too small).

POTENTIALLY REMOVING THE “NO SPECIFIED REASON” NOTICE FROM THE ACT.

As landlords we have invested significant money, time and effort into our rental property. We need to have confidence should our circumstance change we are able to act on the realisation of that asset which may require to cease the tenancy agreement ensuring reasonable provisions are made with the tenant for them to vacate. On that basis we:

- **DO NOT** agree to removal of the “no specified reason” clause.

Enabling tenants to extend their fixed term lease, without landlord consent.

Extension of term in all forms of commercial agreement is by mutual consent. Why would Consumer Affairs seek to make exception in the case of tenancy agreement and empower the tenant with the right to extend the lease without consent?

- **DO NOT** agree with term extension without consent.
- Risks lengthening the stay of undesirable tenants.
- Potential to impact on property value and compromise lending agreements with financiers.

LANDLORDS TO PROVIDE THEIR HOME ADDRESS.

Not that we have anything to hide but access to my home address is an infringement on my privacy. We engage a Property Agent to manage the property therefore such information is not required by the tenant.

- **DO NOT AGREE** with proposed changes because it is a breach of our privacy. We engage a property manager who has all the relevant contact details.

NOTICE FOR ENTRY.

I understand the proposed change requires that a landlord gives 48 hours notice for entry to show to prospective tenants within 21 days of termination and that tenants will have right to compensation for inspections that are held. We engage a property Manager who maintains cordial relations with the tenants within the current regulations. We object to proposed changes on the basis:

- Open for inspections (OFI's) are vital, in managing and leasing properties:
- Constraints on entering properties will, in turn, impact on property managers and landlords.

NO LEASE BREAK FEES.

We understand that it is proposed that tenants in special circumstances could end a tenancy with 14 days notice and should not be required to pay lease break fees. We believe that current provisions adequately provide for early release and we would not stand in the way of someone who has legitimate reason to leave but we believe landlords must retain the right to negotiate the term for early

release given that the tenant has made commitments in leasing the property. This is normal and acceptable commercial practice. We object to proposed changes on the basis:

- **NO CHANGE REQUIRED** – the Act already has flexibility for hardship cases.

GOODS LEFT BEHIND.

Proposed amendment regarding stored goods will create additional cost and administration for removal and storage of discarded goods. We understand that the onus would also be placed on the agent or owner rather than CAV for a claim from the tenant for valuable items left behind and removed. The proposed changes provide no incentive for tenants to remove items quickly.

We object to proposed changes on the basis:

- **DO NOT AGREE** with proposed changes as there is significant cost to landlords and agents and no incentive for the tenant to remove items.

CHANGE TIMEFRAME FOR FINAL INSPECTION REPORT.

Our managing agent prepares condition reports. We understand it is the advise of REIV that it is crucial to retain the existing 14 days (10 business days) to provide the final condition report along with estimates, quotes, invoices or receipts relating to a bond claim so that a landlord can inspect the property within the timeframe.

We object to proposed changes on the basis:

- **DO NOT AGREE** with proposed changes that will place unrealistic timeframes on managing agents to prepare reports.

URGENT REPAIRS

WE understand that “urgent repairs” is to be reduced to 7 days. Currently the timeframe is 14 days with an upper limit spend of \$1800. We believe current requirements are more than adequate.

We object to proposed changes on the basis:

- **DO NOT AGREE** with proposed changes that will place unrealistic timeframes on managing agents to prepare reports.
- Current requirements are more than adequate.

LANDLORD REPAIRS MAINTENANCE BOND

We understand that the proposal is that the Landlord will lodge a bond for non-performance under the proposed “repairs in 7 days”. This is considered absurd. As a landlord we provide a dwelling for rental and the tenant accepts it in its condition at the time. We seek to ensure that we provide the tenant with a safe and functional space to live and we accept that we will have to have things repaired. It is sometimes not possible to make good repairs within 7 days given the need to chase quotes and tradespeople. We recently had a case of storm damage and the timelines were dictated to by the insurer – it was not possible to rectify in 7 days. This is completely absurd and unreasonable.

We object to proposed changes on the basis:

- **DO NOT AGREE** with proposed changes re bonding for non-performance within 7 days on the basis that it is absurd and unreasonable.

REMEDIES FOR BREACH OF REPAIRS.

We understand that there is consideration for a range of remedies for breach of repairs including restrictions on rental, freezing rental increases and prohibiting reletting prior to rectification to minimum standards. This is an unreasonable impost on the landlord and creates an environment where the tenant may potentially hinder the process in order to favour a breach. This will cause unfair financial impact on the landlord and an administrative impact on property managers. It is not normal and possible to achieve these deadlines with one's own house.

- **DO NOT AGREE** with proposed changes re breach of repairs on the basis that it is unreasonable and is not realistic.

MODIFICATIONS

We understand that it is proposed to leave "*reasonable modifications*" open for interpretation on a case by- case basis. Any determination allowing tenants to modify a property should be limited by strict guidelines in regard to those that are permissible and that any changes should be negotiated with the landlord and comply with all relevant regulations.

- **DO NOT AGREE** with proposed changes re "*reasonable modifications*" given that it allows for *un-regulated and non compliant works*.

Regards Helen and David Turley



The image shows two handwritten signatures in cursive. The first signature is on the left and the second is on the right. Below the signatures is a large black rectangular redaction box.

