

Wednesday, 14 December 2022

Residential Tenancies Review
Consumer and Business Services
GP Box 1719
ADELAIDE SA 5001

To whom it may concern,

I write to you with my thoughts and feedback on the review of SA Residential Tenancy Laws and appreciate the opportunity to provide this information to REISA.

We are a medium size property management agency and pride ourselves on our relationships with our landlords and tenants. We are the conduit to ensure both parties are educated on their rights and responsibilities and we take this role very seriously and aim to obtain the appropriate outcomes for all parties.

As a team we very much believe there is room for improvement to the legislation to provide security to tenants, however this needs to be balanced in its approach so that a landlord can still reasonably protect their asset. I am sure there are many examples of landlords not carrying out their responsibilities under the Act, just as there are many examples of tenants also not carrying out their responsibilities under the Act. I believe this is an excellent opportunity to try and strike a good balance of protection for BOTH parties. I am very concerned that some of the proposed amendments if not handled carefully may sway this much needed protection.

Below are my thoughts for some of the proposed changes:

Lease Termination with no reason

There needs to be security of tenure for renters, and having some prescribed reasons to terminate may assist with that, however I believe it is critical that any change to this legislation includes a provision that ENABLES a landlord to terminate in the instance a tenant has been served more than 3 breach notices in a prescribed period (i.e. 6-12 months).

It is CRITICAL that a landlord can terminate without having to attend a SACAT hearing and I believe this to be a reasonable approach. We must ensure that in the instance a tenant is not meeting their obligations under the tenancies act, we are not clogging up SACAT and we can move on a tenant that is continually in breach.

Whether that be for continual rent/water arrears, OR for breaches relating to noise, or remedy for cleanliness/garden care/rubbish etc.

Lease Termination notice periods – extend to 60 days

I absolutely believe that 28 days is not enough time for a tenant to find alternative accommodation, pack and move and is completely unreasonable, particularly in the current market. What is problematic here is that tenants may then secure a premises well before the end of their lease, meaning 'lease break'. That is fine in the current climate where demand is high and it is easy to re-tenant, however if demand drops, it could be problematic for tenants having to pay 2 lots of rent.

Rental Bonds

The \$250 limit is now irrelevant as there is basically no housing that is priced that low. Lowering the rate to 4 weeks really is not much of a deposit. I.e. our average median rent in the southern suburbs of Adelaide is now \$440pw. That means a bond of \$1760. I understand some tenants have difficulty finding these funds so perhaps increasing amounts of SAHT bond guarantee's could assist, of making a temporary facility that is exceptionally low interest while a tenant awaits the bond refund?

It may be helpful if we could access data on an average 'bond claim' (excluding full refunds). This may provide a guide as to what is 'reasonable'. The reality is that if a tenant does do damage, or leaves rubbish at the premises a standard \$1760 does not go far at all to facilitate rubbish removal, cleaning, gardening etc. Even with insurance a landlord is still hugely out of pocket as most insurers do not allow rubbish dumping as a claimable item.

Rent Bidding

We agree this should not be allowed, it is simply unfair when climates of high demand exist like today and puts many wonderful tenants at a disadvantage.

Allowance of Pets

I have been involved with Flinders University - Dr Zoi Sutton who conducted research for this topic. Zoi was absolutely flabbergasted to learn that when a property is advertised and does not mention pets, that this means a pet WOULD be considered. All the data Zoi was involved in collating was based on only looking at properties that specifically stated they ALLOW pets. This is NOT an accurate reflection of the number of existing tenancies that allow pets. According to Dr Sutton about 60% of people are pet owners. My data shows from my portfolio of 1150 rentals, and from data provided by other large agencies that on average 55% of our properties ALLOW pets. The data Zoi had collated showed properties that allowed rentals to only be around 20% which is absolutely untrue.

I believe if ANY legislation changes are made it should be on FACTs and these facts are incorrect. The reality is the majority of tenants are wonderful pet owners, however, I believe it is absolutely critical that a landlord can have the right to choose without being forced. The majority of landlords are mum and dad investors who have worked hard to buy and investment property. They deserve the right to determine if they would like pets or not. Some properties are simply not pet friendly - small yards, ornate floorboards, clients who are allergic etc etc. This legislation is unfair. There are many people (not just tenants!) who simply should not be pet owners and do not care for the pet or the property they reside in. From the conversations I am having with both tenants and landlords I don't actually see this as a real issue. No doubt there are cases where pets have been declined, however there may actually be valid reasons for doing so such as poor rental references – i.e. noise complaints, not collecting dog waste etc.

Pet Bonds

The amount depends on what if any changes happen to bonds overall. I definitely don't think bonds need to be mandatory (as stated above we already have over 50% of our properties with pets, with minimal issue), however where they could be helpful is when a tenant is finding it difficult (i.e. tenants who have a poor history with their pet, or young tenants who are yet to have any rental history) as I believe this is more likely where the actual problem lies. That way if a tenant has left a property with pet damage and they want to keep their pet, they could offer a higher amount of security, where by tenants who have great rental history with a pet may not need it all. I think this is a good idea if it can be implemented in a way that gives both parties the outcome they need i.e. the tenant can introduce a pet, however the landlord has some additional protection. For example a little puppy piddles A LOT. If you have a tenant who is not on top of this and does not clean properly this can cause huge damage to carpets which a standard bond won't remotely cover. Flea's are also relatively common and are becoming difficult to fumigate. It is a balancing act however any change must consider the

concerns of BOTH landlord and tenant. Perhaps simply allowing it with both minimum and maximum amounts that can be held.

Tightening of Laws for repairs without risk of rent increases or eviction

I did not know this was an issue, however if it is and this is happening, then absolutely. Landlords have an obligation to keep their properties in good repair. However any amendments to legislation need to ensure that when a tenant is not upholding their end of the tenancy agreement (i.e. constantly late with rent, making access difficult (and I don't mean the odd change to a routine, I mean making it difficult for trades or works to be done, difficult for any access), and not caring for the property, the landlord CAN terminate at lease end. To have to wait until a tenant does not remedy a breach when they are consistent is not fair to a landlord. Just like it is not fair to a tenant when a landlord does not do a repair. The legislation MUST protect BOTH parties equally and without bias.

Minimum energy Efficiency Standards

We should all be doing all we can to save the planet and this should not be a tenancy issue, but an issue across Australia. I see this as an issue for all households. I.e. we simply should not be able to purchase or build items that don't meet certain standards.

With regards to retrofitting old properties, obviously this is problematic as it could literally be tens of thousands of dollars so not feasible to implement or we would simply have even more of a housing crisis as more landlords exit the market.

Modifications to Premises

Common sense must prevail. The current system allows for these modifications, provided the tenant remedy when they depart. Obviously a tenant should be able to make modifications, however equally the landlord should be entitled to have them remedied upon vacating. It is not costly to patch and repair. By having this, the tenant can make a choice. For example do I buy the child gates that require permanent fixings, or do I purchase the spring loaded form? Do I buy a cheaper IKEA cupboard and factor in the cost of patching, or do I buy a slightly more expensive item that does not need mounting to a wall. Do I buy a suction handrail or do I permanently affix? A landlord should not be penalised and have the overall presentation of their property damaged due to individual needs/wishes. Also, subsequent tenants don't want unsightly fixings in places they don't want to see.

Information on application forms

As a bare minimum we need to be able to make informed decisions on who is the most appropriate applicant, including affordability. We can not make these decisions without appropriate information. We need information on the number of residents permanently living in a household, we need information on vehicles, we need information on past history etc For example someone with 6 cars applying for a property where there is limited off street parking is simply not appropriate. Someone applying for a property out of their affordability is not appropriate. We must do our due diligence to ensure a tenant is appropriate and can afford a premises. To do this we need evidence of payslips and of course identification. With out this, we are completely uninformed and unprotected.

Water supply Fee

Why is this even up for consideration? A landlord does not pay the supply fee for internet, gas, electricity. Water is no different.

Calculating excess water charges

It is really not difficult to calculate an average 'loss of water'. You can either a) see how long it takes to fill a 1L or 10L container and then determine how much was lost during the period of time. Another way is to simply look at previous average water consumption and calculate a difference. Basic water calculators on CBS website would assist. I would not legislate in this space as yes a tenant should not have to pay excess water while waiting for a repair, just like a landlord should not have to pay excess water while waiting for a tenant to notify them of a leak.

Remediation and testing for illicit drugs

This is exceptionally difficult as of course every person has a right to know if the property they are about to tenant is safe, however this needs some thought and clarification. Remediation is exceptionally tricky. Luckily we have only been involved in 1 case where our team saw a pipe on a coffee table. Upon the tenant vacating we proceeded to have the house tested which was the correct thing to do. The remediation bill was in excess of \$40k and this was from occasional smoking in the lounge. The laminate kitchen surfaces had to be replaced, light switches, carpets, lino all needed to be replaced. As we had no evidence the property was 'clean' before, the landlord was not entitled to insurance. We could also not claim costs from the tenant, nor could we put him on a blacklist to warn other potential landlords. This put the landlord in complete hardship and the property had to be sold. I really believe a lot of thought and consultation must go into any legislation in this space. One suggestion was making testing before and after tenancy mandatory, however this is exceptionally cost prohibitive. Another would be to ensure that any property that is found to be positive perhaps these tenants CAN be put on databases BEFORE their tenancy is finalised to hopefully assist other poor landlords from having the same issue.

Third party rent collection fees

This should NOT be charged to a tenant and should be a cost of landlord or agent, unless you are referring to an unpaid debt at the END of tenancy.

Changes to definitions

This seems an expensive an onerous task to change basic terminology across all our platforms for absolutely no gain and is not something I believe should be in focus.

Additional changes to SA renting laws

We would love consideration given to ensuring that when a tenant is served a Notice to Remedy Breach, if they chose to vacate on this form, lease break fees should apply. It is an unfair loophole that many tenants use when they are wanting to move without the responsibility of lease break. A lease should be there to protect BOTH parties without prejudice.

We are keen to see where these changes head, and happy to be involved in any future consultation should it be helpful.

Yours Sincerely,



Rebecca Day
General Manager