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19 December 2019

Renting in Queensland
Strategic Policy and Legislation
Housing, Homelessness and Sport
Department of Housing and Public Works
GPO Box 690
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Regulatory Impact Statement – Renting in Queensland

The Housing Industry Association (HIA) welcomes the opportunity to make a submission on the Regulatory Impact Statement - Renting in Queensland (RIS).

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry, including new home builders, renovators, trade contractors, land developers, related building professionals, and suppliers and manufacturers of building products.

As the voice of the industry, HIA represents approximately 23,000 businesses throughout Australia totalling approximately 60,000 members. The residential building industry includes land development, detached home construction, home renovations, low/medium-density housing, high-rise apartment buildings and building product manufacturing.

While the opportunity for input into the proposed reforms is welcomed, HIA has a number of concerns with several elements of the reforms.

Impact on Housing Affordability and Disincentive to investment

HIA is concerned that the proposed reforms will have a negative impact on housing affordability, and taken as a package these reforms will act as a disincentive to investment, not only further limiting the supply of rental housing but also imposing a handbrake on building activity at a time when the industry has already witnessed an approximate 30% reduction in building approvals with no expected improvement until 2021. The Government has acknowledged the reforms could add approximately 5 % to rent costs.

With the increasing demand for affordable rental property the proposed reforms appear at odds with addressing the demand.

In the short time since the commencement of consultation on the RIS, HIA has been contacted by a number of builder members who operate in the investment sector who have all reported investors are already withdrawing from the Queensland market because of the proposed reforms. What must be remembered is that investors have a choice as to where they spend their money.

Given the acknowledged significant contribution the private rental market contributes to housing Queenslanders and to overall building activity which delivers the government significant revenue HIA finds it strange that legislation would be introduced that makes Queensland a less attractive investment option.

Other Key areas of concern are:

Ending Tenancies

The proposed reforms effectively remove an owner's right to determine who they wish to rent their property to and for what term. In the vast majority of cases landlords do not want empty rental properties. If a landlord decides not to renew a tenancy, it is more than likely because the tenant has not lived up to their obligations which at the most basic level are timely payment of rent and reasonable maintenance of the property. Removing reasonable grounds for the non-renewal of a tenancy agreement will create a significant disincentive for investors.

Minimum Standards

HIA supports the concept of minimum housing standards in rental accommodation. However, it is important to acknowledge that rental properties come in all shapes, sizes and ages and a one size fits all solution is not appropriate.

Under the proposed changes below, all rental properties will need to meet certain standards dealing with

- weatherproofing and structural soundness
- plumbing and drainage
- security
- the standard of repair of fixtures and fittings
- control of pests and vermin
- ventilation, lighting and privacy
- cooking and food preparation facilities

As the saying goes "beauty is in the eye of the beholder" and so it will be with tenants opinions of whether a property meets a theoretical standard of living particularly around the more nebulous issues of security, ventilation, lighting and privacy. HIA would suggest that clearly defined parameters will need to be established to avoid the significant potential for disputes on these issues. Further, these parameters will need to be in place prior to any changes around the rules for not renewing a tenancy agreement.

Minor modifications

The potential scope of work that can be carried out as a minor modification is of significant concern. While HIA supports the establishment of a streamlined process for tenants to make minor changes to a rental property to meet health, safety, or security needs the proposed reforms appear to allow tenants to make extensive alterations to a property for a variety of reasons.

HIA has received anecdotal information regarding significant damage to windows and doors in a rental property when the tenant decided at the end of the rental agreement to remove the locks that they had installed leaving the owner with significant repair bills to otherwise pristine period timber framed windows and doors.

As stated earlier as a package the proposed reforms are already impacting investor interest in Queensland. HIA would suggest that a more moderate approach is required to ensure investors will continue to spend money in Queensland, providing appropriate housing for those seeking rental accommodation and contributing to the Queensland economy.

Thank you for the opportunity to make a submission on the Regulatory Impact Statement – Renting in Queensland. Should you have any enquires concerning this matter Garry Sharman on telephone number 3021 8842.

Yours sincerely
HOUSING INDUSTRY ASSOCIATION LIMITED

A handwritten signature in black ink, appearing to read 'M. Roberts', written in a cursive style.

Michael Roberts
Executive Director