



## MEDIA RELEASE

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### Governments Making Life Harder for Tenants

Tenants are currently facing limited availability, combined with increasing rental fees. The Australian Landlords Association is warning that this is likely to get worse.

According to ALA National President, Andrew Kent, “We released a position paper a year ago warning state governments that if they continued down their current path – of imposing an increasingly complex array of legislation and tax increases on landlords – that it would ultimately have a negative impact on the Australian rental market. With one or two exceptions, these trends have continued and both landlords and tenants are hurting because of it.”

The ALA expects that nine of the top ten landlord expenses will increase this year, (refer to table for list), the one exception being plant depreciation. These cost increases will inevitably flow through as rent increases.

The same sort of flow through is also happening in relation to rental restriction. The more restrictions the various government legislators place on landlords, the tighter the rental market will become and, as more landlords leave the residential rental market, fewer properties will be available for tenants to lease.

Some of the legislation has simply not been thought through. One example is the pending Victorian legislation that will require a landlord to disclose the full history of the property, particularly in relation to deaths, drug use and violent crime. These types of activities are usually associated with past tenants and occur without the landlord’s knowledge. Existing legislation in relation to occupational health and safety already ensures that there is no risk to future tenants. However, this is the sort of legislative change that will undoubtedly make landlords more cautious and think twice about some potential tenants.

Kent says, “Unfortunately, the ALA already has members suffering the very serious consequences that result from a tenant operating a methamphetamine lab in their home. Any fabric or porous surface must be removed and replaced, including carpets, wood and plaster – the costs often run into hundreds of thousands of dollars, as well as loss of rental income during the renovation. It is not something that any landlord wants to deal with.”

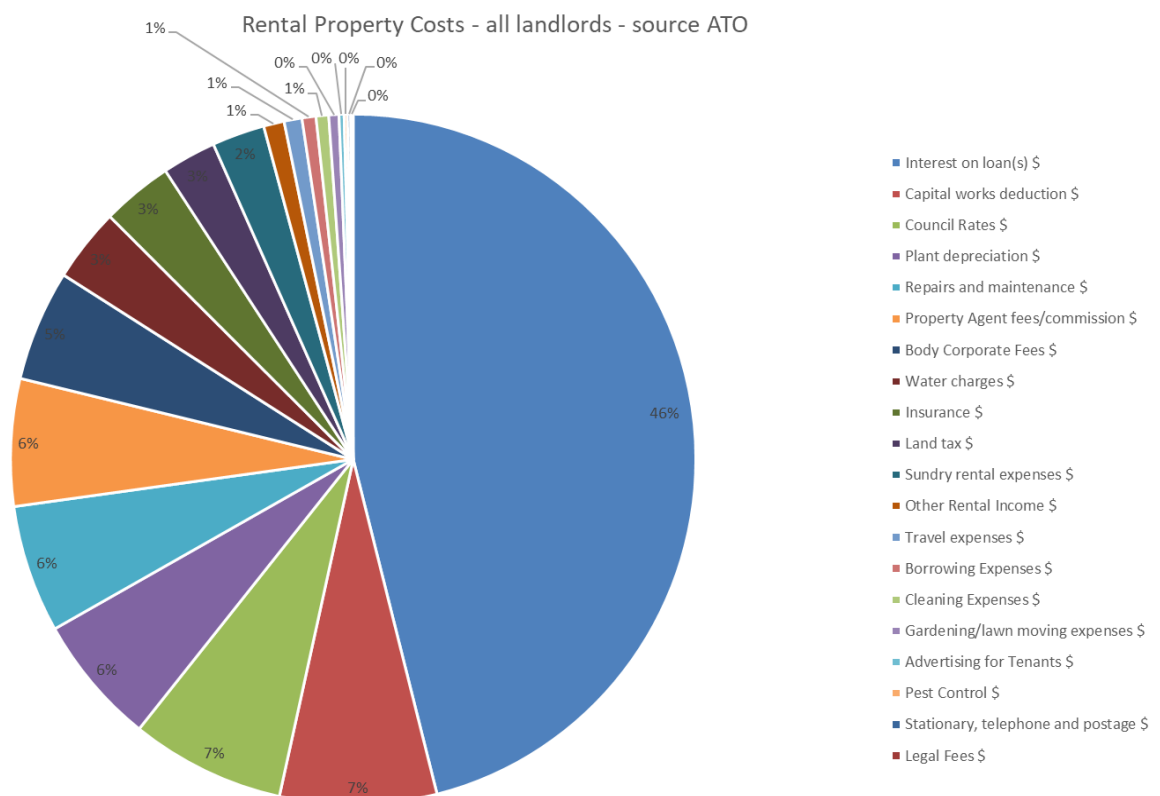
The trend in legislative changes that increases the imposition on landlords, while making it more difficult for them to identify potentially good or damaging tenants, is one of the key reasons given by Association members for moving out of long-term residential rental and into either short term stays or commercial properties.

“It is telling that many landlords now see short-term stays as being less risky than traditional residential tenancies. The key change, has been a series of legislative changes that have dramatically increased the risks associated with residential tenancy agreements.”

“At the end of the day, landlords simply want tenants that pay on time and leave the property as they found it. This has been the basis for most rental agreements over a long period of time. By making changes to residential tenancy acts that make this harder to achieve, legislators are also unwittingly making it harder for tenants, particularly the disadvantaged, and are narrowing the range of affordable accommodation for everyone.”

### TOP TEN LANDLORD EXPENSES

1. Interest on Loans	6. Property Agent Fees/Commissions
2. Capital Works Deductions	7. Body Corporate Fees
3. Council Rates	8. Water Charges
4. Plant Depreciation	9. Insurance
5. Repairs and Maintenance	10. Land Tax



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