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QLD GOVERNMENT COVID-19 RENTAL REFORMS LACK BALANCE & DETAILS

The Queensland Government has unveiled a range of residential tenancy protections to implement a freeze on evictions, a waiver on rental payments and a ban on non-essential inspections and maintenance, unless it's urgent or can be done while observing social distancing.

"The Real Estate Institute of Queensland (REIQ) has worked tirelessly with the Department of Housing and Public Works to ensure the parameters around any amendments introduced as a direct result of the COVID-19 crisis were in the interests of tenants, property owners and real estate professionals," says Antonia Mercorella, CEO of The REIQ. "Unfortunately, today's announcement is disappointing. It fails to offer any balance between tenant and property owners. It also fails to reflect any discussions The REIQ have engaged in with Minister Mick de Brenni and his department."

As part of the State Government's proposed measures, negotiations between property owners and rental tenants will be mandatory in order to reach a compromise regarding any rent reduction. However, any rent reduction must be proportionate to a rental tenant's reduction in income. For example, if a tenant's salary is reduced by 75%, according to the Department of Housing and Public Works a rent reduction will be required to reflect an equivalent reduction by 75%. For those that cannot reach an agreement, there will be compulsory conciliation for COVID-19 related disputes between tenants and landlords through the Residential Tenancies Authority.

Additional measures further include a prohibition on any rent arrears amassed by a tenant during the period of any rent reduction agreement with a property owner. That means any lost rent due to a reduction is to be waived. For property owners with a mortgage, banks won't waive repayments; instead deferring them, to be made up at a later time at the expense of the property owner.

"The REIQ agrees that it's not in the interest of anyone to have rental tenants left without a place to live when we are fighting to prevent the spread of a deadly disease, however today's announcement comes at the expense of property owners," continues Ms. Mercorella. "It's just as financially difficult for property owners as it is for rental tenants. It's not just a matter of pressing pause on mortgage repayments to set and forget while a rent reduction agreement is in place. Many mum and dad investors can barely cover the various costs associated with owning an investment property even with rent coming in so they now may face no other choice but to sell their properties. Waivered rent places many property owners at risk of bankruptcy. Consideration also needs to be given to those self-funded retirees whose only source of income is derived from an investment property."

The REIQ awaits further details to be released in advance of amendments being introduced into Queensland's Parliament, which is expected next week.

-ENDS-

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