

To Our Valued Investors

July 25th, 2022

As you may or may not be aware, new tenancy laws will be coming into effect from 1st October 2022. To keep up to date and remain proactive our team attended the REIQ training session here on the Sunshine Coast.

The changes will affect all investors with permanent tenancies in QLD and we would like to keep you well informed of how these changes will affect you and your investment property.

Grounds For Ending Tenancies

Fixed Term Agreements

Landlords/Agents can give tenants the correct notice needed to end a fixed term tenancy agreement for specific grounds laid out in the legislation OR at the expiry of the tenancy agreement without reason (see fact sheet).

Period Agreements (tenants not in fixed term tenancy)

Landlords/Agents can only give tenants the correct notice needed to vacate the property under the specific grounds laid out in the legislation (see fact sheet).

What this means for us. If a periodic term tenancy continues after 1 October 2022, the lessor's right to terminate will be limited to the prescribed grounds, there is no more "without grounds". Which means many landlords who do not have fixed term agreements could essentially have a tenant for life and not be able to do anything about it.

The team at Luxe have implemented systems to ensure ALL our tenancies are on a fixed term tenancy. A fixed term tenancy can be as little as 2 months. Three and a half months out from every fixed term expiry our office will be in contact with you to seek your instructions as to whether to terminate at the end of the fixed term (2 months notice) OR offer a further fixed term to the tenant.

New 'Repair Orders' and disclosure obligations Changes to Emergency Repairs & Nominated Repairers

Tenants are able to arrange Emergency Repairs to property up to a maximum amount equal to four (4) weeks' rent under their tenancy agreement (increased from two weeks rent (See fact sheet)

The team at Luxe have started preparing revised form 6 agreements that we will be sending out to you for signing which will need to define the following;

1. Your chosen repairers and their details OR Luxe preferred repairers will be inserted. If you are providing your own repairers our office will require an up to date copy of their licenses and insurance policies. They will also need to be sent a contractor appointment form by our office.
2. We will be increasing the amount we have to spend on emergency repairs to 4 x weekly rent so that the tenant is not given the right to spend more than us as the agent.

The team of Luxe will continue to contact you about all repairs necessary. However it is important you are aware of the tenants rights should emergency repairs need to be carried out at a time our office cannot be contacted.

Pets

There have been significant changes to the provisions relating to pet approvals and refusals. A lessor can only refuse a pet request made by a tenant for specific prescribed reason. We can no longer say NO PETS ALLOWED. We are also not allowed to increase rent due to a pet or ask for a Pet Bond.

A tenant must fill out a pet request form and a lessor must respond in writing within 14 days and must state if approved or if refused (prescribed reason for refusal must be advised and why we think it applies). Failure to respond within this time frame will be taken as deemed approval. See fact sheet.

If the client refuses a request -it is no longer sufficient to say “no pets allowed”
Under s184E of the RTRA Act, the permitted grounds to refuse a request are that:

- keeping the pet would exceed a reasonable number of animals being kept at the property;
- the property is unsuitable for keeping the pet because of a lack of appropriate fencing, open space or another thing necessary to humanely accommodate the pet;
- keeping the pet is likely to cause damage to the property or inclusions that could not practicably be repaired for a cost that is less than the amount of the rental bond for the property;
- keeping the pet would pose an unacceptable risk to the health and safety of a person, including, for example, because the pet is venomous;
- keeping the pet would contravene a law;
- keeping the pet would contravene a body corporate by-law or park rule applying to the property;
- the tenant has not agreed to the reasonable conditions proposed by you for approval to keep the pet;
- the animal stated in the request is not a pet; or
- if the property is a moveable dwelling property—that keeping the pet would contravene a condition of a licence applying to the property.

Entry Condition Reports

Tenants will now have 7 days to sign, return and raise any dispute with the entry condition report, increased from 3 days. If the tenant enters a new tenancy agreement to continue their interest after the expiry of their current tenancy agreement for the same property, unless a new entry condition report is prepared, the original condition report is taken to be the condition report for the renewed agreement.

The team at Luxe are implementing internal processes to ensure we keep compliant with the new time limit.

If you have any questions about the information provided please do not hesitate to reach out. This is just step 1 of proposed legislation changes. Be assured we will be keeping you up to date with all future changes as they are released.

Sincerely,



Carolyn Jansen
Director