

SCA (QLD) CONCERNED PROPOSED COVID-19 PROTECTION PACKAGE WILL HIT HARD WITH LANDLORDS

Queensland's peak body for strata title property management has called on Premier Anastacia Palaszczuk to reconsider aspects of the Renter Protection Package to offer more protection for both renters and property owners.

Strata Community Association (Qld) has backed its industry colleague Real Estate Institute of Queensland (REIQ) with concerns about the Special COVID-19 Protections for Residential Tenants and Owners ("Renter Protection Package") due to go before Parliament on Wednesday, April 22.

SCA (Qld) is the peak industry body for body corporate and community title management in Queensland, representing more than 300,000 apartments and units, or 70 percent of all strata title under management in Queensland.

Its members manage more than \$120 billion in property replacement value.

The package was announced last week by Deputy Premier Jackie Trad and the Minister for Housing and Public Works, Mick de Brenni, following the Federal announcement that tenants will benefit from a moratorium and rent deferral.

SCA (Qld) President James Nickless joined the REIQ in saying that the package had all good intentions but was not in line with the Federal direction nor with other jurisdictions in Australia.

"It's not justified to go this far, given the many stimulus packages that have been released providing support to individuals on various levels," Mr Nickless said.

"To be clear, SCA (Qld) agrees with the intent of the package and supports the need to aid both owner and tenants through these troubled times and there is a requirement to assist those that are vulnerable and struggling to make ends meet.

"While we support the protection of tenants who are in financial distress due to this pandemic, we believe that this package is far too broad and imbalanced to result in the desired outcomes.

"From our perspective there is a significant impact on bodies corporate as a result of the failure of owners to pay their levies if a tenant advises they are unable to pay their rent.

"There is simply a flow-on effect that bodies corporate, or the collective of owners, will have a reduced capacity to pay the many contractors that are required to keep a residential scheme running.

“The REIQ have put forward sensible proposals for a fairer and more balanced framework and we believe they represent the best chance of creating equitable protections for both owners and renters.”

Mr Nickless said SCA (Qld) was urging its members to send their demands for a more reasonable protections package to the Premier.

“The REIQ is concerned that mortgage payment deferrals are not readily available, and that landlord insurance will not protect landlords under the circumstances, which is a concern for landlords of strata apartments and units who still have an obligation to pay their levies,” Mr Nickless said.

“Body Corporate levies or contributions cover all regular costs for common areas such as insurance, cleaning, gardening, fees for any contracted professionals, and ongoing maintenance.

“It is evident that especially at this point in time, the maintenance and cleanliness of common property is critical to ensure the safety of all residents.

“SCA (Qld) shares the REIQ’s concerns and believes that quick action is required to help construct a more equal assistance package. We call on lot owners of strata units to support the REIQ campaign to effect change.”

SCA (Qld) and REIQ have called on the Queensland Government to amend the following aspects of the Renter Protection Package:

- Introduce rent *deferrals* rather than permanent rent waiver rights for tenants to align with the Federal Government model and framework adopted/being adopted in other jurisdictions;
- Introduce a minimum income reduction threshold for tenants to meet before they qualify for the protection measures. In NSW, a 25 percent income reduction requirement applies;
- Introduce a standard requirement for tenants to substantiate a rent reduction request to allow landlords to make properly informed and fair decisions about rent reductions;
- Introduce clear guidelines on property entry requirements, and broaden the range of activities allowed to continue, subject to applicable safety and hygiene protocols;
- Remove the proposed break lease right that allows tenants to simply walk away from tenancy agreements with only one weeks’ notice notwithstanding that those tenants are afforded all the other protections provided under the *Renter Protection Package*; and,
- Remove the proposed automatic right to a 6-month tenancy agreement extension which in effect introduces a 12-month moratorium in Queensland with the consequential imposition of permanent rent waivers that would be extended over this additional period.