

Landlords should oppose Queensland Government's planned protections for COVID-19 tenants, says REIQ

By Rebecca Hyam, Lexy Hamilton-Smith and staff

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PHOTO: The REIQ is advocating for the Queensland Government to introduce a rental deferral scheme. (ABC News: Markus Mannheim)

The Real Estate Institute of Queensland (REIQ) is urging landlords to write to Premier Annastacia Palaszczuk, outlining their opposition to the State Government's proposed COVID-19 protections for tenants.

The measures, announced by Queensland Housing Minister Mick de Brenni last week, included a six-month freeze on evictions, a waiver on rental payments, and a ban on non-essential inspections and maintenance.

REIQ chief executive Antonia Mercorella said the Queensland Government's proposal was heavily weighted towards the protection of tenants, at the expense of landlords.

"The feedback that we have received confirms that many did not understand it and they are quite concerned that the Government is proposing something that is so extreme," she said.

Ms Mercorella said it appeared the Queensland Government was "going down a very unique route" with the way it was responding to the issue.

"We knew that an eviction moratorium was being proposed — the Federal Government told us that many weeks ago," she said.

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Key points:

- The Government's proposal is heavily weighted towards the protection of tenants, at landlords' expense, the REIQ says
 - Housing Minister says guidelines will outline what is a fair rent to pay based on the level of impact a tenant has experienced
 - Some real estate agents do not want rent-free periods because they do not get their commissions, Tenants Queensland says
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"We also understood the key principle was to ensure that tenants who were being financially impacted by COVID-19 would not be booted from their homes, and that if they could not afford to pay full rent, that they could negotiate reductions — and just to be really clear, we supported that model and that framework."

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But she said what the Queensland Government was proposing was "quite different".

"Our Government is saying that if you need to negotiate a rental reduction, you can do so, but that then becomes a permanent reduction," she said.

"You will never need to pay any money back to the landlord again and that is very inconsistent with what the Federal Government announced.

"It's also inconsistent with what other Australian jurisdictions have done — they have adopted a rental deferral system."



PHOTO: Ms Mercorella says a common misconception exists that landlords are generally very wealthy people. (Supplied)

Ms Mercorella said the REIQ was advocating for the Queensland Government to also introduce a rental deferral scheme.

"We absolutely agree that a tenant should be able to negotiate a rent reduction, but that ultimately, eventually the landlord is entitled to be repaid that unpaid rent," Ms Mercorella said.

"I accept that there will be some tenants who will not be in a position even post-COVID-19 to pay that back, and those tenants really need to be looked after by the State Government, not by private mum and dad investors and private citizens."

'Mum and dad everyday investors'

Ms Mercorella said a common misconception exists that landlords were generally very wealthy people who owned huge property portfolios.

"The data and the facts definitely don't support that. The vast majority are mum and dad everyday investors — nurses, teachers, tradespeople — who own one property and they work really hard to own that property," she said.

The REIQ is calling on landlords to raise their concerns with Ms Palaszczuk ahead of the State Parliament's next sitting

day on April 22.

"We have not yet seen the bill itself, I understand it's currently being prepared, but there is still time to make some changes and to allow for more reasonableness and greater balance," Ms Mercorella said.

"We've heard the Deputy Premier and the Housing Minister talking about the fact that we all need to work together, we all need to share the pain, and what we're saying is: please don't create a system that means that the property owners will wear all the pain.

"That isn't fair and that doesn't mean that we're working together, that means that the owner is doing all the heavy lifting."

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Mortgage relief needed for landlords

In a statement, Mr de Brenni said Queensland had joined other states and territories in implementing temporary protections for tenants.

"This is not a blanket rent waiver — just like every other state, Queensland has provided guidelines for property owners and tenants to renegotiate rental agreements for a short term, while it's needed," he said.

"No Queenslander should have to end the lockdown period with no job and an insurmountable debt, through no fault of their own.



PHOTO: Mr de Brenni says guidelines will be established to outline what is a fair rent to pay. (AAP: Dan Peled)

"Consistent with the instructions from National Cabinet, anyone who has lost hours at work or lost their job due to COVID-19, can seek to renegotiate their rental agreement."

Mr de Brenni said as part of the conciliation process, guidelines would be established to outline what was a fair rent to pay based on the level of impact a tenant had experienced.

"The Queensland Government has also taken this opportunity to provide greater protections to property owners, such as land tax rebates and mortgage relief," he said.

"All of us have a role to play to get through this — including the banks — who need to provide mortgage relief for landlords."

'Share the burden'

Tenants Queensland (TQ) chief executive officer Penny Carr said the phone had been ringing off the hook with people in tears about landlord rental demands

"I think we've all got to share the burden of what's going on," she said.

"I've seen some really good responses from landlords to tenants — in fact, some that have offered rent reductions without even being requested.

"But I've also seen some really poor responses from agents, where they are saying to tenants they are not even going to put the request for a rent reduction.

"It's a little bit cynical to think that an industry lobby group is saying that they're acting in the best interest of landlords, because — to some extent — their interests are diverse."



PHOTO: Ms Carr says she has also seen some compassion from body corporates offering reduced rental periods for tenants. (ABC News: Tim Swanston)

Ms Carr said many landlords were prepared to get some rent, even if it was a little bit less, but some agents were making that difficult.

"Some of the comments that we've seen from agents are about maximising the rents and not giving free rent, because they want to get their commission," she said.

"So we're all going to have to take a hit — everyone's going to get affected by this and what we don't want to see is that rents are reduced but then they're 'well, pay it back later', which is what the real estate industry wants.

"But even with these extra payments [like Job Seeker allowance], people are going to struggle to pay rent in many circumstances."

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She said it was "really misguided to say there's nothing in the package for landlords, having heard this from the real estate industry".

"There's been grants, rental grants, to cover people that don't have any income for a period of time — there's the doubling of the JobSeeker and JobKeeper," she said.

"Now those things absolutely have a positive effect for landlords, because it actually allows them to get some rent, rather than no rent."



PHOTO: Some agents do not want rent-free periods because they do not get their commissions. (ABC News: Liz Pickering)

Mortgage-related issue

Ms Carr said there was some greed in it as the industry desperately tried to protect itself.

"I don't understand why the real estate industry isn't out there having their conversations with the Federal Government," she said.

"Because ... if you flip this issue and you think, 'what are the things that are stopping landlords from reducing rents' — a lot of it is like the capitalisation of interest — it's mortgage related.

"Why don't we get the Federal Government, the National Cabinet, to step in and say, 'the banks are going to have to share this load, the lenders will share the load'.

"Stop the insurance companies putting up barriers to people negotiating rents.

"They're the things that we think the real estate industry should be focused on — not the tenant."

She said real estate agents do not want rent-free periods because they do not get their commissions.

"They're just trying to create a lot of fear, panic, and they're really just protecting the patch," she said.

However, Ms Carr said she had also seen some compassion from body corporates offering reduced rental periods for tenants.

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