



RENTAL REFORMS - ENDING TENANCIES

Over the next few months, we will be diving into the main changes in the Queensland Tenancy Laws, due to commence on 1st October 2022. This month, we look at new conditions surrounding the end of lease.

Currently, lessors can end a tenancy 'without grounds' (ie no reason) at the end of the lease, provided 2 months' notice is given.

From 1st Oct 2022, the 'Without Grounds' option to end a tenancy will be removed and we will need to specify reasons for ending the tenancy.

The 'reason' will be selected from a prescribed list, with additional new options (see table). Tenants must still be given 2 months' notice and can't be asked to move prior to the end of lease.

Note - a penalty of \$6,892.50 applies for false or misleading information in the Notice to Leave; and for reasons of sale or moving in, the Lessor cannot relet property for a period of 6 months.

Fortunately, the last option still enables a lessor to end a tenancy at the lease expiry. For this reason, our agency recommends that regardless of the reason, the last option is always chosen to avoid costly penalties or a lengthy vacancy in case your situation changes unexpectedly.

The Problem with Periodic Leases

Unfortunately, this now puts in jeopardy all Periodic Leases as there is no 'end of lease' option (periodic leases have no fixed end date).

Therefore, after 1st October the only legal options to end a periodic agreement will be for one of the other prescribed reasons.

We regard this as a significant risk to lessors, so we have advised all our owner clients with periodic leases to be placed onto fixed-term leases.

Moving forward, in accordance with best practice guidelines handed down by the REIQ, we have set up strict procedures to ensure that no lease will lapse into a periodic lease unless the owner specifically requests it.

For more information, you can contact our office or check out the RTA website:

<https://www.rta.qld.gov.au/rental-law-changes>

Additional new grounds for a lessor to end a tenancy from 1 October 2022 are:

- *For the sale of the property - includes both intention to sell property and if property has been sold with vacant possession.*
- *For planned demolition or redevelopment if the client requires the property vacant.*
- *For significant repair or renovations if such cannot be carried out safely while the tenant occupies the property.*
- *For change of use if the lessor requires the property's use to be changed to a use other than residential and which will continue for a period of at least 6 months*
- *For owner occupation if the lessor or their relative needs to occupy the property.*
- **For end of fixed term tenancy agreement (without grounds).**

JULY LEASING REPORT

The tight market continues and our agency once again has maintained a ZERO vacancy rate for most of July.

Rent prices continue to hold strong, but we are starting to see less enquiry for 4-bedroom properties above \$600 per week. We seem to be approaching a limit which is above tenants' affordability.

LEASE RENEWALS and RENT INCREASES

With all the news of rent increases, some owner clients have enquired about raising rents on current tenancies.

Please note that the legislation does not permit us to raise the rent during a fixed-term lease (unless this has been stated in the lease).

The time to look at rent rises is when we are negotiating a new lease. About 3 months prior to the lease expiry, we will send you an email with our recommendations for a renewal including the rent. Your prompt instructions at that time will be important so we can secure the tenancy for another term.

Note - we can only negotiate rent on current market value and not what may happen in future. Therefore, if the lease was renewed last year you may find it is now under market value due to the sudden increases we have experienced since the beginning of this year. Remember we will seek your instructions at the next renewal which would be the time to raise the rent if that is your intention.

DATES

DISBURSEMENTS

Wed 3rd Aug
Wed 10th Aug
Wed 17th Aug
Wed 24th Aug
Wed 31st Aug

MONTHLY STATEMENT

Thur 1st Sept

OFFICE HOLIDAYS

Monday 8th Aug

'Ekka' Show Day
for Moreton Bay
Region

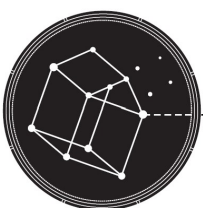
(This applies to both
our offices)

The Priority Project

Helping survivors of Domestic Violence

We are seeking expressions of interest from property owners who would like to give priority to survivors of domestic violence. Click on the link for more information

<https://cutt.ly/2Dkt74u>



THE CONSTELLATION PROJECT
TOWARDS ENDING HOMELESSNESS IN A GENERATION

SafeHome
ALLIANCE