MAKE RENTING FAIR

KEY FINDINGS - Polling - Residential Tenancies Reform 2023

1. When asked if they're considering selling their investment property and why:

- **31%** indicated they are currently considering selling their investment property in the next 12 months.
- **Of these, zero (0%) listed tenancy laws as a reason they were considering selling,** directly contradicting the claim by REIWA that 61% of landlords would be more likely to sell in response to proposed changes to tenancy laws[1].
- **The three most common reasons investors were considering selling were financial**: it was a good time to sell / high house prices (18%), lack of capital gains / cost too high / cutting our losses ("The cost is too high so we're cutting our losses") 17% and to purchase a different investment property / have other properties (14%)
- 10% described the stress of ownership or being a landlord as a reason, which is worth investigating.

2. Reasons Investors who had actually sold:

- 17% of respondents had sold an investment property in the last 3 years.
- The most common reasons for an **actual** sale were financial issues, impact of cost of living and change of circumstances (19%), to purchase a different investment property (15%) and a lack of capital gains (14%).
- Just 3% provided examples of tenancy laws as the reason they had sold. However, verbatim responses showed frustration with current laws rather than concern about proposed laws, for example, one respondent said "Too many hassles with tenants. The laws are totally in favour of the tenants and against the landlords."

3 . When asked about motivations to enter the market:

- Consistent with other surveys, the top five ranked motivations to invest in property were setting myself up for the future (**58%**), steady income stream/rental income (**36**%), secure investment/secure place to store money (**34%**), tax benefits (**25**%), capital gains (**22**%).
- **Only 8%** of respondents mentioned satisfaction with tenancy laws as a motivation to invest in property, and appeared last on the list. Given respondents could select multiple reasons, it's even more powerful that this was so low.

4. When asked about barriers for new investors:

[1] https://reiwa.com.au/news/rent-crisis---61-per-cent-of-investors-say-they%E2%80%99ll-sell-if-changes-are-made-to-wa-tenancy-laws/

- Investment property owners identified the biggest barriers to a new investor coming into the market right now are Increased investment costs / house prices (41%), high / increasing interest rates (31%) and low availability of properties on the market (16%).

- While 10% of respondents identified "tenancy laws" as a barrier to a new investor, the verbatim responses demonstrated a lack of understanding of current rights or a fear current rights would be lost.

- These findings contradict the claim that tenancy reforms would be a barrier to new investors, and show an important role REIWA and DMIRS could play to improve landlords' understanding of their current rights.

5. Investors do not understand their current rights

Perhaps the most illuminating and important section of the survey was to gauge investors' understanding of the rights they currently have under WA's Residential Tenancies Act.

The survey listed a number of what were described as "potential grounds" for tenant eviction (but were actually all current grounds in WA) and asked respondents to identify which they believed were **true or false.** We found:

- 25% didnt know they could evict a tenant without grounds
- Roughly half didn't know they could evict a tenant due to breaches by tenant such as causing a nuisance to neighbours, keeping unauthorised pets or failing to keep the property reasonably clean, as well as undue hardship and sale of premise;
- Around 15% did not believe they had the right to evict for very serious breaches including rental arrears, serious damage, and use of property for illegal purposes.

Landlords are so concerned about losing their rights, but they don't know how many they have. That's why they are fighting so hard and are scared about any reform.

6. There is strong support for the next tranche of reforms to the Residential Tenancies Act.

- **74%** support ensuring that tenants can't be evicted without a valid reason (including 66% support by current investors)

- **86%** support having a clear list of grounds to evict (including 78% support by current investors)

- **80%** support introducing Minimum standards to rental properties e.g., insulation, adequate and efficient heating (including 66% support by current investors). Just 1% of current investors strongly oppose it.

- **70**% support introducing some type of rent stabilisation mechanism e.g., limiting rent increases to CPI, but 17% of investors strongly oppose.

These findings demonstrate strong agreement on all proposed changes.