**Legislation must be fair for all stakeholders**

*DRAFT LETTER FROM PROPERTY OWNERS*

* *Information provided below is to assist you in drafting a letter to your local MP.*
* *You may choose to address all the issues listed here or identify the ones that resonate with you.*
* *Delete this section and replace text highlighted below.*

*<Dated>*

*<Your local MP>*

Dear *<MP name>,*

There is growing evidence that commercial and residential landlords are being left behind and all but forgotten as the government makes decisions regarding the property market under the emergency measures.

The decision to extend the rental moratorium to 28 March 2021 without attention to the impact this has on landlords, reflects a short-sighted and unbalanced approach. While the Andrews’ government is keen to support tenants, protecting investments of property owners seems to be of much lower priority.

We do not dispute that many tenants are doing it hard, what concerns us is the apathy towards the impact that has on the property owner. When a tenant doesn’t pay or pays much less than the contracted amount, this impacts our ability to pay our mortgage, property rates and charges, owners corporation fees, insurance premiums, property repairs and maintenance, property taxes and more. None of these expenses go away when a tenant stops paying the fair rent.

We urge the government to put in place measures to balance the one-sided perspective that is currently in play. While it is important to support tenants in financial distress, suppliers of the accommodation need to be protected too.

**RESIDENTIAL RENT RELIEF MEASURES**

* **Negotiating rent relief** 
  + Submitting documentary evidence of financial hardship must be mandatory for rent relief negotiations or when submitting a 14-day Notice of Intention to Vacate
  + Failure to communicate with the Property Manager/Landlord should be grounds for a refusal of rent reduction

Please remember, property owners have been impacted by COVID too. Job losses are not limited to tenants.

* **Rent relief grants**
  + Remove limits on the rent relief grant so we can receive some compensation over this extended moratorium
* **Dispute resolution** 
  + The backlog of cases at VCAT (over 4,000) and DSCV (over 1,000) must be addressed as a matter of urgency with additional resources and simpler processes.
  + VCAT Orders must be effective immediately, not postponed to the end of the moratorium. This now means almost 12 months delay in justice for the parties impacted.
  + Victoria police must execute Warrants of Possession and not hold them off until April 2021. This is unfair to owners who are being denied legitimate access to their property.
* **Compensation for landlords**
  + Most property owners are doing the right thing by reducing their own contracted rental income to support a tenant in distress. Land tax relief is the only financial assistance offered us. In a majority of cases the tax relief currently offered barely equates to a couple of weeks’ rent. Land tax must be scrapped till the end of the eviction moratorium period if the government genuinely recognises the sacrifice we need to make in order to support a tenant in distress.
  + Many owners have been impacted by unauthorised “rent strikes” and significant rental arrears. The government must compensate private investors who have been at the receiving end of bad behaviour from some tenants taking advantage of the biased rules.

**COMMERCIAL RENT RELIEF MEASURES**

* **Compensation for landlords**
  + Most property owners are doing the right thing by reducing their own contracted rental income to support a tenant in distress. Land tax must be scrapped till the end of the eviction moratorium period if the government genuinely recognises the sacrifice we need to make in order to support a tenant in distress.
  + The commercial landlord hardship fund must be expanded to allow more commercial property owners to access the support. Raise the threshold to $3 million and allocate further resources to save many private commercial landlords from bankruptcy.
* **Rent relief grants**
  + Introduce rent relief grants like those available for residential tenancies to provide some income to struggling commercial property owners

**RESIDENTIAL TENANCIES ACT**

The impact of COVID has already put us on the back foot, scheduling a commencement date for the RTA immediately following the end moratorium is not workable. The government must give us time to recover and consider our financial position before introducing 125 amendments to the legislation. The commencement of the RTA should be delayed until 1 October 2021 at the earliest.

**RETAIL LEASES AMENDMENT BILL 2019**

The Bill must be withdrawn from Parliament and returned for further consultation with the Industry. The valuation measures included in the Bill are no longer feasible. Property values will be re-assessed once the economy opens and informed valuations can be made.

**PROPERTY TRANSACTIONS ARE THE FOUNDATION FOR ECONOMIC RECOVERY**

We urge you to allow us to lease, sell and buy as soon as possible. While a tenant is allowed to vacate a property and break a lease due to financial stress, a landlord cannot release their vacant property. This is unfair as you are assuming that we can afford to maintain the property without any rental income. No one can be expected to lease a property without physically visiting it.

There are many instances of people who have sold their property but are unable to buy in the current conditions. How are they expected to protect their families in such limitations.

No amount of government grants and relief can restart the economy unless businesses like real estate are returned to capacity in a measured and controlled manner. Although shelter is an essential requirement, harsh limits and complicated rules have brought the sector to a grinding halt.

The eviction moratorium, restrictions on inspections and auctions, inability to list and sell property have made a major financial decision even more difficult.

We urge you to take a balanced view of the situation and keep the property market open. Not doing so will impact every Victorian.

Yours sincerely,

*<Your details>*