



REIV THE STANDARD  
FOR SUCCESS

# SUBMISSION

ALTERNATIVE FORMS OF TENURE:  
PARKS, ROOMING HOUSES &  
OTHER SHARED LIVING

September 2016



# ABOUT REIV

The Real Estate Institute of Victoria has been the peak professional association for the Victorian real estate industry since 1936.

Over 2,000 real estate agencies in Victoria are members of the REIV. These members are located in city, rural and regional areas.

A key component of the REIV membership is the property management sector. The REIV represents the majority of property managers in Victoria. The REIV's property managers, in turn, represent a significant number of residential landlords across the state.

Besides property management, members specialise in a range of real estate fields, including: residential sales, commercial and industrial sales, auctions, business broking, buyers agency, owners' corporations management and valuations.

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## Introduction

The Residential Tenancies Act (RTA) and the associated legislation is of significant importance to our members. More than 1,400 of our members belong to the REIV Property Management Chapter, dedicated to the management of residential rental premises.

In response to the Alternative Forms of Tenure: parks, rooming houses and other shared living rental arrangements issues paper, the REIV has consulted senior property managers for input and guidance.

## General Comments

The REIV considers it imperative that the RTA be split with caravan parks forming a separate Act. This would bring Victoria in line with other Australian states as well as enable user-friendly legislation for alternative forms of tenure.

Splitting the RTA would also provide greater clarity for Part 2 tenancies, which account for the vast majority of tenancies in Victoria. It's important to note that multiple stakeholders are understood to have advocated for standalone legislation for residential parks including Housing for the Aged.

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## REIV RESPONSE

### Alternative forms of tenure

#### **11. What are the advantages and disadvantages of standalone legislation for residential parks, and what other form of tenancy should be included in that legislation?**

At present, the REIV considers the Residential Tenancies Act (RTA) too cumbersome and complex to be effective. Given legislation governing caravan parks and residential parks forms a separate Act in all other Australian states, the REIV strongly supports standalone legislation in Victoria for this type of tenancy.

Standalone legislation would provide greater clarity for park owners, operators and residents. It would also allow the RTA to focus on general tenancies (Part 2), which account for the majority of all tenancies in Victoria.

#### **38. Should the definition of a rooming house be changed to include emerging accommodation models, and if so, how should it be changed?**

The definition of a rooming house should not be changed to include emerging accommodation models.

These emerging accommodation models (such as short term accommodation providers) are quite different and cater to very different tenants. Rooming houses are predominately utilised by financially disadvantaged people while short-term accommodation is often used by interstate and overseas tourists.

#### **40. What models of rooming houses are emerging, or from interstate or overseas experience are likely to emerge, in Victoria, and what issues arise in relation to these models?**

The REIV is aware of a new model of shared housing accommodation currently being offered in a number of

states in America called Common. This housing model involves individuals paying a monthly membership fee which permits them to stay in fully furnished properties and provides them with the flexibility to move to another property with 24 hours' notice. The membership fee covers utility costs, weekly cleaning and a private bedroom. The REIV has genuine concerns regarding this type of housing model, particularly in relation to security and property damage. It's also important to note that existing legislation does not cover disputes that may arise between tenants in a share house environment.

#### **49. What are the advantages and disadvantages of making the timely payment of rent a duty owed under the Act by rooming house residents?**

The REIV strongly supports the timely payment of rent being a duty for tenants of all property types, including rooming houses and, importantly, all residential tenancies covered under the Act. Paying rent is an important part of the transaction so it is unreasonable to expect a landlord or rooming house owner to continue to provide a service that they are not being remunerated for.

#### **54. Are there any housing models not currently regulated by the Act that should be covered by the Act, and what are the key considerations that need to be addressed?**

Given the popularity of Airbnb and its emergence into Victoria's rental sector – particularly with tenants 'subletting' to Airbnb guests without landlord consent – the REIV strongly believes there is a genuine need to regulate short stay accommodation within the RTA. Existing legislation only relates to general subletting,

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however in order to specifically encompass short stay accommodation providers, the Act must specifically refer to 'parting with occupation', the granting of a licence and exclusive possession, to stop this activity in residential tenancies without landlord consent. In this way, Section 82 of the Act needs to be amended to highlight that it should not be misused/abused to enable a tenant to use the premises, effectively, for subletting for dozens of hotel-style short stays over the course of each year. In order to encompass Airbnb and other short term accommodation providers, the REIV suggests significant amendments to Sections 81 and 82 of the RTA.

## CONTACT US

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