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ABOUT BUYING ANOTHER
INVESTMENT PROPERTY?

**14 Richmond St,
Bulahdelah NSW 2423**



3 Bed 2 Bath 1 Car
\$310,000 - \$340,000

Property Management Newsletter JANUARY 2020

RayWhite

Changes to the residential tenancy laws

New residential tenancy laws start on 23 March 2020.

WHAT ARE THE CHANGES?

The changes improve tenant's renting experience while ensuring landlords can effectively manage their properties. The changes aim to reduce disputes over repairs and maintenance, increase protection and certainty for tenants, and clarify the rights and obligations of tenants and landlords.

The following information highlights the key changes starting 23 March 2020.

Minimum standards to clarify 'fit for habitation'

Landlords are currently required to provide the rented property in a reasonable state of cleanliness and 'fit for habitation'. The changes introduce 7 minimum standards which clarify the meaning of 'fit for habitation'.

The minimum standards set clearer expectations for landlords and tenants and will apply to all rented properties. The standards are:

1. Structurally sound property
2. Adequate natural or artificial lighting in each room, except storage rooms or garages
3. Adequate ventilation
4. Supplied with electricity or gas and has adequate electricity or gas outlets for lighting, heating and appliances
5. Adequate plumbing and drainage
6. Connected to a water supply service or infrastructure for the supply of hot and cold water for drinking, washing and cleaning
7. Contains bathroom facilities, including toilet and washing facilities, which allow user privacy.

All NSW landlords will need to ensure that their rented properties meet the minimum standards to be fit for habitation by 23 March 2020. Rented properties are already required to be fit for habitation and should already meet these basic standards.

If a rented property meets the minimum standards, it does not automatically mean that it is 'fit for habitation', as these are baseline standards and are not a full list of whether a property is fit for habitation.

These standards must be met at the start of each tenancy and must be maintained throughout the tenancy (by way of repairs).

NEW SMOKE ALARM OBLIGATIONS FOR LANDLORDS

From 23 March 2020, all NSW landlords will need to ensure that smoke alarms installed in the rented property are in working order. A penalty will apply for landlords who fail to comply.

The details on when a landlord must repair or replace a battery-operated or hardwired smoke alarm, and when a tenant may repair or replace a smoke alarm, is in the new regulation. The existing provision that allows landlords to enter the property without consent has been extended to specifically include inspecting or assessing the need for repairs to, or replacement of, a smoke alarm if proper notice has been given to the tenant.

INFORMATION FOR LANDLORDS

To ensure smoke alarms installed in the rented property are in working order, a landlord must:

- Carry out annual checks to ensure all smoke alarms installed at the property are in working order
- Replace a removeable battery in all smoke alarms in the period specified by the smoke alarm manufacturer (for a removeable lithium battery), or otherwise annually
- Repair or replace a smoke alarm that is not working within 2 days of becoming aware that it is not working
- Replace a smoke alarm with a new smoke alarm within 10 years from the manufactured date, or earlier if specified by the smoke alarm manufacturer.

NEW SMOKE ALARM **INFORMATION FOR TENANTS**

Tenants will need to notify the landlord if a repair or a replacement to a smoke alarm is required, including replacing a battery in a smoke alarm.

A tenant can choose to replace a removeable battery in a smoke alarm, but they will need to notify the landlord if and when they do this. A tenant may only repair or replace a smoke alarm if the landlord fails to repair or replace a smoke alarm within the prescribed time (as detailed above). Tenants are entitled to reimbursement for the costs of a repair or replacement of a smoke alarm if they provide appropriate evidence.

We will provide a smoke alarm safety checklist and more information to ensure compliance with the new regulations before the laws start.



BACKGROUND TO CHANGES

On 17 Oct 2018 the NSW Parliament passed the *Residential Tenancies Amendment (Review) act 2018* (the Amended Act), which introduced a range of reforms and improvements to the act. The Amendment Act implements the majority of the recommendations of the statutory review, and other reforms aimed at improving the renting experience.

On 28 February 2019, the domestic violence related provisions started.

During 2019, a new regulation was developed to allow the reforms to take effect, implement some of the remaining recommendations in the report on the statutory review and to replace the current Regulation.

The changes follow an extensive review and public consultation on the act, as well a consultation on the draft Regulation.

On 23 March 2020, the Act will be amended by the Amendment Act and the new regulation will replace the current Regulation

MORE INFORMATION:

Visit the NSW Legislation website to read the new laws in full:

<https://www.fairtrading.nsw.gov.au/about-fair-trading/legislation-and-publications/changes-to-legislation/new-residential-tenancy-laws>

Changes of a 'minor nature'

Tenants are currently allowed to install fixtures or make alterations, additions or renovations if they have the landlord's written consent, or if the residential tenancy agreement permits it. The tenant must pay for the fixture they install or for any alteration or addition to the property, unless the landlord agrees otherwise. If the tenant's request for a fixture or alteration, addition or renovation is of a 'minor nature' then the landlord must not unreasonably withhold consent.

The new regulation includes a list of kinds of fixtures or alterations, additions or renovations of a 'minor nature' for which it would be unreasonable for a landlord to withhold consent. The new regulation Also specifies which of those changes a landlord may require be carried out by a qualified person.

The changes will not apply if a property is listed on the loose-fill asbestos insulation register, or if the property is heritage item. Some restrictions also apply to property in a strata scheme or in a residential land lease community.

Even if the fixture, alteration, addition or renovation is included in the above list, tenants are still required to get the landlord's written consent to the change. However, for changes that are on the list and not covered by an exemption, it is reasonable for the landlord to refuse consent or place conditions on the consent

Damage and removing modifications

Tenants are still responsible for any damage they cause to the property. The existing requirements on liability for damage and removing any alterations, additions, renovations or fixtures still apply.

At the end of the tenancy, a tenant is responsible for leaving the property in the same condition as at the start of the tenancy, except fair wear and tear. This includes making sure any alterations, additions or renovations are removed and also fixing any damage caused to the property. For 'fixtures', a tenant can choose whether to remove any 'fixtures' they have installed, provided they repair or compensate the landlord for any damage caused by removing the fixture. A tenant cannot remove any fixtures if the landlord paid for them.

Landlords may apply to the NSW Civil and Administrative Tribunal (the tribunal) to seek compensation from the tenant for the costs involved if the work is not done to a satisfactory standard, or if the work is likely to adversely affect the landlord's ability to let the premises to other tenants if it isn't corrected.

