

Property Managers Say WA Rental Reforms Protect Both Tenants and Landlords

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Perth, Western Australia - Property management company Orana Property applauds the WA government for creating fairer conditions for tenants; without sacrificing the rights of landlords to manage their property as they see fit.

A major update to Western Australia?s rental laws is expected to go before Parliament at the end of this year. The raft of proposed changes includes restricting rent increases to once a year, allowing tenants to make minor home modifications, banning rent bidding and permitting pet ownership.

Rental reform has been on WA?s horizon since 2019, when the state government announced a review into the Residential Tenancies Act (RTA), which was delayed by the COVID-19 pandemic. This reform comes at a critical time, as tenants feel the pinch of higher rents in a tight market with a limited supply of rental listings. Perth has one of the lowest rental vacancy rates in Australia, which means that tenant demand far outweighs the supply of properties on the market.

The vacancy rate fell to record lows at 0.6 per cent in December 2022. There?s been a small recovery since

then. Perth?s vacancy rate is currently 0.8 per cent, but this is still far below a balanced market range of 2.5 to 3.5 per cent. There?s less than one rental dwelling available for every 100 renter households. This is one reason why Perth has some of the highest year-on-year rent increases in the nation, as more tenants compete for suitable accommodation.

Alison Ringuet, Orana?s acquisition and business development manager, says landlords also face intense pressures in this difficult market, especially when it comes to inflated mortgage repayments.

?Landlords aren?t immune from the financial stress that many Australians face. They?ve also struggled to cope with regular interest rate hikes during a cost of living crisis,? Ms Ringuet said. ?The last thing we need is for landlords to leave the property market because managing a property has become too hard in Western Australia. This will happen if landlords lose confidence in the face of too many restrictions. We need to encourage more investment in the rental market, not less. Otherwise there will be even fewer properties available for tenants to lease. This would cause prices to soar higher, due to supply and demand.?

(Image: Alison Ringuet, Orana Property)

Orana Property welcomes the WA government?s decision to keep no-grounds evictions in place, which should encourage more landlords to enter the market. No-grounds evictions enable WA property owners to evict tenants without giving a reason. The notice period for termination provisions is currently 60 days for periodic leases and 30 days for fixed leases.

In May 2023, the McGowan government released a press release that no-grounds evictions will remain.

?With the current challenges facing WA?s rental market, it is not in the community?s interests to make it more complex to own and manage a long-term rental property. Our State needs more investors in the market and uncertainty about their ability to manage their own asset may stand in the way of increasing supply,? Ms Ringuet said.

When state and territory leaders met with the Prime Minister on August 16, they agreed to move towards nationally consistent laws on renting ? including removing no-grounds evictions. Despite these recent national cabinet guidelines, the WA government will retain no-grounds evictions.

Australian states and territories set their own tenancy laws, so WA?s rental laws are separate from what?s happening elsewhere. However, Australia?s housing crisis has put rental reform at the top of the national agenda this year. This means WA rental laws may come to be shaped by wider reform.

Orana Property published an article explaining Western Australia?s rental reforms, against the backdrop of national housing debate.

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Orana Property

Orana is a diverse group of industry professionals who have united to deliver, with integrity, a client-focused and simplified approach to property management.

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