

CONQUER THE CHAOS

LIVE VIRTUAL ONE-DAY SUMMIT

How To Crush It Even In Crazy Times of Lockdown, Fear and Uncertainty

STATE-BY-STATE

COVID STIMULUS

New South Wales

State government announcement: The NSW State Government announced \$440 million in relief for renters and landlords affected by COVID-19, with the funds to be split evenly between residential and commercial premises.

- Landlords are eligible for a land tax concession of up to 25% for the rest of this year, and a further land tax deferral for outstanding amounts for another three-month period, provided rent relief is provided to the tenant.
- An eviction ban was also introduced in NSW that prevents those who have lost at least 25% of their weekly income from being evicted for the non-payment of rent.
- This ban applies for six months, from April 15.
- Some exceptions may apply, if the tenants and landlords have taken part in a good-faith negotiation and “it is fair and reasonable” for the landlord to evict the tenant.
- **Note for landlords:** For the next 6 months, there is a prohibition on ‘blacklisting’ a tenant on a tenancy database if related to rental arrears that are the result of being financially impacted by COVID-19.
- **Note for tenants:** You must continue to pay your rent as normal, unless your income has been impacted by COVID-19.

Victoria

State government announcement: The Victorian government announced a \$500 million plan for tenants and landlords, under which \$80 million has been allocated for tenants experiencing rental stress.

- Eligible tenants will receive up to \$2000 in relief payments under the scheme.
- A further \$420 million will be spent on land tax reductions, which delivers a discount of 25% on the land tax bill, for both commercial and residential landlords.
- A ban on evictions and rental increases has also been introduced for the crisis period.
- **Note for landlords:** To access the land tax discount, landlords must have evidence that they have offered a rental discount to their tenant.
- As a commercial landlord, your turnover must be less than \$50 million per year.
- **Note for tenants:** You must be able to prove you are in rental distress, are paying more than 30 per cent of your income on rent, and have less than \$5000 in savings in the bank to access the \$2000 rent relief payments.

Queensland

State government announcement: Queensland has the broadest changes

- Under laws passed on April 22, a tenant may break a lease due to economic hardship with no break lease fees.
- Failure to pay rent will no longer be a valid reason to evict a tenant.
- Other reasons to evict remain valid, but any landlord trying to evict a renter without valid cause will be subject to a fine.
- Landlords and tenants must enter into negotiations if a tenant claims hardship before any further action can be taken.
- As a freeze on evictions has been announced, and all leases that expire over the next six months will automatically be extended to September 30, 2020.
- **Note for landlords:** If your tenant is in financial distress due to the impact of COVID-19 and they cannot meet their rent commitments, you cannot evict them or list them in a tenancy database for rental arrears.
- **Note for tenants:** To be eligible to end your lease for hardship reasons, your household income must be reduced by at least 75% and you must have savings of less than \$5,000.

South Australia

- **State government announcement:** The South Australian Government has announced land tax relief for both commercial and residential landlords in response to COVID-19. Landlords may be eligible for a 25% reduction on the land tax payable on a parcel of land in the 2019-20 land tax year, if they provide tenants impacted by COVID-19 with a reduction on their rent.
- The SA government has also banned rental increases, evictions for the non-payment of rent, and even house inspections.
- Provided tenants are following any relevant laws related to the pandemic, they can't be considered in "breach" for non-payment of rent.
- These new rules apply to those suffering financial hardship due to the pandemic, although the burden of proof and clarity around what qualifies as hardship has not been defined in the legislation.
- **Note for landlords:** If you provide your tenant with a rental reduction, you are entitled to a 25% reduction in land tax.
- You also cannot evict your tenant for non-payment of rent.
- **Note for tenants:** You must continue to pay your rent as normal, unless your income has been impacted by COVID-19.

Western Australia

State government announcement: The West Australian Government has announced a \$100m land tax relief package for commercial landlords.

- Landlords are eligible for a 25% reduction on the land tax payable on a parcel of land in the 2019-20 land tax year, if they provide tenants impacted by COVID-19 with a rent reduction.
- Tenants facing financial hardship as a result of COVID-19 will be able to give 21 days' (three weeks) notice to end a fixed-term tenancy prior to its end date, without incurring break lease fees.
- WA had previously relaxed rules around inspections and repairs, if the landlord is COVID-19 affected, with only critical repairs needing to be done.
- The state has since relaxed social distancing rules and is allowing up to 10 people to socialise, which may make repairs easier to achieve.
- A residential rent assistance package has also been announced, which includes payments of four weeks rent up to \$2,000, paid directly to the property owner, in an effort to provide some relief to owners who are facing financial pressure, due to the tenant's inability to pay rent.
- The WA government has also banned rental increases.
- **Note for landlords:** The WA government has frozen rents and disallowed the collection of interest on unpaid rents during the crisis.
- A six-month moratorium on rental evictions applies, unless your tenant's failure to pay rent is *not* due to COVID-19 related financial hardship.
- **Note for tenants:** If you fall into rent arrears or have payments deferred, you will still be required to repay these amounts at a later date, once you regain financial stability.
- To access rental assistance of up to \$2000 for four weeks, you must be facing financial hardship due to COVID-19

Canberra

State government announcement: With just over 100 cases recorded since the pandemic began, including three patients deceased and the rest fully recovered, there are currently no COVID-19 patients in Canberra hospitals.

- The ACT's economy has been impacted, so they have introduced an eviction ban that applies to those who have lost 25 per cent or more of their weekly income, or are eligible for JobSeeker or JobKeeper.
- This ban covers tenants for the non-payment of rent for three months (from April 23), while rent increases are also frozen.
- **Note for landlords:** In the ACT's first stimulus package, it was announced that 165,000 residential ratepayers would receive a \$150 rebate on their residential rate bills in 2020-21. Landlords who reduce the rent on your property by at least 25% due to COVID-19, may also be eligible for a land tax credit to cover up to 50% of the rental reduction (limited to \$100 per week, or \$1,300 per quarter).
- **Note for tenants:** If impacted financially by the pandemic, you can request a rental reduction for up to 6 months.
- It is also not permitted for real estate agents to "blacklist" a tenant for non-payment of rent, as a result of COVID-related financial losses.
- A \$250 cash payment has also been introduced for public housing tenants.

Tasmania

State government announcement: Tasmania was the first state in Australia to pass laws preventing landlords from evicting a tenant during COVID-19.

- There is the strongest eviction ban announced to date, preventing all evictions until June 30 (unless extreme circumstances prevail).
- This window may be extended another 90 days.
- If experiencing severe hardship to the point where the tenant has experienced a 25% or more reduction in household income (including any government assistance), they may be entitled to break their lease.
- **Note for landlords:** The need and ability to perform repairs and inspections has been reduced, except for emergencies.
- **Note for tenants:** Any rent increase that was due to take place between 23 April 2020 and 30 June 2020 will no longer occur (including rent increases where notice was given prior to 23 April 2020), if that rent increase is yet to take place.

Northern Territory

State government announcement: Attorney-General Natasha Fyles has introduced emergency coronavirus-related changes to rental laws in parliament, but says the NT Government, within the laws of self-government, cannot put in place a moratorium on evictions, rent waivers or rent freezers.

- Instead, new rental laws will be in place while the COVID-19 emergency declaration is in place, and will push for “good faith negotiations” between both commercial and residential tenants and landlords.
- Severe penalties have been proposed for those who attempt to take advantage of the laws when their circumstances have not changed.
- The government has proposed two new offences if people “misrepresent information” about their coronavirus-related hardship, or “disclose information” without authorisation; they attract fines of up to \$78,500 and two years in prison.
- **Note for landlords:** Your tenant must be allowed to go into 60 days of arrears before getting a further 60 days to rectify this.
- After 120 days, if no remedy can be found and negotiations break down, you move to evict tenants under the normal process of going through NTCAT.
- **Note for tenants:** Residential tenants must be able to prove that coronavirus restrictions has caused your income to be reduced and your rent requires more than 30 per cent of your income

