

LANDLORD'S MONTHLY UPDATES

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REIA calls for end to RENT MEMORATORIUM

With the number of COVID tenancies in financial hardship now dropping, Australia's peak real estate body has called for the rental eviction moratorium to be scrapped.

The Real Estate Institute of Australia's (REIA) president, Adrian

Kelly, said it is time for all COVID-19 rental eviction moratoriums to be removed so that some form of normality for both tenants and property owners can resume in 2021.

"The rental eviction moratorium was the absolute right decision at the time by our nation's leaders and played a critical role in Australia's initial COVID-19 line of defence," he began.

"However, issues around tenants being impacted by COVID-19 and their ability to pay rent have not been anywhere near what was expected in early 2020."

He argues that the policy is no longer needed, given some states have ended rental eviction policies, while unemployment has dropped to 6.6 per cent.

Mr Kelly said the percentage of COVID-19-impacted tenants is now less than 5 per cent in major cities and less than 1 per cent in regional areas.

"Despite this, almost all jurisdictions, except for Queensland and the Northern

Territory, continue to extend the moratorium period far beyond six months, with most extending until the end of March."

The president explained that Queenslanders felt minimal impact when their eviction moratorium was removed.

And with economies now opening up, it is now time for all the states to do the same," he iterated.

Victoria, South Australia and New South Wales have all extended their support of tenants to the end of March 2021. For tenants in the ACT, the eviction moratorium will continue until the end of April.

Mr Kelly said continuous extensions "have the potential to cause hardship on many landlords who may already be struggling".

"Funding of sorts remains available in most jurisdictions for both tenants and property owners who remain impacted, and we call on all state governments to provide that targeted support to

landlords and spend these funds," he said.

The call from the REIA comes as paused mortgages look set to resume accumulating interest, which means property owners are reliant upon rental payments resuming to pre-pandemic levels.

Therefore, it would be sensible for moratoriums to be equally re-examined on a national basis, Mr Kelly concluded.

The national cabinet will meet again on Friday, 5 February 2021.

Rents recovering from COVID impact

December 2020 quarter CPI data shows the rental market is recovering from the effects of the COVID pandemic, according to the REIA. Rents increased by 0.1% for the quarter

following two quarters of falls with a fall of 1.3% for the year, with all capital cities except Sydney showing an increase in the quarter. Sydney had no change after five consecutive quarters of falls.

The Housing Group decreased in the December quarter and the year by 0.6 per cent and 0.9 per cent respectively. The All Groups CPI increased by 0.9% in the December quarter and also for the 2020 year. This follows a 1.6% increase in the September quarter after the June quarter recorded -1.9% - the largest fall in the 72-year history of the CPI.

The quarterly changes for the analytical series of trimmed mean and for the weighted median were 0.4% with the annual changes of 1.2% and 1.4% respectively with the trimmed mean being below 2% since December 2015.

140a Mileham Street, South Windsor NSW 2756



Details: Property Type - House
Land Area - 302m²

Open Times
Saturday 27 Feb 12:00pm to 12:30pm

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- Lock up Garage
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