

#3 CREATE MINIMUM STANDARDS

including climate appropriate housing.

THE PROBLEM

The lack of minimum standards in rental properties places the health and wellbeing of renters at risk, and fear of eviction often deters tenants from seeking repairs from real estate agents and landlords.

Renters bear the cost of energy and water use without the ability to make changes to key efficiency features such as insulation, window coverings, efficient cooking, heating and cooling appliances. Renting on a low income means that you often don't have

much choice about where to rent, or can only choose between low quality options, so you don't have much market power. Minimum standards would help ensure those on low incomes still have adequate housing that meets basic contemporary standards.

Hotter summers and more extreme weather events are already common in WA, and the impact of climate change is only going to increase in coming decades. Rental housing stock is less likely to have insulation, adequate

window coverings or quality hot water systems. It is more likely to be draughty and to have cheap appliances that are less efficient and more expensive to run. Rental homes are the least likely to have solar panels installed, meaning renters are left paying rising electricity costs with no option to benefit from the decreasing cost of solar. This also means that our rental housing continues to use more fossil fuels and contribute to climate change.

THE FACTS

Most products need to meet an Australian standard – your washing machine, your television, your car – but not your rental home.

50%

of WA renters said their homes were in need of repair.

49%

are concerned that making a request for repairs will mean a rent increase.

27%

fear being evicted if they ask for repairs.

[1]

965

Tenancy WA dealt with 965 enquiries relating to repairs in 2018.

The factsheet about maintenance issues was downloaded over 12,000 times. The mould factsheet was downloaded a staggering 11,801 times last year! [2]

[2]

While there are requirements under the building code and also under a range of local laws, there is no clear minimum standards implemented consistently in WA.

Those on low incomes who are renting in the bottom quarter of the market are often disproportionately affected, as there is little market pressure to keep the house repaired and well equipped.

Home energy inefficiency is a key driver of utility stress and energy poverty for low-income households. Common causes of energy inefficiency are little or no insulation; inefficient or faulty built-in heating, cooling and hot water devices; significant draughts caused by structural problems, such as broken windows and window frames, collapsing roofs, and holes in flooring; and a lack of window coverings.

The 2016 Bankwest Curtin Economics Centre Energy Poverty in Western Australia report found that rental households were dramatically less likely to be insulated than other homes in Perth.

Western Australia has minimum standards for security in rental properties, such as deadlocks and latches on windows, but it lacks minimum standards relating to all other aspects of ensuring a property is fit for habitation. WA, the ACT and NT are the only states and territories without legislated minimum standards

for rental properties. In WA, the current Act only requires that a home meets the building code (at the time it was built), local laws, and is delivered in a "reasonable state of cleanliness and reasonable state of repair given the age and character of the home". This leads to arguments about what is reasonable, and can be difficult for tenants to get a good outcome.



[1] WA data from "Disrupted: The consumer experience of renting in Australia" (2018)

[2] Tenancy WA statistics summary 2019

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47%

of Make Renting Fair WA survey respondents said they have trouble keeping their rental property warm or cool.

Homes with good energy and water efficiency have a positive impact on reducing housing costs. In the Australian Capital Territory, homes with a 7-star rating (under the Nationwide House Energy Rating Scheme), command a measurable premium at point of sale because of the mandatory disclosure program^[3].

Queensland University of Technology Professor Adrian Barnett says Australia's poor efficiency standards and indifference to insulating against hot and cold weather is a huge public health issue^[4]. A 2015 report published in *The Lancet* journal found that 0.5

per cent of deaths in Australia can be attributed to hot weather, while 6.5 per cent of deaths are related to cold exposure. Incredibly, more people died of cold-related illnesses in Australia than in Sweden due to our lack of regard for quality heating and insulation in housing.

The 'split incentive' problem means some landlords won't pay for upgrades – such as insulation, solar panels or other energy-efficient features because the tenants are the beneficiaries. As a result, renters, especially those on low incomes, are likely to be living in housing of lower quality or standard^[5].

“Had a property with no insulation in the roof space, windows or doors that didn't fit properly; the place was freezing in winter and impossible to cool in summer, even with reverse-cycle to main bedroom and sitting room – cool air and warmth just went straight out.”

“We don't want to raise maintenance issues for fear they will raise our rent, so we fix most things ourselves.”

“Just classic issues living in an old share-house: Pests, too cold in winter, too hot in summer, real estate agent very slow to do repairs when needed.”

THE SOLUTION

A new minimum standard for all housing, coupled with a schedule of minimum requirements and a mechanism for enforcing them should be introduced.

Minimum Standard Schemes are being implemented in NSW and Tasmania, and are under development in Victoria.

Regulations should clearly define what standards are to be met (e.g. adequate ventilation, adequate sanitation, universal access or adaptability) and also provide:

- a consistently defined and applied a minimum standard of housing across the sector
- disclosure on key issues including if pets have lived in the property
- clear guidance for tenants about their rights and what to do if their landlord is not meeting their obligations

- clear guidance to help lessors understand their obligations and how to meet them, with mandatory disclosure
- an independent, third party that can resolve disputes and enforce requirements (see #7 Dispute Resolution)

These basic standards can include having privacy, security, accessibility, sanitation, drainage, ventilation, water and energy supply, facilities and storage. Most landlords will have no difficulty meeting minimum standards.

Minimum standards for rental properties should include provisions for energy efficiency and climate appropriate standards.

Upgrading the rental stock in the community to meet these standards will be a significant task. We recommend that government support and incentives be provided ahead of phased-in requirement for rental properties to have minimum energy efficiency and climate appropriate standards.

The benefits to lessors of meeting basic standards for rental homes include maintaining the amenity and value of the property, attracting and retaining long-term tenants who care for their home, and maintaining good relationships with tenants.

[3]<https://about.unimelb.edu.au/newsroom/news/2018/may/energy-efficient-homes-attract-premium-sale-and-rental-prices-study-finds>

[4]<https://www.domain.com.au/news/lack-of-insulation-proper-fittings-mean-australian-houses-are-too-cold-for-many-20170524-gwazax/>

[5]<https://theconversation.com/chilly-house-mouldy-rooms-heres-how-to-improve-low-income-renters-access-to-decent-housing-116749>

Quotes: Make Renting Fair WA survey responses (2019)

