

BOARDERS AND LODGERS: Is help finally on its way?

The State Government announced last month that it is preparing new laws to protect the rights of tenants who live in boarding houses.

Boarding house residents are among the tens of thousands of renters who currently have hardly any legal rights at all. They are not covered by the Residential Tenancies Act. They can't legally make landlords do repairs. There is not much they can do to stop landlords throwing them out without notice, or even to get their bonds back when they leave.

People living in private student accommodation and many who live in share housing without written tenancy agreements face similar problems.

The Eastern Area Tenants' Service is aware of many landlords who exploit tenants who are not covered by the Residential Tenancies Act. We have examples of people who have come home to find their belongings thrown on the street and the locks changed. We know of certain landlords who routinely rip off tenants' bonds.

The government has a chance to end these abuses, which have been going on for too long. It needs to make sure that any changes in the law protect everybody who is not covered by the Residential Tenancies Act. The government must also make sure that the new law addresses the questions that make a large number of people second class citizens when it comes to housing rights.

Historically, boarding house owners and others with vested interests have been able to head off any attempts by governments to give residents legal rights. The landlords say that respecting the legal rights of residents would be too costly, and that they would be forced to close down, leaving many low income people homeless.

This is nonsense on a number of levels. Fewer and fewer operators of boarding houses, student accommodation or share housing offer low cost accommodation. Most residents nowadays pay substantial rents, more than the property would get if it were a standard residential tenancy. EATS records show that prices of \$250 – 350 per room are standard in such accommodation in the Eastern Suburbs.

The photo opposite shows a "For Sale" sign outside a somewhat run down boarding house in Sydney. The annual revenue for the property is over \$1100 per week, substantially more than a renovated property that size would realize on the rental market in the area.

Landlords are able to make super profits by operating non standard rentals because their residents have no rights. For example, robbing a resident of their bond, because that resident has no legal way of fighting back, gives the landlord an extra four weeks rent for nothing. That equals a nearly eight per cent increase in profit – more than most companies earn in Australia in a year!

Why now

There are a number of reasons why boarding house reform and residents' rights are on the agenda in NSW now.

As rents in the standard market skyrocket, more and more people are forced into unregulated housing. Profits are rising and the temptation is there for landlords to screw even more out of residents. The potential for abuse and dishonest behavior is rife.

A keen source of super profits is in the area of student housing, particular for students from overseas, who often do not speak English well and are not familiar with Australian standards. Tenancy services like EATS regularly come across stories of rooms subdivided with office dividers to squeeze in more paying customers, of residents being forced to share rooms or even beds, of those who complain being chucked out onto the street, and of "bond harvesting" by landlords.

Super profits in the area of student housing forces up the prices of other 'low cost' accommodation. Unfortunately for governments, education is one of Australia's biggest export

money earners, and potential students overseas are hearing about the abuse they can be exposed to in Sydney. Thus the demand for education places in Australia is dropping off.

Last year, the state government held a parliamentary inquiry into international student accommodation. That was driven by local residents near Macquarie University complaining about overcrowding (or perhaps Asian students) in their neighbourhoods.

In its findings, that inquiry came out solidly in favour of “occupancy agreements” for residents of non standard housing... that is for housing not covered by the Residential Tenancies Act. Such agreements should, the parliamentary committee said, protect residents against abuses and being ripped off. It would also have the effect of reducing overcrowding, the committee said.

Also last year, independent MP Clover Moore moved a Private Members Bill in parliament which would have created occupancy agreements in non standard housing. Some felt that Moore did not go far enough to protect the rights of residents, but at least her Bill would have covered everybody not covered by the Residential Tenancies Act. It would have allowed access to the CTTT, made landlords lodge bonds with the Rental Bond Board and given residents a way to get their bonds back if they were unfairly withheld.