

PICA General Guidance for NSW Landlords Regarding Tenancy Management during Coronavirus (Covid-19) Pandemic

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NSW Government – Landlord / Tenancy Assistance Funding Boost Announcement

On Easter Monday 13th April 2020, the NSW Government announced some further details in terms of their support for Landlords and Tenants during this challenging economic time.

Full media release can be found at by clicking [here](#):

In summary for **Residential Landlord and Tenants** the following announcements include:

- 60 day moratorium on finalising existing matters or making new applications to NSW Civil and Administrative Tribunal (NCAT) for eviction on the grounds of rental arrears.
- \$220 million in land tax waiver (or rebate if you have paid it already) set aside for Residential Landlords to help assist tenant where they can.
Therefore if a Landlord helps reduce a tenant rent, they will be able to make a claim of up to 25% of their annual land tax bill
- Tenants within “the household” who suffer an income loss of equal to or greater than 25% (inclusive of any government assistance, such as the new Jobkeeper payments), if the tenant requests to negotiate the existing rent there is an obligation to engage in negotiations between the tenant, property manager and landlord, prior to seeking a forced end to the tenancy.
- Tenants will be protected from eviction until NCAT is satisfied that negotiations have concluded. Any unpaid rent will accrue as arrears during this period
- Tenants and landlords will also have access to assistance from Fair Trading and access to the NCAT to resolve matters after the end of the 60-day period:
 - NSW Fair Trading’s dispute resolution service will be available to assist if the parties are unable to re-negotiate and agree on new rental arrangements, backed by Fair Trading’s existing legal powers;
 - NCAT will be available to make appropriate orders in light of the current circumstances where the parties are unwilling or unable to reach an agreement and action is taken to seek an eviction;
 - Action is also being taken to ensure that evictions for reasons not related to rent arrears are also stayed to minimise avoidable housing disruption and movement. The usual periods of required notice under the Residential Tenancies Act will be increased from the minimum of 30 days up to 90 days for terminations due to fixed or periodic leases ending, or other agreement breaches.
 - Landlords will however continue to be able to seek to recover premises due to their own genuine hardship. Tenants will also continue to be able to apply to the Tribunal to terminate a fixed-term tenancy on the basis of hardship.

- Tenants will be protected from being added to tenancy databases (or 'blacklists') for breaches of agreements resulting from COVID-19 impacts.

Further important information for our members:

- The land tax threshold in NSW is currently \$734,000.
- It reported that only 16% of Property Investors pay land tax, leaving 84% of investors with no financial support to assist tenants.
- Expanding on this point let's take a look at a couple of examples:
Land value \$735,000 – Tax payable is \$116 of which a 25% rebate is only \$29 to support tenants
Land value \$800,000 – Tax payable is \$1156 of which a 25% rebate is only \$289 to support tenants
Land value \$1,000,000 – Tax payable is \$4,356 of which a 25% rebate is \$1089 to support tenants

Our latest views and guidance for NSW Landlords at this latest update is:

- We are disappointed there was no consolation with PICA by the NSW government to assist in developing this assistant package and hence there appears to be little assist for landlords to help out tenants with any financial this offered by this latest support package.
- We don't believe a 25% reduction in tenant's household income constitutes valid rental hardship status.
- It still remains that Landlords have no current obligation to provide a tenant with reduced rent. In the event you are contacted by your tenant, you now will need to enter into negotiations with them. If you can offer them any assistance, this could come in the form of a rental deferral offer and if you are in a financial position to assist them further that is entirely up to you, but once again you are currently not obliged to do so. Only an order by the NCAT can alter this position in the event you seek to evict the tenant after the moratorium period lapses.