

# RV - Alert

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Brian Herd



Joanne O'Brien

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## Brisbane Office

Level 10  
193 North Quay  
Brisbane Q 4000  
T: 07 3236 2900  
F: 07 3236 2907  
E: bherd@crhlaw.com.au  
W: www.crhlaw.com.au

## Rockhampton Office

Level 6  
34 East Street  
Rockhampton Q 4700  
T: 07 4921 2775  
F: 07 4921 0611

## Rental Units

There are many Queensland retirement villages in which units are occupied, not by residents but by tenants under a rental agreement. The number of such rental units will probably increase in the current economic climate. Operators who cannot sell existing units may choose to make vacant units work for them and offset their contributions to the GSC by renting units to people who would otherwise be unable to pay an ongoing contribution.

## The Law

At the moment, these tenancies are in a legal no man's land. They are not covered by either the *Retirement Villages Act* or the *Residential Tenancies Act* which is the legislation that deals with the rental of residential premises. This has meant that operators have been generally free to enter into tenancy agreements in any form although many have chosen to use the general tenancy agreement provided by the Residential Tenancies Authority which administers the *Residential Tenancies Act*

## New Law

This situation is about to change with the introduction of the *Residential Tenancies and Rooming Accommodation Act* which commences on **1 July 2009**.

## What you need to know

Operators who have rental units need to be aware that, from 1 July 2009:

- The new law applies to retirement villages in Queensland;
- Existing agreements will still be valid but any term that is inconsistent with the new law will be invalid;
- Rental bonds must be paid to the Rental Bond Authority;
- Two months notice is required for rent increases and rent can only be increased once in any six month period;
- The tenancy can be terminated without grounds but two months notice must be given; and
- There are special rules and forms to be used for dealing with the tenant and the unit during the tenancy.

## What you need to do

All rental agreements should be reviewed to ensure they can be enforced after 1 July 2009.

Operators should also ensure staff are aware of the new law and procedural requirements.

The new law will impact on residential services as well as retirement villages and operators of those services should contact us about the effect it will have on their operations.

Brian Herd & Joanne O'Brien