



Purchasing a Residential Rental Property – Locking Up a Landlords' Obligations

Since 1 July 2015, landlords of residential properties that fall within the ambit of the Residential Tenancies Act 1986 (the **Act**) must ensure that the rental properties comply with new minimum standards regarding security. Whilst landlords have always been required to provide and maintain locks or other devices to ensure rental properties are “reasonably secure”, amendments to the Act and the Residential Tenancies Regulations 1989 (the **Regulations**) now provide more detail about the minimum standards that need to be in place to ensure the property is reasonably secure.

Landlords must ensure that rental properties comply with the following minimum standards:

- the front door of the property has a deadlock or a key lockable security screen door that complies with Australian Standard AS 5039-2008;
- external doors of the property are fitted with a deadlock or, if a deadlock cannot be installed, a patio bolt lock, or a key lockable security screen door that complies with Australian Standard AS 5039-2008;
- windows are fitted with a lock, whether or not a key lock, that prevents the window from being opened from outside the premises; and
- an electrical light is installed that illuminates the front entry.

As a result of the above, the obligations of landlords has increased as has the costs to landlords by requiring properties to be in a certain condition.

In the few short months since coming into effect, many purchasers of residential properties have been required to expend additional funds getting rental properties compliant with these new laws. If the property was not previously rented, then the obligation is on the purchaser to ensure that the property complies with the Act and the Regulations. This can be expensive and time consuming and can delay the time in which a tenant can move in.

Unlike legislation for smoke alarms for properties being sold, where there is a positive obligation on the vendor to comply with the existing legislation, the above amendments only require landlords (and not vendors) to comply. Therefore, where property is being sold that is the place of residence of the vendor, it is unlikely that such a property will be compliant and there is little that can be done to force a vendor to comply.

If you are dealing with the settlement of a residential property that is going to be rented out by the purchaser, it may be a good idea to include as part of your settlement process checklist, notification to the purchaser of their obligations under the Act and Regulations. Providing notice to your client early will enable them to meet their compliance requirements in a more timely manner and reduce the likelihood of a disgruntled purchaser when they become aware of their compliance requirements.



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