

# Report

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## Sharehousing in NSW

May 2017

### Introduction

The 2015/16 statutory review of the *Residential Tenancies Act 2010* (RTAct) recommended, among other things, to “give further consideration to whether it is appropriate to provide occupancy rights to sub-tenants without a written tenancy agreement and/or to boarders not covered by the *Boarding Houses Act 2012* (BHAct), and what kinds of occupancy rights should be provided to these groups”.<sup>1</sup>

During the review, the Tenants' Union of NSW (TUNSW) and Tenants' Advice and Advocacy Services (TAASs) made strong recommendations that law reform for sharehouse residents and boarders not covered by the BHAct should be prioritised.<sup>2</sup>

Between December 1st 2016 and January 12th 2017, TUNSW and TAASs conducted a survey of people who have lived in a sharehouse in New South Wales over the last five years, to gather data and insights into their experience and expectations. The information collected from this survey will inform our continuing discussions with Fair Trading NSW and the NSW Government on this issue.

### About the survey

The survey was developed by TUNSW and TAASs and was conducted online through [www.tenants.org.au](http://www.tenants.org.au). It was promoted through a number of online portals that people use to find a room in a sharehouse, or to advertise a vacancy, such as [flatmates.com.au](http://flatmates.com.au) and local Facebook groups that are set up for these purposes.

Over six weeks our survey attracted responses from 317 people who have lived in a shared house or flat in New South Wales during the last five years.

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<sup>1</sup> Fair Trading NSW Residential Tenancies Act 2010 – Statutory Review 17 June 2016 recommendation 2, page 12

<sup>2</sup> See submissions from Eastern Area Tenants Service, Hunter Tenants Advice and Advocacy Service, Marrickville Legal Centre, New England and Western Tenants Advice and Advocacy Service, Northern Rivers Tenants Advice and Advocacy Service, Redfern Legal Centre, Tenants Union & Western Sydney Tenants Service, at [http://www.fairtrading.nsw.gov.au/ftw/About\\_us/Have\\_your\\_say/Residential\\_tenancy\\_laws\\_review/Submissions\\_residential\\_tenancy\\_laws\\_review.page?](http://www.fairtrading.nsw.gov.au/ftw/About_us/Have_your_say/Residential_tenancy_laws_review/Submissions_residential_tenancy_laws_review.page?) (viewed 4/5/17)

The survey indicates that many people, across all ages, are living in shared housing without written sub-tenancy agreements. They have no legal protection against unfair eviction or access to effective dispute resolution services. Disputes do occur – our survey indicates a broad range of disputes are more likely to arise in shared housing than not. Disputes were often left unresolved, and respondents were more unsatisfied than satisfied with outcomes. Respondents overwhelmingly indicated they would support reform to clarify and improve the law for sharehouse residents.

## Summary of findings

### **1. Sharehouse residents are unlikely to have written tenancy agreements covering all housemates**

The vast majority of respondents had lived in a shared house or flat in New South Wales during the last five years, without their own or another person's name being added to the lease.

### **2. Significant disagreements are common amongst sharehouse residents**

Of those who had lived in a sharehouse where there was no written sub-tenancy agreement, more than half had experienced a significant disagreement between housemates.

### **3. Disagreements are not easily resolved, and outcomes are often unsatisfactory**

A large majority, nearly 70%, of people were either unable to resolve the dispute, or dissatisfied with the outcome.

### **4. Sharehouse residents strongly support improved rights**

An overwhelming majority of sharehouse residents supported minimum notice periods for evictions, access to dispute resolution in a tenancy tribunal and bond lodgments.

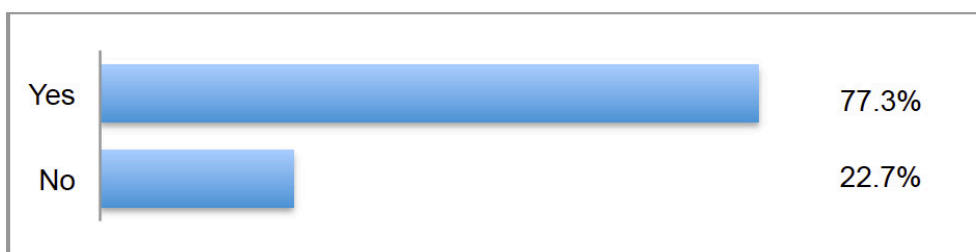
### **5. There is no clear reason why sharehouse residents do not obtain written tenancy agreements**

Respondents shared a wide range of responses and described many different reasons why written tenancy agreements are not obtained.

## Findings

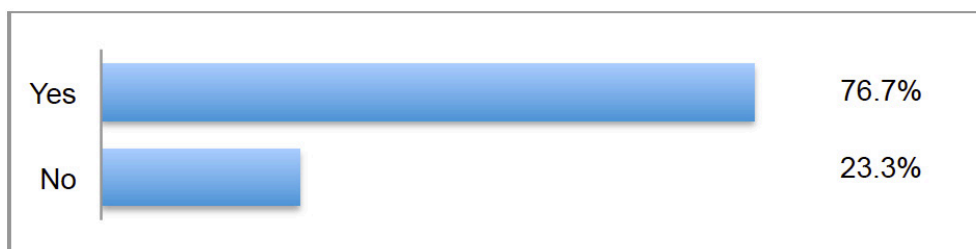
### I. Sharehouse residents are unlikely to have written tenancy agreements covering all housemates

More than three-quarters of respondents had moved into a shared house or flat in NSW without their name going onto the lease.



Have you ever moved into a shared house or flat without your name going onto the lease?

More than three-quarters of respondents had had someone move into their shared house or flat in NSW without their name going on the lease.



Have you ever had someone move into your shared house or flat without their name going onto the lease?

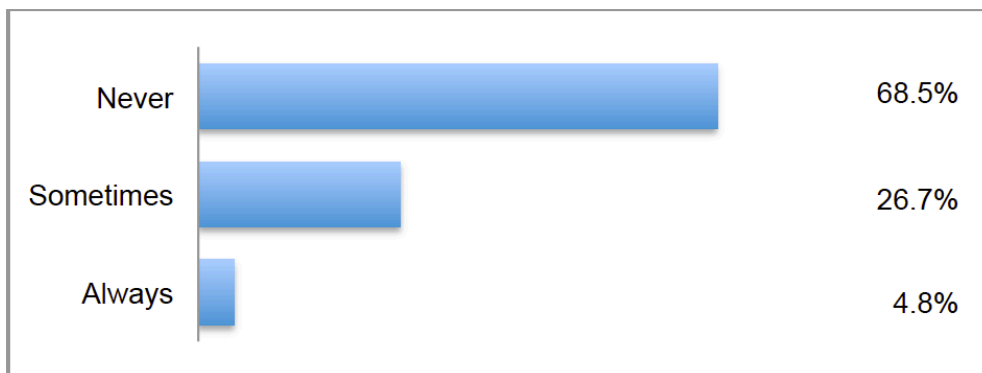
Overall, the vast majority of respondents had lived in a shared house or flat in New South Wales during the last five years, without their own or another person's name being added to the lease.



Lived in a shared house or flat where at least one occupant's name is not added to the lease

Of those who had lived in a sharehouse without their name or another person's name going onto the lease:

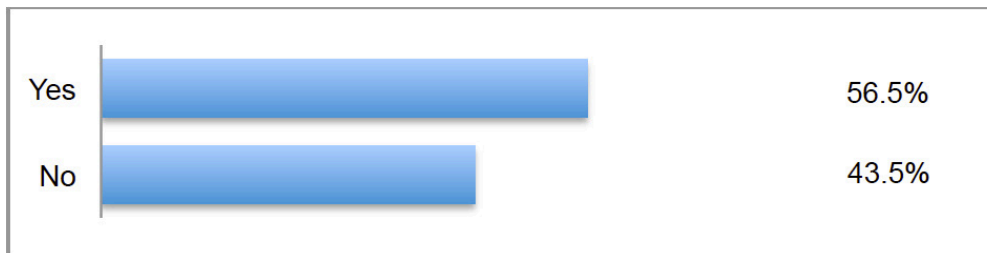
- A large majority had never established a new sub-tenancy with a written agreement.
- Just over a quarter had only sometimes established a new sub-tenancy with a written agreement.
- Less than 5 per cent had always established a new sub-tenancy with a written agreement.



Was a written rental agreement ever started between a person moving in and the existing housemates?

## 2. Significant disagreements are common amongst sharehouse residents

Of those who had lived in a sharehouse where there was no written sub-tenancy agreement, more than half had experienced a significant disagreement between housemates.

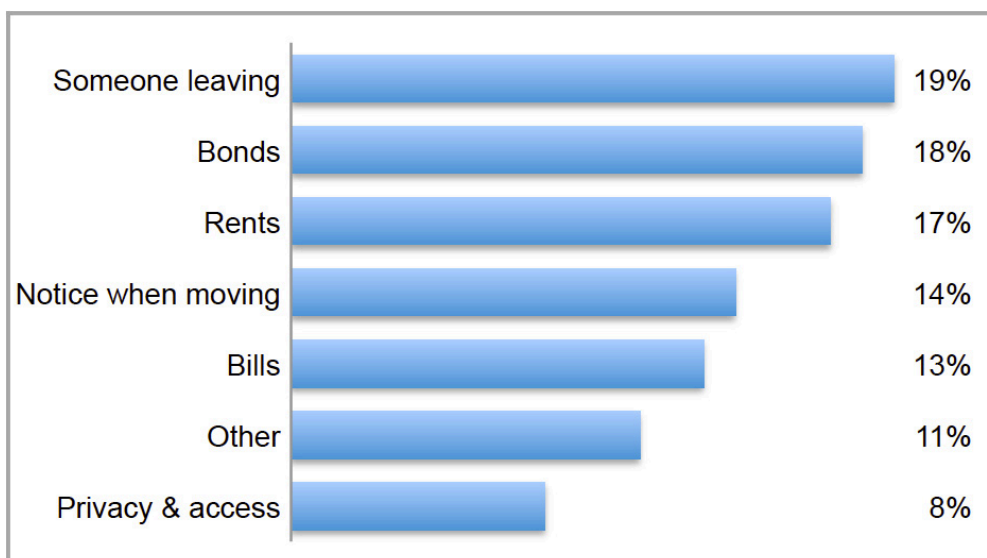


Have you been in a shared house or flat where there was no written sub-tenancy agreement, and a significant disagreement arose between housemates?

For those who had experienced a significant disagreement between housemates, the most common disagreements concerned:

- Whether someone should move out
- Paying or getting a bond back
- Rent payments or a rent increase
- How much notice is required when moving out

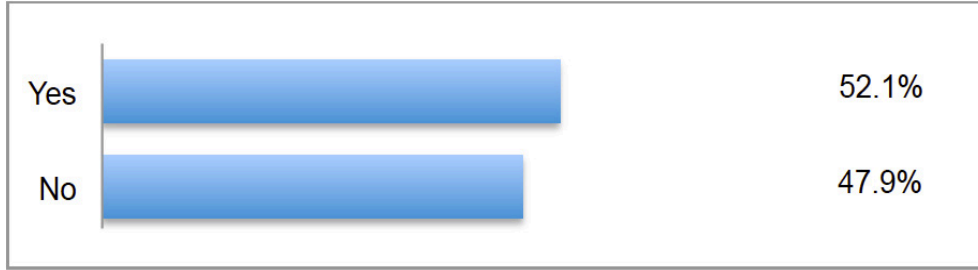
Disagreements also arose about phone, water and utility bills, privacy or access to shared facilities, and other unspecified reasons.



What was your most recent disagreement about?

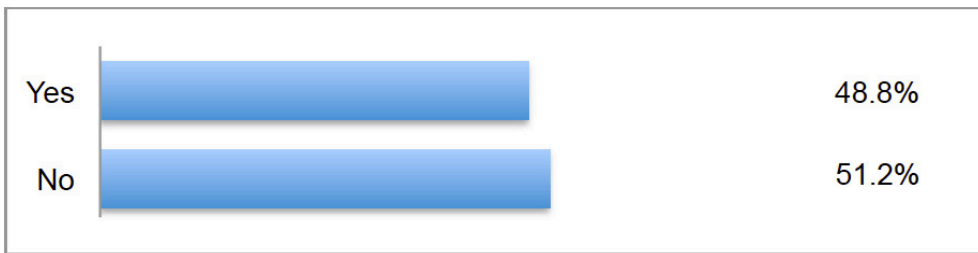
### 3. Disagreements are not easily resolved, and outcomes are often unsatisfactory

For those who had experienced a significant disagreement between housemates, more than half were unable to resolve the disagreement.



Were you able to resolve the disagreement?

For those who had experienced a significant disagreement between housemates, more than half were unsatisfied with the outcome.



Were you satisfied with the outcome?

Overall, a large majority of people were either unable to resolve the dispute, or remained dissatisfied with the outcome after its resolution.

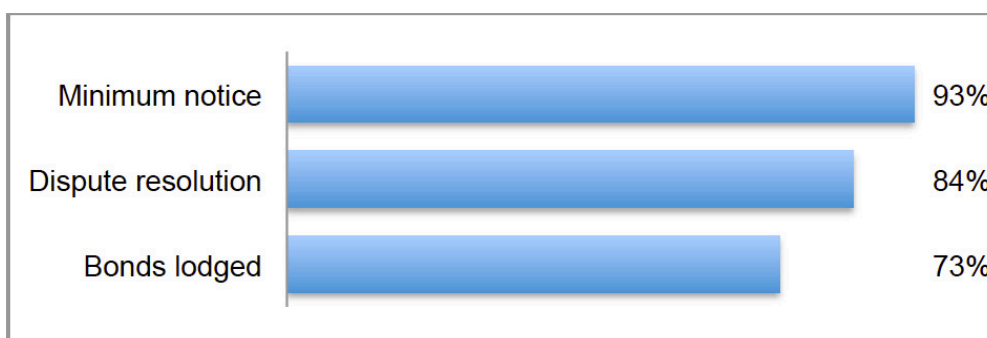


Was the person able to resolve the dispute, and was satisfied with the outcome?

#### 4. Sharehouse residents strongly support improved rights

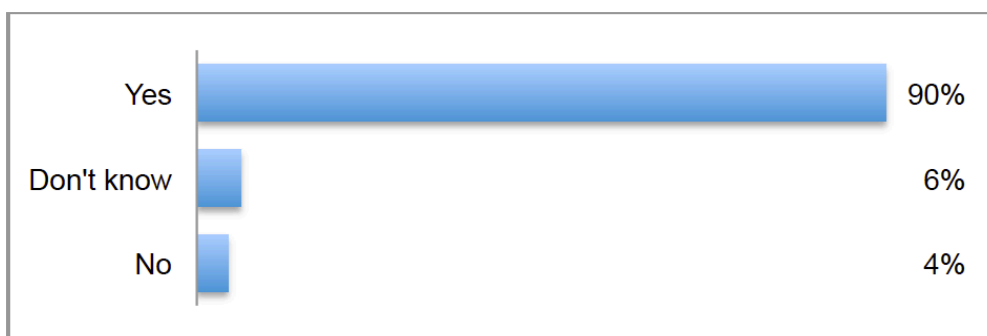
The 292 respondents who had lived in a sharehouse without their name or another person's name being added to the lease were asked whether they agreed with three statements:

- Everyone renting in a shared house or flat should receive a minimum period of notice when another housemate or the landlord wants them to move out.
- Everyone renting in a shared house or flat should be able to have rental disputes resolved in the tenancy tribunal.
- Everyone renting in a shared house or flat should have their bond lodged with the Rental Bond Board.



Respondents who agreed

Respondents who had lived in a sharehouse without their name or another person's name being added to the lease were also asked the more general question: "do you agree that people in shared housing should have clear rights and responsibilities regardless of whether or not there is a written rental agreement between housemates?" The vast majority said yes. Only a small number said no.



Should people in shared housing have clear rights and responsibilities regardless of whether or not there is a written rental agreement between housemates?

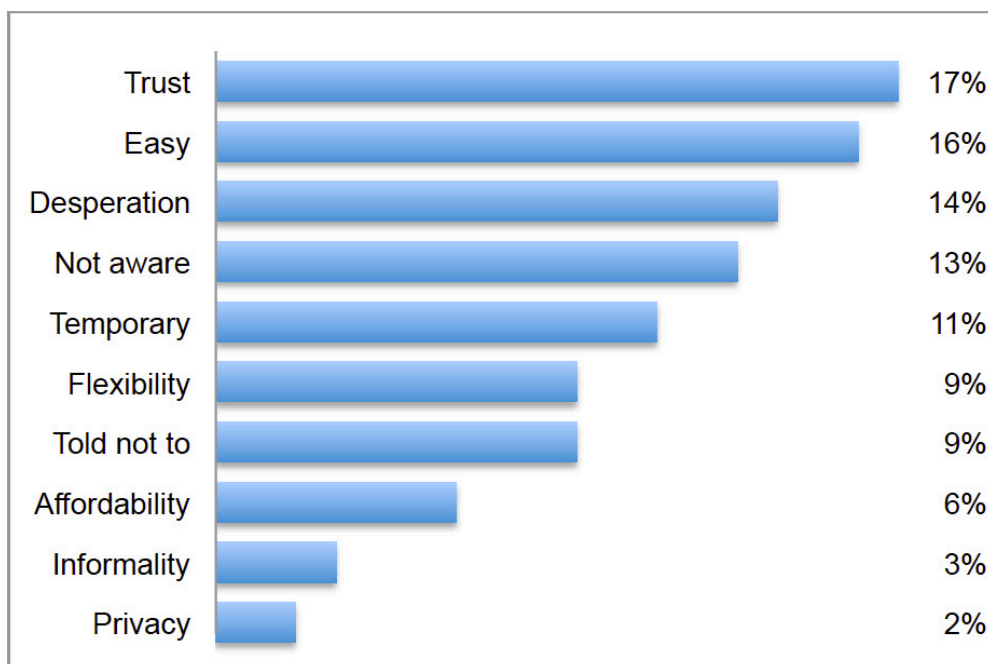
## 5. There is no clear reason why sharehouse residents do not obtain written tenancy agreements

Respondents were asked to speculate, based on their experience, as to why someone would move into a sharehouse without obtaining a written sub-tenancy agreement.

We asked for open responses to the question: "In your experience, why might someone move into a shared house or flat without a written rental agreement?"

Responses can be grouped into ten broad categories as follows:

- Trusting the other person/people; living with friends or family
- Not wanting the hassle of paperwork; ease of transaction
- Desperation; needing whatever accommodation is available, not feeling empowered to ask
- Hadn't thought of it; unaware of legal implications
- Sharehousing seen as temporary or short-term option
- Flexibility; not wanting to be locked in
- Landlord or real estate agent advised against it
- Affordability of sharehousing
- Consciously avoiding legal formalities
- Concerns about privacy

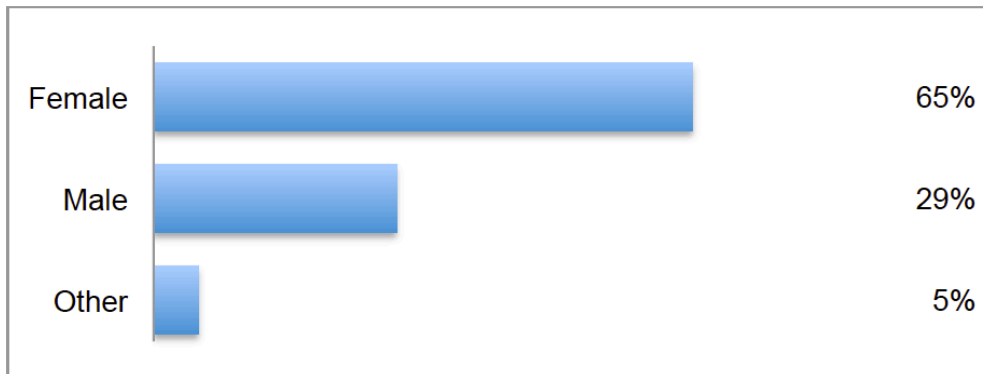


Reasons not to get a written agreement



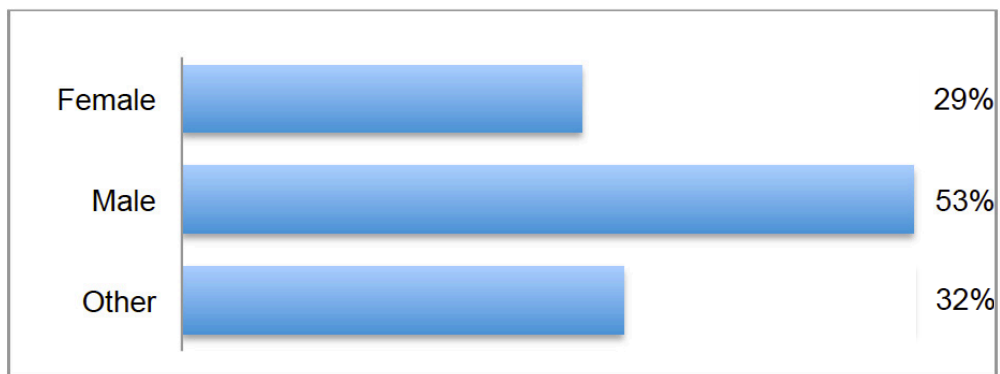
### Additional data

A significant majority of respondents were female.



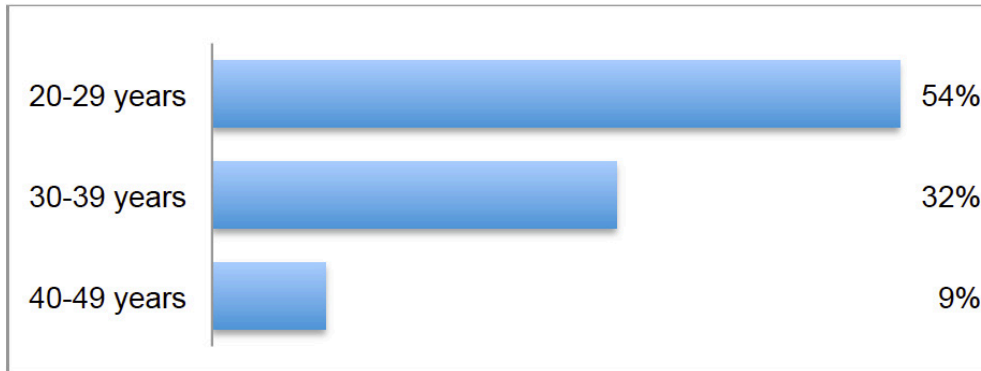
Gender identification of respondents

Proportionally, male respondents had encountered more sharehouse disagreements than females or those with another gender identification. Overall numbers were reasonably high across the spectrum.



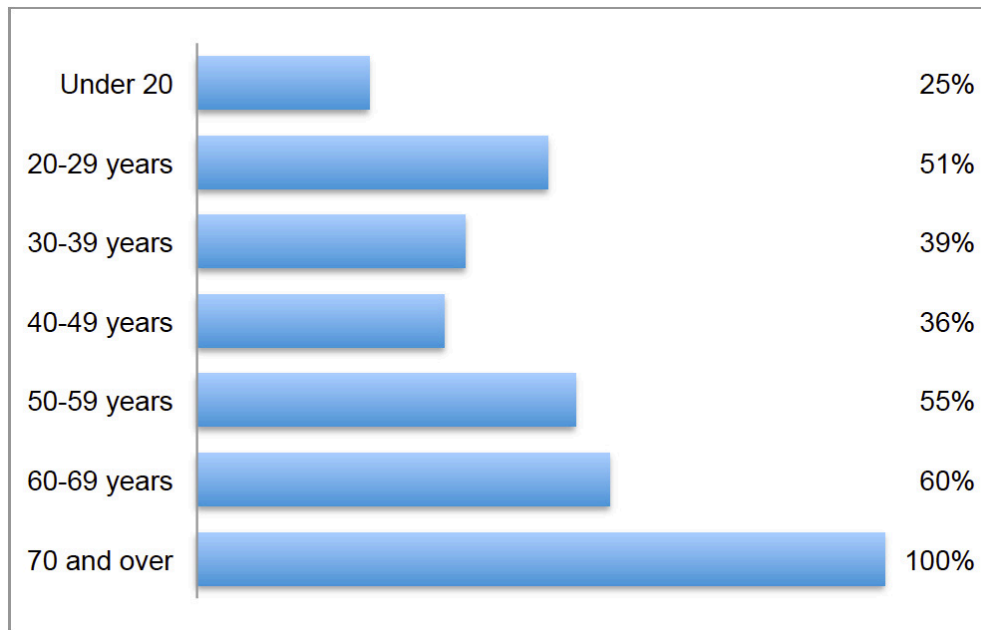
Affected by a sharehouse disagreement, by gender

A majority of respondents were aged between 20 and 29 years. Almost a third of respondents were aged between 30 and 39 years. Almost one in ten respondents were aged between 40 and 49 years.



Age of respondents

Proportionally, respondents aged between 20-29 years had encountered more sharehouse disagreements than other age groups. There was insufficient data to draw any strong inferences about respondents who were under 20 years, 70 years or over, or aged between 50-59 years and 60-69 years, however the older age groups reported experiencing sharehouse disagreements at proportionally higher levels.



Affected by a sharehouse disagreement, by age

## Some examples from the survey

Respondents were asked to comment on any disputes in sharehousing they had experienced. We asked for open responses to the question: "If you'd like to, please provide some details about any share housing disputes you've encountered or endured (optional)"

We have extracted a number of these responses below.

My partner was the longest tenant living in his share house. They got slack with names on leases so that eventually he was the only person on the lease at the house he was living in. Additionally, he wasn't really screening housemates - people just moved in and out, and he understood that each person was paying their rent directly to the real estate. He came to stay with me for a weekend and when he returned home on a Tuesday everyone was moving out. They had been given an eviction notice due to rental arrears (he'd been paying his rent but not ensuring the others were paying theirs), and all had to be out the next day. None of them so much as texted him to let him know what was happening. As the only one on the lease, his rental history was trashed and he was made homeless overnight. He lived with me not on the lease for a year (we were afraid they would refuse him), and now he's a named occupant on our current lease but not actually a lease-holder.

Sole leaseholder charged me 'backpay' for the nights my partner stayed in my room, something that was never mentioned or discussed beforehand. The alternative to not paying her \$500 was to be kicked out. I chose to pay her and spend the remaining months looking for new accommodation. Unsurprisingly, she kept my bond for a stain on the carpet in which there was clear evidence it was there prior to my move in. I sought legal help, but as there was no written rental agreement, I had no protection under tenancy laws.

I was due to move out on a Tuesday and the tenant I was subletting from wanted me to pay rent for the whole week even though she had specified Tuesday as my move out day. Another dispute came about when one of my housemates and I wanted our real estate agent to fix a hole in our fence because the creepy guy next door kept coming into our garden and harassing us. For some weird reason the other housemate didn't think the fence should be fixed so she sent the workmen away!

Disputes over rent paid that was subsidising another tenant to live rent free in the property. Disputes over who had to pay for an internet line being installed. Disputes over maintaining reasonable living conditions on a property that was not legally habitable - e.g. repairing broken gas lines, repairing electrical sockets.

My partner's share house (4 male friends) had agreed about 3 years ago (when they first moved out of the family home at age 19) that they would make sure that the right person would replace any one of them if they chose to move out before the rest of the housemates. My partner and I gave plenty of notice for them to find a replacement before he and I moved out of our respective share houses to move in together, but because 2 of his house mates are overseas and insist upon meeting whoever would take over his room in person, my partner is being forced to pay 4 weeks additional rent for his old room and will have to argue for his bond to be returned to him by the remaining housemates.

We had an aggressive/threatening housemate whom we asked to move out after a couple of months (with notice). He initially refused but eventually agreed. He did not return the keys when he moved out. Given his previous behaviour, we changed the locks and deducted the cost from his bond. This resulted in further threats, though he didn't act on them.

I was not on a lease in a share house with two others that were on the lease and it was often used as a threat if I didn't agree to things the tenants wanted ie, getting a pet, going thirds in appliances etc.

I've known someone who moved in to an apartment with a couple without a lease and was asked to move out two weeks later with a week's notice.

Mostly disputes around money and time limits for moving out are the disputes I've been in myself and witnessed the most.

A head tenant refusing to refund bond for a long period of time before handing over 2/3 without an explanation as to why 1/3 of the bond was lost.

We discovered one of our housemates wasn't paying any rent, but charging us all more to live there. When we said that wasn't fair, his response was 'life's not fair deal with it'. As we all weren't on the lease we had no power to change this so we all moved out. He initially refused to give our bonds back, so we refused to return the keys until we had our money.

Housemates stopping rental payments abruptly for a number of weeks which resulted in asking them to move out, housemates becoming angry/abusive, changing locks on ex-housemates who refuse to return a key, disputes over bonds, bills for the time of a housemate's stay being received after they have moved out and those ex-housemates refusing to pay the bill, confusion surrounding bond amounts when multiple people have moved in and out and rooms have changed prices since original lease.

Late payed rent, housemates having partners move in without permission, bond returns, mental health issues causing conflict.

I have had issues having housemates pay bills that were in my name (and given the nature of telco/power company application processes, it's difficult to establish a contract in the name of all housemates.

I was in that situation recently - they took my keys off me, locked me out of the house on NYE and I have been struggling to get my belongings back - I tried calling the Police they attended and refused to help basically. The situation is still not resolved. I moved in with 2 other couples (I'm single) they refused to put my name on the lease and refused to put anything in writing when I moved in with them. I am now homeless and struggling to get my belongings back, some of it missing and some of it has been damaged.