

PET HATES: LESSOR PET SENTIMENT AND THE 'AGENT EFFECT'

better
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People who rent and own pets must overcome hurdles to securing housing. Many properties prohibit pets, and pet owners may be at a competitive disadvantage even when applying for properties that putatively accept pets. With new rental laws around pet ownership coming into effect in the ACT, we analysed the sentiment towards pet ownership from twelve months of rental advertisements from the territory. Our analysis demonstrates the opacity of the rental market for people who rent with pets, as well as a notable 'agent effect', suggesting that anti-pet positions in rental advertisements do not necessarily reflect lessor preferences.

Introduction

On 1 November 2019 changes to the ACT's Residential Tenancies Act came into effect. Part of the effect of these changes is to prohibit blanket 'no pets' clauses in rental advertising. Instead, renters can be required to obtain lessor consent for a pet, and consent may not be unreasonably refused. Further, rental advertising must state if consent would be required.

But are these laws necessary? What was the rental market like for pet owners before these changes, and what are the implications of the new legislation? To understand the answers to these questions, we analysed the sentiment of real estate advertisements during a twelve-month period prior to the commencement of the new laws.

Background on renting and pets

Despite Australia's being a nation of pet owners, people who rent are routinely discriminated against for owning pets.(Power, 2016) Lessors can refuse potential tenants because they have pets; extra terms may also be included in a lease that add to a renter's obligations and expenses (for example, a requirement for fumigation regardless of whether it is needed).

This has many harmful effects. Firstly, it leads to pet abandonment. In Tasmania, the RSPCA recently reported that 15% of all cats and dogs surrendered to them were from renters who were denied the right to take their pet into a new home.(Vinall, 2019)

Older figures suggest the rate could be as high as 30%.(Nancarrow, 2012) These abandonments are an emotional ordeal for the people and the pets involved, and they can lead to euthanasiation.

On other occasions, people who rent are unwilling to part with their pets. This may result in people becoming homeless and, for example, sleeping in their car in order to retain a companion animal.(Branley, 2019; Elmas, 2019) Sometimes, it may mean that people are reluctant to leave a violent home, as they cannot be confident of taking their pet with them to a new rental property.(Novak, 2019) In other cases, people simply elect not to have a pet, thus being denied the many benefits of pet ownership.(Petcare Information and Advisory Service, 2012)

There is no evidence that these harms can be justified on the basis of benefit to lessors. People who rent with pets remain liable for any damage caused by their pet: there is no situation where a lessor would not have legal recourse to cover damages. In addition, evidence suggests that lessors who allow pets receive increased income that more than offsets any additional wear.(Carlisle-Frank, Frank and Nielsen, 2005; Butkovich, 2019) Overall, lessors are better off allowing pets. Lessors or agents who refuse to allow pets are not making an economically defensible decision: they are acting from a 'rule of thumb' with no empirical backing.

Method

We analysed a dataset of 10,842 ACT rental advertisements from AllHomes, archived from July 2018 through June 2019. For each advertisement, content was analysed for the word “pet” or “pets”. Where the term did occur, we reviewed the context to determine if the lessor was open to considering pets or not. A sample of phrases is included in the Appendix.

In general, when an advertisement did specify a position on pets, it was negative (“pets are not suitable”) or neutral (“pets will be considered on application”). A small number of ads were positive about pets (“pets are welcome”). For our purposes, neutral or positive ads are considered together, as these ads indicate at least an openness to pets.

We then limited our review to the largest real estate agencies (REAs), each with 50+ advertisements during the analysis period. This left 24 REAs. Private listers were also included.

Results

Disclosure rates

We first considered overall disclosure rates, both positive and negative. A high disclosure rate is in the interests of both renters and lessors as it supports more efficient matching of pet-owning renters with pet-accepting lessors. In the absence of disclosure, people who rent may waste their time applying for properties that won’t accept them, and lessors may waste their time reviewing applications that have no chance of success.

#	Name	%
1	LJ Hooker Belconnen	97
2	Civium Property Group	95
3	Badenoch Real Estate	88
...		
22	LJ Hooker Canberra City	9
23	Maloney’s Property	7
24	Independent Property Management	4

Table 1: Pet preference disclosure rates.

On average, 41% of rental ads specified a position on pets. The disclosure rate for private listers was 32%. This implies that property managers increase the disclosure rate of lessors. It may be that professional intervention prompts lessors to think about their preferences before advertising. The REAs with the highest and lowest disclosure rates are shown in Table 1.

Openness to pets

Next we considered what proportion of ads indicated at least a willingness to consider pets. This is all ads other than those that don’t indicate any preference or those that indicate a blanket refusal of pets. We consider a high openness rate a positive thing for both renters and lessors. As discussed above, allowing pet ownership benefits lessors and people who rent.

The average openness rate is 19%. For private listers, the openness rate is 13%. However, this difference is partly due to the lower disclosure rate for private listers. Considering just ads with disclosure, the difference is less pronounced: 46% to 41%. In any case, this suggests that, on average, REAs increase the openness of lessors. This could be because REAs communicate the benefits of openness to lessors. The REAs with the highest and lowest openness rates are shown in Table 2.

#	Name	%
1	One Agency Sandy Morris	76
2	Luton Properties Gungahlin	48
3	Distinct Property Management	38
...		
22	Key Real Estate ACT	3
23	Maloney’s Property	2
24	Badenoch Real Estate	0

Table 2: Openness to pets in rental advertising.

Discussion

Pet policies do not necessarily reflect lessor views

A common argument from REAs is that, when it comes to pets, they simply communicate the preferences of the lessor. If this were the case, we would expect the openness rates of different REAs to be roughly similar. However, our data show significant variation between REAs. While some of this variation may be due to different geographic or demographic constituencies, it is unlikely that this can explain the degree of divergence. This suggests that REAs can play a deciding role when it comes to renting with pets.

Further, it seems that some REAs may have internal policies against pets. For example, Badenoch has a high disclosure rate of 88%. However, every single disclosure is negative. This suggests that certain REAs may be imposing their own views with regards to pets. This could be due to a sense that pets will create more work for real estate agents. This aversion to pets is not necessarily in the interests of a lessor.

Openness is highly conditional

Our data suggest an encouraging level of openness, with roughly one in five rental advertisements indicating at least a willingness to consider pets. However, on closer inspection, the situation is not so uplifting. Few advertisements demonstrate a general welcome of pets. Rather, the language is often hedged. Commonly, ads indicate simply that pets will be considered upon application. This is cold comfort to renters with pets, for whom discrimination is a common experience. (CHOICE, National Shelter and NATO, 2017)

Even where pets are considered, the language is highly conditional. In some cases, only certain animals will be considered, such as cats or a small dog. In others, the behaviour of the pet is invoked, or even whether the owners are “fawning”. Ultimately, it is still consistent with an attitude by which renters are denied exclusive possession and quiet enjoyment, and conditions are placed upon their use of their home.

Implications

Our research shows there is value in the ACT Government’s reforms. For one, the reforms will improve transparency. Where a lessor requires consent for pets, they must disclose this in their advertising. This will result a more equitable and efficient rental market. The changes will also prevent lessors from unreasonably refusing consent.

However, existing pet owners will still be at a disadvantage when applying for properties. Once a tenancy is obtained, renters can more easily apply for a pet. But when applying for a property, pet owners will be competing with others prospective tenants who may be more appealing. One option to prevent such discrimination would be standard application forms that prevent potentially discriminatory questions.

Conclusion

We sought to document and analyse the state of the rental market for pet owners prior to the commencement of new rental laws in the ACT. We reviewed over 10,000 rental advertisements, allowing us to benchmark features such as the disclosure rate and openness rate. We were also able to compare real estate agencies against each other and against private listers.

Our research shows a significant need for laws to improve the rental market for pet owners. Currently, low disclosure of pet preferences creates frustration and wastes time for both renters and lessors. In addition, certain agencies seem to be actively reducing the willingness of lessors to consider people who rent with pets.

These findings underscore the value of the recent reforms. However, they also suggest that these reforms are insufficient to address prejudice and discrimination in the rental market. For a fair rental market and improved housing outcomes, further intervention may be needed.

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Appendix

Sample of negative phrases

1. does not accept pets
2. no couples or sharing, or pets
3. NO groups or pets
4. No pet
5. no smoking or pets
6. No to smoking, children and pets
7. not permit any pets
8. not suitable for groups or pets
9. not suitable for pets
10. not suited for pets
11. not suited to pets
12. Pet will not be considered
13. pets are not considered
14. Pets are not considered at this property
15. Pets are not permitted
16. Pets are not suitable for this property
17. Pets are not suited
18. Pets not accepted
19. Pets not allowed
20. Pets not considered
21. Pets will be not be consider
22. Pets will not be considered
23. Pets will not considered
24. Pets: No
25. Pets: Sorry pets not suitable
26. PLEASE, pets are not allowed.
27. property will not accept pets
28. Sorry no groups or pets
29. Sorry not pets
30. Sorry pets not suitable
31. Sorry, not pets
32. Sorry, Pets
33. this property does not allow pets
34. Unfortunately pets aren't considered
35. Unfortunately pets will not be accepted
36. will not consider pets
37. will not permit any groups or pets
38. WILL NOTE PERMIT ANY PETS

Sample of phrases indicating openness

1. perfect for kids or pets to play safely
2. a small family pet may be considered
3. a pet may be considered
4. consider a small well trained pet
5. A small, quiet pet (dog) will be considered
6. Outdoor pets only will be considered
7. perfect for those with small pets
8. Flawlessly behaved pets (fawned upon by owners) may be considered.
9. ideal for small pets
10. great for the kids or family pet
11. perfect for pets
12. may consider pets
13. Mature pets that are already part of the family are welcome
14. Dog may be consider
15. Outdoor pet considered
16. Happy to consider most pets
17. a great setup for a couple with pets
18. Outdoor pets allowed
19. pet friendly
20. Pet may be considered
21. pet is also welcome
22. pet may be considered on application
23. pet-friendly
24. Pets & Groups will be considered
25. Pets (cats only) will be considered
26. Pets accepted
27. Pets and groups considered
28. Pets are welcome
29. Pets by application
30. pets encouraged
31. Pets friendly
32. pets may be considered
33. Pets negotialbe
34. pets ok
35. Pets: Small Considered
36. Pets: Cats considered
37. Small pet considered
38. The complex does permit small pets.
39. The property is pet approved
40. Well behaved pets can be considered.
41. WILL CONSIDER PETS ON APPLICATION