

Improving NSW rental laws submission

I have completed the survey, but that did not address certain issues, which I address below.

I wholeheartedly agree with most the proposed changes, many of which are long overdue. I have concerns about part 3. Removing 'no grounds' evictions.

There is no good reason a landlord would terminate a lease with no grounds apart from a way of getting around rent increase restrictions. Lease terminations in the current volatile rental environment are a problem. Rents are increasing so quickly that at times it may be a better financial return to terminate an on-going lease at the risk of a vacant property for a week or two, and re-lease at a higher rate, than to wait till the end of the 12 month period when rent can be raised again. Ideally, rents would change only very slowly, and in a stable economy this would be the case. We have not had a stable economy recently. Maybe a blanket maximum one increase per 12 month per property, regardless of lease renewal or tenancy change would solve this problem.

I agree with the proposed new reasons for ending a lease, at 3.4, though I don't agree that a landlord should be required to demonstrate to the renter a good reason for ending a lease. Ending a lease comes at a financial cost to the landlord, which is itself a disincentive to terminate a lease. To legislate reasons for which a landlord may end a lease, including not renewing a fixed term lease, opens the door to excessive complaints to the tenancy tribunal.

To disallow a property to be listed for rent for a certain period after ending a lease, as suggested at 3.5, is excessive micro-management that works against the general attempts to reduce the current rental crisis. A landlord may terminate a lease because the bathroom or kitchen requires urgent major renovation. The property would not be fit to rent while the renovation is happening, but the renovation may well be completed in significantly less than six months. To disallow that property to be rented again only reduces the pool of available rentals, thus contributing to driving up rental prices, and placing an unnecessary financial burden on the landlord. The administration costs to monitor such a suggestion seem very hard to justify.

Some general comments:

The cause of rental increases (excluding excessive increases) is not landlord greed. It is driven by socio-economic and market forces. These are a whole-of-society issues. To require landlords to shoulder that broader social burden by disallowing them to pass on operating costs is not equitable.

Many renters are very well off and are quite capable of purchasing a property themselves, but for work or lifestyle reasons choose not to. Protections for renters being put in place currently have support because there is a current rental crisis. This is not always the case, and when the market turns, and it is a renter's market again, these protections that skew very heavily one way will not look so equitable. The idea that one person in the contract can break the contract at 14 days' notice with no reason while the other is required to give 90 days and a valid reason is not an equal footing.

There is obviously a significant need for social and affordable secure housing, but the entire rental market should not be made to make up for a lack of government planning and expenditure in this space. You are expecting the section of the community that are landlords to shoulder a whole of community burden through their individual private investment.