

From: [REDACTED]
To: [Residential Tenancy](#)
Subject: RE: Improving NSW rental laws
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A small addendum to my survey responses, but first let me commend you on trying to improve the situation at all. Removing the no-cause evictions is paramount. As long as this stands, any other attempt to improve things is meaningless. And I'm thrilled that pets seem like such a high priority.

The survey discusses very specific governance about renter-landlord interactions. However, there are wider systemic factors that can also help. The nature of the real estate market in NSW creates implicit power imbalance in favor of landlords. Here are, IMHO, a few ways to improve this situation:

1) Bar elected officials and senior appointments from holding specific investments. I.e. they should only be permitted to hold investments in highly diversified index funds. This means no direct investment in specific industry funds (e.g. real estate, energy, mining) and no owning of rental properties. Elected officials should not only be unbiased in action, they should be beyond reproach. Any specific investment is a conflict of interest. Obviously we can't trust sitting members to act against their own interests or we wouldn't be in this position in the first place. Therefore, I would willingly accept a lifetime exception for any member of parliament that votes in favor of this bill. At least that way we get unbiased laws in a decade or so when the average member is voted out or retired.

2) Crank the idle-property tax to the max. Too many people are, by a good precedent, expecting their home to serve as a retirement fund. It will never be politically tenable to cause real estate prices to plunge. However, we should see active policy choices to cause real estate stagnation. Prices can't fall, but they shouldn't be allowed to rise. One very important form of downward pressure the government can supply specific to the rental market is the idle property tax. A recent report in the Sydney Morning Herald claimed that 10% of properties are currently vacant. They cite the Victoria *Vacant residential land tax* which is a good start but in my view is too weak. The threshold should be no higher than 4 weeks (not 6 months) and the tax needs to be higher than the expected increase in real estate value over the same period. By some estimates Sydney real estate has grown by 4% YoY over the last decade. Therefore a tax of 5% on vacant properties seems fair.

Suppose an apartment valued at 500k lies vacant for 3 weeks. No tax is applied. However, suppose it lies fallow for 5 weeks. Now the tax kicks in and the the owner is required to pay the 5% annual tax rate over the full 5 week period (approximately 2.4k). This breakpoint cost creates a strong incentive to fill a unit quickly when a previous tenant leaves or is evicted and it is high enough that a landlord can't expect to profit from leaving an asset idle. The need of filling a unit quickly incentivises lower rental prices to attract more applicants.

3) Stronger union protections. I know this sounds unrelated but it isn't. I love living in the city, it's where I find all the great culture. But it's not for everyone. Many folks I know loved working remotely because it lets them live away from the hustle and bustle or just

away from the high cost of the inner-city. They/we can do our job anywhere. We should never have to commute to work again. If union protections are strong people will create or join unions to fight for remote work and the result will be that locations like mine where rent is high, only because of proximity to the business district, will fall.

In summary, the laws you're seeking public support on sound like a great step forward but don't count out the need to improve the negotiating power imbalance of the renter / landlord relationship.

Cheers,

A black rectangular redaction box covering the signature of the sender.

p.s. please don't publish any of my personally identifying information.