

The proposed changes to the tenancy laws in NSW will not improve the security or availability of rental properties for tenants.

These changes in my personal and professional (I am a Landlord and a Property Manager) opinion will further drive Landlords away from investing in property.

The proposal to end no grounds termination notices removes from owners the option to manage their own property how they see fit. Landlords already feel that the industry is over regulated and that they have lost control of a substantial financial asset. Many Landlords are just trying to set themselves up for retirement so as to not be reliant on a Government pension. They want to be self sufficient and in control of their own financial matters and this includes their investment property.

The proposed list of suitable reasons to which an owner may seek to end a tenancy does not cover all scenarios by which an owner may need to end said tenancy. The time restraint proposed also does not allow for changes to even the suitable reasons for ending a tenancy.

Having to apply to NCAT for any additional matters will only place even further strain on an overloaded system with the current lead time for a mention at the Tribunal is about 3 weeks. Are any more resources going to be made available to NCAT or will we end up like Victoria with a 12 month wait?

This is especially concerning for the proposed change of not being able to say no to pets. Many Landlords (I have been in Property Management for almost 20yrs) have been severely impacted by careless pet owners. I have seen many owners have to replace almost new carpet and have their properties vacant while undergoing repairs caused by pets. Owners still have mortgages to pay when the properties are vacant. Giving the owner the option of stating up front they won't accept pets takes any confusion or angst out of the equation as the tenant is aware that if they choose to apply to live in this property that they don't have a pet or intend to get a pet. To have to apply to the Tribunal to say no to a pet just adds further reluctance for an owner to keep the tenant. Again, reducing the security for the tenant.

The portable Bond Scheme is by far the most idiotic of all the proposed changes. The Bond has always been able to be transferred from one property to another. This is never done as Bonds are almost never for the same amount (and currently is not legal to "top up" a Bond). As new tenancies need to commence before an old tenancy is finalised, there is no guarantee that the Bond will be released in full. Why on earth would you leave an owner with the risk of not having a full Bond held on their property. You never know when a tenant may have claims made on the Bond at the end of a tenancy. If the vacate ends up in dispute then it can be months before the Tribunal makes a decision on the allocation of the Bond. What happens to the new owner who thought that they were getting the Bond transferred only to find there is no bond left? How is this to be managed?

Many of my owners whom properties I manage on their behalf have expressed grave concerns about the implications of the proposed changes. I have one owner just last week tell me that if the laws were due to commence of the removal of no grounds terminations they would terminate the tenant and leave the property empty. This action is certainly not making any improvement to rental security.

I can see even now that many Landlords are selling their rentals and they are not being purchased and listed back for rent, therefore reducing the available rentals in the market. This will only become more prevalent if these laws come in. Even myself, I would seriously consider selling the 4 personal rental properties I have to invest elsewhere. I do not want to be dictated to about the financial decisions that effectively only concern myself and my family.

Personally, I feel that you be far better taking the "grey area" out of rent increases and making it a standard formula and a specific timeframe. I would suggest that rent increases can be no more than 10% of the rent figure and only once per year regardless of the lease status (fixed or periodic).

These changes coupled with the substantial increase in costs associated with keeping an investment property certainly won't encourage owners to keep investing when there are other financial investments available in which they can keep total control over. Most Landlords want to do the right thing by tenants but this also needs to be a 2 way street.

Hoping this submission sheds some light by a Landlord and Property Manager who can see both sides of the story but fails to see that what is proposed will do, and in fact will most likely have the opposite effect.

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