

## **Submission to NSW Government on rental laws**

I am neither a renter nor a landlord, but I have been both in the past. I am angry that successive governments have created this housing crisis by not only doing nothing to prevent it, but actively pursuing policies that exacerbated it.

Real reform in the housing market is required, and this is down to the Federal Government. I would like the NSW State Government to argue for and support real reform.

The housing crisis has been ongoing for well over a decade and is now, more accurately, a housing catastrophe. The main culprit being house prices.

Interest rates have been very low for well over a decade, meaning that investors have been able to swoop in and buy everything, driving up house prices and blocking first home buyers from the market.

In addition, billions of taxpayer dollars have flowed to landlords every year through negative gearing and capital gains discount, as well as indirectly via Rent Assistance and Newstart/Jobseeker. These billions could have been more wisely, and ethically spent on building public and social housing.

**However, the biggest cause of rising rents to unsustainable levels, is that there have been NO restrictions or regulations on what landlords can charge.**

If there had been rent caps and restrictions, house prices would never have gone up so far because investors would not have been able to get the returns they wanted. House prices would have stabilised and first home buyers would have been able to enter the market (without having to sell up a couple of years later at the first whiff of interest rate rises).

We have arrived at a situation where it has become the renters' responsibility to pay for the assets of the investor. This is the wrong way around. The investor takes a risk when buying a property that the interest rates will rise or that other events may affect his or her ability to pay the mortgage. It is NOT the renter's responsibility to assume that risk.

The renter is paying for the roof over their head – which should be at a fixed rate and only increase incrementally, in line with inflation at the absolute maximum.

As it is, a succession of governments have supported policies that severely skewed the housing market to the detriment of the entire community. Even landlords may regret it when they can't get tenants because no-one can afford the rent. We will have a country of people living in cars while there are millions of empty houses – oh wait, we already have that.

Homelessness costs the community financially, socially and emotionally. If we want to live in a healthy, functional society where everyone has a home, the solution is to:

- Abolish negative gearing on more than one investment property
- Reduce or abolish capital gains discount and extend the timeframe for eligibility
- Place regulations on rental increases
- Cap rents
- Enact policies that encourage property owners to rent their empty houses
- Rebuild the social housing stock.

We are always quite happy to stand by and see the poor bearing the brunt of bad policy or economic instability. And it is likely that to restore balance to our society, some losses and pain will have to be borne.

For a refreshing change, let those losses borne by the wealthiest in our society, let those with the resources weather than pain. Let them do the heavy lifting for a change.