

Improving NSW Rental Laws – Submission

Dear Sir Madam

As the subject been circulated in the media, there is a misconception that, all investment property owners are filthy rich and ripping off the poor tenants.

Sure some are, especially those who own in excess of 10, 20 o 30 properties like many highly paid Lawyers, Doctors and long term Politicians who are abusing the Negative Gearing concessions through setting up Family Trusts and clever accounting.

On the other hand the majority of investment property owners are those mum & dad who spend their lives working hard, raising their children, paying taxes and those having small businesses working 60-70 Hrs a week running the business, paying taxes and acting as free agents to collect GST.

This group only manage to own investment property after their children grow up and manage to save some money to place a deposit on an investment property, shouldering the risk of interest rate rises like we are having now and sometimes dealing with tenants of hell.

On top of that, after all the hard work and due to the rise in house values, the government consider you a rich person not eligible even for Pension if you have assets valued at 850K & over, despite paying thousands of \$ in Taxes and acting free agent to collecting GST.

Some politicians for point scoring, advocating for rent freeze without any reference to interest rate rise.

Sure, many having it tough and rent should be reasonable, yet when the mortgage payment on the investment property is increasing every month where we suppose to get the money from?. As we can only increase the rent once every 12 months.

Please allow me to briefly tell our story with investment property which could be common to a certain degree with the story of many decent investors.

We purchased a tenanted property [REDACTED] Sydney, in an area 260 KM away from where we lived at the time, where the tenant was a single mother with 2 young children. The RE Agent wanted to evict the tenant, raise the rent and relet the property to a new tenant in the middle of winter.

We refused the Agent proposal, as to us it is not a human, to kick out a woman to 2 children to the street in the middle of winter just to get another \$10 or \$20 a week.

We let the tenant stay for another 3 years with little increase of the rent as the rent was somehow covering the mortgage.

Unfortunately, the woman happened to have 2 more children from 2 different boyfriends and the oldest daughter become the most wanted character in the street where the police had to visit the place frequently. After a warning from the agent, I visited the area and neighbours nearly hanged me, yet they realised that I was not aware of what was going on.

In short all our sympathy and tolerance to a young family delivered near demolished house that cost \$17 to fix with only 10k from the Insurance as they do not pay for Carpet, Curtains and anything they can get away with. (7K Loss)

Another property, we purchase few years earlier in a commission housing precinct, we soon understood that you can only get tenants to such areas from the low socioeconomical group.

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It was OK for few years with on-off minor trouble with tenants until 2018 when the tenant decided to leave to QLD at the start of Dec. At the time we were planning to build a 2nd dwelling behind the house.

The agent proposed to rent to a supposedly nice pensioner with a teenage boy going to the local School for a year or so until the DA has been processed by the council.

We never raised the rent for 3 years as the tenant was a pensioner who could not afford much.

Covid hit the place and we could not do much until the end of 2020 where we had to get the assistance of the Sherrif to evict the tenant after the Agent reported the shocking news that the tenant had 2 older children who frequently came to the house and had fights which left all walls and doors damaged, bath rooms, kitchen and so on.

The tenant left 6 cubic meters of rubbish, Oven in the Electrical stove ON with few pieces of chicken burning in a tray in the Oven.

Thanks to the quick action of the neighbour who called us and we alerted the RE Agent to check where she witnessed the shock of her life and luckily saved the house.

It did cost us \$27000 to fix the house with only 12k from the Insurance as they do not pay for Carpet, Curtains and any thing they can get away with (15K Loss)

NB_ I did completed the Survey and selected the appropriate answers for the proposed changes.

The government should put a limit for the Negative Gearing concessions like 5 Properties not exceeding Total Values of \$7M in all States, above that, any concession on Negative gearing should stop as it is not fair for the few well of to continue abusing the system and pack wealth at the expense of Tax Payers. Enough the Gains from the price rise.

As I have been living for the last 2 years in a precinct of commission housing just to fix our internally demolished home and building 2nd dwelling behind it. I come to a conclusion that:

The only way rental affordability can be solved is by providing rent assistant to low income families and encourage them to live in more affluent suburbs where they can mix and mingle with examples of successful people and learn the ways to get off their couches and work for better future.

By building cheap accommodations, especially the proposed high-rise apartments, and creating more precincts of commission housing, the governments are creating future time bombs and generations of people with low esteem to improve their situations as there is no examples to learn from. Like attracts Like.

Also, no one will maintain the property even cut the grass or clean around the place either by lack of affordability or lack of interest as they consider the property maintenance is the responsibility of the owner which is the government.

This is basically what we hear and see since we temporally moved here.

The only reason we are keeping the house is the location not far from the water and the rise in Value.

Best Regards

Kevin Badin
[REDACTED]