

I write this submission with over 40 years of experience as a property manager and licensed estate agent that has experienced the many property cycles that traditionally effect our renters and landlords in periods of high and low vacancy.

In my career I have experienced two serious rental crisis, the first being in the 80s with removal of negative gearing and introduction of capital gains taxes by the Hawke / Keating governments. In that period, we were forced to put "Sorry no Vacancy" signs on our office to slow the steady stream of desperate renters coming through the door every 5 minutes.

Rents rose substantially as landlords exited the market, and no new investors were attracted to provide new rental supply. Sydney rents quickly rose 30 % and the government was forced to act before it became a national crisis.

Sydney leads the Australian market in National trends, and the government realised they would soon be facing a national rent crisis, coming into the next election, and quickly reinstated the policy. Within 18 months of abolishing negative gearing, the Labor Government was forced to backflip and reintroduce it.

My question for the current critics of negative gearing is, if it was such a bad and ineffective policy, why would a then Labor government, who were so politically opposed to it, reintroduce the policy with 18 months of abolishing it ? Why. Because they saw firsthand the direct consequences of removal of incentives to invest in rental supply as a landlord, and were facing a political backlash at the polls.

The reality is negative gearing works in adding new rental supply and is far more cost effective for the Australian Government (ie you the taxpayer) to provide a tax concession to an rental investor then be forced to build new government housing. A family can be housed for 5k -10k tax concession, as opposed to building a \$500,000 new Housing Dept home.

This is the primary reason negative gearing exists, as a cost saving measure.

This myth of greedy landlords piling up investment portfolios is way over cooked. Our agency handles over 400 properties, with over 80 % single investment owners and only 6% have more than 3 properties. The majority are wage earning families seeking their own independent investment wealth for retirement, or future holiday home.

The more recent crisis we have currently experienced has been building for some time, and the past failed Shorten election campaign mooted changes to negative gearing, which was the start of a major deterrent for many investors. The politically driven media rhetoric describing Landlords as greedy and tax cheats did nothing to encourage new investment in the already tightening rental supply.

Take a dwindling supply of new rentals and then introduce a pandemic where there was a flight to the regional areas, already facing low vacancy rates, then a new rental crisis quickly emerged. We had over 80 prospective tenants lined up during Covid to inspect a 3 brm cottage of the [REDACTED] causing major distress to both tenants, and property management staff dealing with the surge of volume of enquiry.

Now we have calls for further restrictions on property owners rights and rent restrictions, all causing less incentive for new rental supply, which only adds to the problem, and provides no solution. All for the sake of our politicians being seen to be proactive in protecting tenant's rights.

Is there any wonder why so many investors switched to AIRBNB and avoided the landlord rental / lease issues of permanent tenants when the opportunity arose with increased domestic holiday

tariffs, post covid. This removal of previous permanent rentals in popular Regional areas has further exacerbated the rental crisis and added to the unaffordability issues in some areas like Byron Bay.

If the Government wished to introduce new supply quickly, then legislation around limiting AIRBNB per number of weeks would provide an instant rental supply to the permanent rental markets.

Now that post Covid overseas air travel is opening the tariffs for AIRBNB are dropping and new legislation would help attract those investors back into the permanent rental pool more quickly and provide instant increased vacancy.

Suggestions for increased rental supply to assist the rent crisis >

Champion investors who make the decision to house a fellow Australian instead of political denigration of the term landlord / property investor etc for cheap political points. If you want more rentals, you need more landlords. Don't denigrate them, encourage them to provide much needed housing at costs well below what the government can provide.

Rename the term "negative gearing" concessions – to concessions for adding to our "rental supply incentive scheme" etc The reality is the name gives a negative connotation to an otherwise cost effective scheme. By all means abolish the term negative gearing, but keep the incentive.

Limit the use of AIRBNB to number of weeks or introduce AIRBNB taxes/ levys to encourage switching to permanent tenancies.

stop the erosion of owners' rights, and adding further restrictions, as it is acting as a disincentive for investment, and only adding to problem, without looking at increasing the supply issue.

Review of State / Council planning approvals, fast track rental housing DA applications. There are a lot of DAs that never come to fruition due to the time and cost of the planning process.

Allow future strata subdivision of affordable housing units, as this current restriction severely limits the viability of a lot of projects as the projects have no plan B escape for the developer in the event the rental tariffs are not available. The ability for tenants to purchase in rent/ buy schemes would make these type of affordable housing projects more attractive and viable in the marketplace.

Thank you

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