

Improving NSW rental laws - Submission

Please note I also completed the survey and copied my responses to that below for completeness. In parts of my submission below, I elaborate referring to the questions in this survey and have put the question number in brackets before the comment.

Theme	Comments
Overall	<ul style="list-style-type: none"> Rental crisis reform ideas seem to be targeting individuals, how about looking at it as a revolver with 6 bullets, rather than a single golden bullet. Include not selling to not permanent residents; additional punitive tax those that leave Australia but keep their investment properties; adding a levy / land tax to every property left vacant for more than 1 year...etc. Stop selling to overseas investors - all the unit blocks being put up in St Leonards have a very heavy marketing focus to the Asian especially Chinese community abroad. On a recent inspection we (2 white Australians) were told in one breath they didn't have any for us, but then sold exactly what we were looking for to the Chinese buyer's agent buying for their client in Shanghai - we literally saw it happen in front of us! At the end of the day, good landlords - most Mum and Dad investors with one, maybe 2 properties, are taking a risk and putting up a lot of capital. Need to have the ability to manage their asset. This is usually their largest asset. If they are pushed out of the market and have to sell, there will be even less rental properties, therefore a tighter market and possibly more conglomerate investors, Renters rights are important but should also be balanced with the rights of the owner Make it too hard for individuals that own 1, maybe 2 properties and investors will leave the market over time and new investors will be less inclined to enter the market choosing to invest their capital in other asset types. This will further tighten the market having less properties available to rent, especially for those that may never be able to buy. The increase in build to rent properties will transition ownership and operation of the rental market to large profit / shareholder driven conglomerates rather than individuals which has parallels to the privatisation of many other assets which has rarely worked so well in the past.
Ending a lease	<ul style="list-style-type: none"> The list of reasons to end a tenancy should not be too restrictive and should be the same for whatever type of lease – fixed or periodic. Need to remember the owner owns the asset and should also be able to manage that in a way that works for them. It is usually their largest asset. (3 & 4). Having a set limit on the time the property cannot be relisted for rent should be in relation to the reason. Changes in circumstance may be a determining factor. E.g. if being prepared for sale, if not sold, it may be re-rented to enable to owner to continue to pay their bills that don't stop; if the renovation contract is for a estimated period of 6 weeks, this should be the contract term can define the period. Other option for period of notice required. Could have a dependency on the length of the overall tenancy. E.g. <ul style="list-style-type: none"> for those on fixed term when there is a known date for renewal; or conversion to periodic: if 1 year 30 days; 13-36 months 60 days; >36 months 90 days (9) for those on a periodic agreement: <36 months 90 days; 37-72 months 120 days; >72 months 150 days (10)

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Keeping Pets	<ul style="list-style-type: none"> • If a pet bond is not a feasible option, then there needs to be a way that the landlord can more easily recoup costs from the tenant in situations where they have damaged the property. The current channels to do this are complicated, expensive, and convoluted. To not lose further monies, rent etc, , the landlord has no choice to the complete the repairs but there is no court / tribunal order that has the weight to enforce the repayment by the tenant. Even with a court order, the tenant can get away without paying unless the landlord continues to pay for sheriff, further orders etc. When the original order is made, there should be an immediate agreement for repayment and how that will be done that can be enforced without ongoing and further actions required by the landlord. (17) • Timeline for those renting units in a strata plan may be limited by the time stipulated by the owners' corporation / by-laws. If limit to 21 days (which should be enough) then the associated strata legislation needs to ensure the required response turnaround from the owner's corporation needs to be 14 days (18) • Bonds for pets would encourage landlords to be more accepting of animals on their property. This is from direct prior experience when a tenant left with significant damage from their pets that well surpassed the bond we were allowed to take at the start of the tenancy. Whole doors had to be replaced due to scratching; whole carpets because of long term urine in the centre (covered during inspections with a bed); replacement of decking due to faeces being left for prolonged time, damage to paint on stairs and banisters and skirting requiring full repaint of trims. Can't just fix the patches without ending up with a patchwork property. This was after the tenant previously promised to repair before leaving, not one of those promises was kept and it cost over seven thousand above the amount of bond, on a rental property that made maybe \$2,000-3500 a year. A pet bond (per animal) would help the landlord mitigate these additional risks.
Protecting renter's personal information	<ul style="list-style-type: none"> • Any information collected should only relate to 1) confirming identity of the person(s) to be on the lease 2) confirming rental history and performance 3) financial ability to rent the property. Any not required for ongoing purposes (primarily identity) should be destroyed in its raw form once used. A statement by the agent, or landlord confirming they have sighted the documents and confirmed identity should be sufficient. Suitability and financial information should be kept for the duration of the tenancy. (20) • Like what is collected, the time to hold this information should be based on "purpose". The information should be retained for the duration of the tenancy at least and for a fixed period post that in case required for disputes, e.g., a year or whatever the statute of limitations on a claim from either the tenant or the landlord is (26)

Theme	Comments
Portable Bond Scheme	<ul style="list-style-type: none"> • Normally bonds are paid prior to the start of the rental – the same time the first rent in advance is paid. There would be a concern that if the tenant can't afford the difference in bond, they will not be able to pay the difference in rent. If it is in relation to an additional bond for pets, then if they can't afford the bond, how can they afford the ongoing costs of the pet. (Completely understand the challenge have 2 complete bonds in play at once as there is duplication, this is just about the difference and the tenant is going to have to pay the increase in rent week on week for the duration of the tenancy). (32) • The issue with having “ending the lease” as an option is who will pay for having to readvertise, re-draw up the lease and other associated costs, include the delay in getting a suitable tenant (33) • Outside of this agree with the approach outlined in the consultation paper. In regard to whether mandatory or not, it should be up to renter. This should not be disclosed to the landlord to prevent discrimination.
Increases to rent	<ul style="list-style-type: none"> • Limiting any increases to once every 12 months across any lease type should cover this (36 – Q3 & 4) • Renters should know the market in which they want to rent too by looking at what is available. It should not all be on the landlord to justify the increase unless directly challenged at tribunal during which both parties bring their rational and evidence to support their position. (36 - Q9) • Currently there is lots of talk in press about limiting the landlord's ability to increase the rent to the inflation rate. Today that is 6%. However basic costs that landlords have not control over like council and water rates are not limited to the same and have gone up by a lot more. Why limit landlords to 6%, but not other critical services where there is no choice? <ul style="list-style-type: none"> ○ This year council in our area have gone up 11% and Sydney Water 9.5%. ○ When then factoring in the increases to mortgage repayments (doesn't include any coming of a fixed mortgages) costs have gone up 40% just due to variable interest rate increases over last 12 months (\$750K variable mortgage and these increases will usually be proportional to the value of the property) ○ Much of the commentary has been around increases of x dollars rather than %. If the renter is wanting to live in a more expensive property – by location, size, condition etc, there will be larger increases. All increases / rental costs should be referred to as a % of the prior rent and possibly as a % of the median rent for a property in the same area of the same size and type. ○ If it is decided to mandate that landlords must freeze their rent for 2 years, is there going to be the equal mandate to freeze the basic and non-optional costs involved with owning the asset? ○ The load should not all be weighted to individual owners with no responsibilities on council and water services and financial institutions. • Landlords were asked (somewhat coerced) into providing tenants with significant decreases to their rent during COVID. Had not issue with these as other costs, including interest were much lower. Some of the upswing is just a return to normal rates and adjusting back to pre-COVID prices. There is an apparent memory loss of the 25%+ cut given since the recent increase.

Survey Responses

1	Which best describes you? (Select all that apply)	I am a landlord
2	This section asks about the reasons that a landlord can use to end a lease. Would you like to answer questions about this?	Yes
3	<p>In NSW, a landlord can end a lease without giving a reason. This can happen any time during a rolling (periodic) lease. Renters can also be asked to leave at the end of a 'fixed term' lease but not during the term (unless there are exceptional circumstances). Fixed term leases have an agreed time with an end date (for example, 12 months).</p> <p>Some places in Australia have changed the rules so that a landlord must give a reason when they end a rolling (periodic) lease. In other places the landlord must give a reason to end any type of lease.</p> <p>What do you think should be the rule in NSW?</p>	The landlord needs a reason to end a rolling (periodic) lease, AND a fixed term lease if the renter has been there for more than one lease term ⁵
4	<p>The law in NSW already allows landlords to end a lease for a range of reasons. For example, if the renter has not paid their rent or the property was sold. But there may also be other reasons where the landlord needs to end the lease.</p> <p>When the agreed time for a fixed term lease has passed, what are the reasons the landlord should be able to say no to extending the lease? (Select all that apply)</p>	<p>The property will soon be sold</p> <p>The property will be renovated or repaired</p> <p>The landlord wants to use the property differently (for example, change from a home to a business)</p> <p>The property will be demolished</p> <p>The landlord or a member of their immediate family is going to live in the property</p> <p>Other (please specify)</p> <p>If the property has not been looked after by the tenant, allowing for reasonable living wear and tear.</p> <p>If this reason is given then it should be backed up by records of prior inspection, prior communication with the renter regarding the condition and no change made by the renter. This will ensure the landlord can reduce their risk of a tenant causing long term damage to the property</p>

5	What are the reasons the landlord should be able to end a rolling (periodic) lease ? (Select all that apply)	<p>The property will soon be sold</p> <p>The property will be renovated or repaired</p> <p>The landlord wants to use the property differently (for example, change from a home to a business)</p> <p>The property will be demolished</p> <p>The landlord or a member of their immediate family is going to live in the property</p>
6	Do you think a landlord should have to give written evidence if they end a lease for the following reasons?	<p>The property will soon be sold - No</p> <p>The property will be renovated or repaired - No</p> <p>The landlord wants to use the property differently (for example change from a home to a business) - No</p> <p>The property will be demolished No</p> <p>The landlord or a member of their immediate family is going to live in the property No</p> <p>Other (please specify)</p> <p>If the property has not been looked after by the tenant, allowing for reasonable living wear and tear. If this reason is given then it should be backed up by records of prior inspection, prior communication with the renter regarding the condition and no change made by the renter. This will ensure the landlord can reduce their risk of a tenant causing long term damage to the property</p>
7	If the landlord or a member of their family is going to live in the property, what evidence, if any, should be provided to the renter to show this? (Select all that apply)	No evidence
8	<p>In other parts of Australia, after the landlord has ended the lease, they are not allowed to rent the property out again for a period of time. This only applies in some situations.</p> <p>Should the landlord be temporarily stopped from renting out a property to another person after saying they need the property back?</p>	No
9	How much notice should the landlord give to a renter if they want to end a fixed term lease after the agreed time has passed?	30 days (this is the current rule

10	How much notice should the landlord give to a renter if they want to end a rolling (periodic) lease?	90 days (this is the current rule)
11	This section asks about keeping pets in a rental property. Would you like to answer questions about this?*	Yes
12	Do you have a pet?	No
13	<p>In NSW a pet can only be kept in a property if the landlord agrees, unless it is an assistance animal (for example, a guide dog). Landlords do not need to give a reason to say no to a pet.</p> <p>The law will change so that if a landlord doesn't want a pet in their property, they must have a good reason.</p> <p>There could be a list of reasons where a landlord is allowed to say no to a pet. If the landlord wants to say no for any reason not on the list, they must apply to the Tribunal.</p> <p>Do you think there should be a list of reasons in the law about why a landlord can say no to a pet?</p>	There should be a list of reasons

14	If there is a list of valid reasons for a landlord to say no to a pet, what should be on it? (Select all that apply)	<p>The pet might damage the property beyond the value of the bond</p> <p>The property is not suitable for the pet</p> <p>There are too many animals at the property</p> <p>The pet is a risk to someone's health and safety (for example, the pet is venomous)</p> <p>The renter did not agree to conditions for keeping the pet</p> <p>The pet is a restricted animal, or an animal declared dangerous or menacing</p> <p>The renter keeping the pet on the property would be breaking other laws (for example, council rules)</p> <p>The Tribunal already gave the landlord permission to say no to animals at the property</p> <p>Other (please specify)</p> <p>The pet requested is not approved by the owners corporation in line with current strata legislation (Strata buildings)</p>
15	For any other reasons not on the list, do you agree that the landlord should go to the Tribunal?	Yes
16	Should the Tribunal be able to give the landlord the ongoing right to say no to animals at the property?	Yes
17	<p>Landlords can make renters who have pets pay for carpet cleaning and pest control at the end of their lease. Other rules could be considered for landlords to accept pets.</p> <p>What could a landlord reasonably ask of a renter to keep a pet in the property? (Select all that apply)</p>	<p>Any changes made to the property for the pet must be paid for by the renter (for example, a dog door)</p> <p>The animal must be kept up-to-date on pest prevention, such as treatment for fleas</p> <p>The animal must be microchipped (if a cat or dog)</p> <p>The animal must be kept outside if it is a species usually kept outside (such as a chicken)</p> <p>The animal must meet other laws about animals (like a strata by-law)</p> <p>Other (please specify)</p> <p>A bond, per animal should be allowed to mitigate the risk of damage by the pet(s).</p> <p>If a change is made to the property to accommodate the pet (agreed by the landlord and paid by the tenant) this must be returned to the state prior to the tenancy unless explicitly agreed with the landlord to leave it.</p>

18	<p>Renters could use a standard form to notify landlords that they want to have a pet at the property. Landlords would then have 21 days to consider it. If no response is received from the landlord in that time, the application would be approved.</p> <p>Is 21 days enough time for the landlord to consider a pet application?</p>	It's the right amount of time
19	<p>This section asks about ways to protect renters' personal information.</p> <p>Would you like to answer questions about this?</p>	Yes
20	<p>Renters are often asked to give a lot of personal information when they apply for a property. This can include documents such as their driver's licence, Medicare card, passport, work details, financial information and personal references.</p> <p>What do you think is the best way to limit how information from renters is collected?</p>	Put into the law what information can or cannot be collected
21	<p>If limits for collecting information were put into the law, what is the best way to do this?</p>	Put in law what can be collected (for example, using a standard application form)
22	<p>Will limiting the information that can be collected help reduce discrimination against renters when they apply for a property?</p>	Unsure

23	<p>Currently, NSW laws require real estate agents not to use or share someone's confidential information unless they are given permission or it is required by law. This requirement does not apply to landlords.</p> <p>Do you think the law should be more specific about when and how a renter's information can be used and shared?</p>	Yes
24	<p>If the law limits how renters' personal information can be used and shared, who should that rule apply to? (Select all that apply)</p>	<p>Real estate agents</p> <p>Landlords</p> <p>Property technology companies. These companies create online programs used to apply to or manage rental properties</p>
25	<p>Rental laws do not require real estate agents or landlords to delete information collected from a rental application. This may mean personal information could be kept for long periods of time and there may be a higher risk of a data breach.</p> <p>Do you think the law should limit how long information about a renter can be kept by a real estate agent or landlord?</p>	Yes
26	<p>How long do you think information from an unsuccessful rental application should be kept before it is deleted?</p>	Other
27	<p>Should the law require renters' personal information be kept securely?</p>	Yes
28	<p>Should renters be able to request access to the information a landlord or real estate agent holds about them?</p>	Yes

29	<p>The use of property technology to apply to or manage a rental property is common. Sometimes, the property technology will collect information from renters and make a list of recommended renters for the landlord or real estate agent. This list is made by a computer program using renters' data.</p> <p>What do you think about the following statements?</p>		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
		Computer programs can be helpful for landlords and agents in shortlisting rental applications					X
		I am concerned about computer programs being used to recommend a list of renters without a landlord or agent looking at the applications				X	
		We should encourage the use of technology to make rental applications easier					X
		I prefer to apply for a rental property using a paper form	X				
		I prefer to apply for a rental property online				X	
30	Do you think any of the rules below are needed to manage how computer programs are used in the rental application process? (Select all that apply)	<p>Computer programs can't use certain types of information for decision-making (for example, a renter's age or suburb)</p> <p>Landlords and real estate agents must accept paper applications and treat paper applications the same as online applications</p>					
31	<p>This section asks about rules for a portable bond scheme.</p> <p>Would you like to answer questions about this?</p>	Yes					

32	<p>When renters move into a new home, they pay a rental bond. If there is damage when the renter moves out, the bond is used to pay for that. Otherwise, the renter gets the money back.</p> <p>Often when a renter moves from an old rental to a new one, they pay the bond at the new property before they get their old bond back. This means they are paying for two bonds at the same time.</p> <p>A portable rental bond scheme would allow renters to transfer their bond from the old property to the new property without paying twice.</p> <p>If the rental bond for the new property costs more than the one for the old property, how long should renters be given to pay the difference?</p>	7 days
33	If a renter doesn't pay the difference on time, what should happen? (Select all that apply)	The new landlord's bond is guaranteed in some way, with the money to be recovered from the renter
34	Should the portable bond scheme be optional for renters to use?	Yes
35	This section is about rent increases. Would you like to answer questions about this?*	Yes

36	Do you agree or disagree with the following statements?		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
		The current protections for rent increases are working well					X
		A landlord should not be able to increase the rent more than once in 12 months for a rolling (periodic) lease				X	
		A landlord should not be able to increase the rent more than once in 12 months for a fixed term lease				X	
		There should be protections to prevent a landlord from increasing the rent when changing between lease types		X			
		For short leases, renters should know about rent increases before they sign an agreement					X
		Landlords who can't increase the rent for current renters might look for new renters				X	
		It is hard to know when a rent increase is excessive	X				
		A rent increase is only excessive if it is well above the market rate				X	
		Landlords should need to show that a rent increase is not excessive		X			

		<table><tr><td>Renters usually challenge rent increases that are excessive</td><td></td><td></td><td>X</td><td></td><td></td></tr><tr><td>A rent increase is excessive if it is well above the previous rent</td><td></td><td></td><td>X</td><td></td><td></td></tr></table>	Renters usually challenge rent increases that are excessive			X			A rent increase is excessive if it is well above the previous rent			X		
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37	This section asks about other changes to the law to help renters. Would you like to answer questions about this?*	Yes												
38	An embedded network is a privately owned infrastructure network that supplies services (like electricity and water) to properties. Embedded networks are often found in apartment buildings and caravan parks. Renters who live in a property that uses an embedded network may find that they can't shop around for their preferred service provider. Do you think a landlord or real estate agent should tell a renter if their property uses an embedded network?	Yes – In the rental advertisement												
39	The law currently requires landlords and real estate agents to give renters at least one way to pay rent that is free to use and is 'reasonably available'. However, the free way to pay rent may not always be easy. For example, the renter may need to pay by cheque or pay in person. Should the law require a landlord or real estate agent to also offer an electronic way to pay rent that is free to use?	Yes												

40	<p>Many renters in NSW live in strata schemes such as apartments or townhouses. Strata schemes have their own rules, called 'by-laws', which all residents must follow.</p> <p>Sometimes renters have difficulty moving into or out of a strata scheme because of these rules. For example, they might not be able to move in on certain days.</p> <p>Have you ever had difficulty moving into or out of a strata scheme because of the scheme's rules?</p>	No
41	<p>About You</p> <p>What is the postcode where you live?</p>	
42	<p>Are you of Aboriginal or Torres Strait Islander origin?</p>	No
43	<p>What is the main language you speak at home?</p>	██████
44	<p>Which of the following best describes who you live with in your household?</p>	██████
45	<p>What type of dwelling do you live in?</p>	Flat or apartment
46	<p>Please indicate your gender</p>	██████
47	<p>Please enter your age. This survey is for people aged 16 years and over.</p>	██

48	<p>Your responses to this survey might be made public. If you do not want your personal details or your responses published, tell us here.</p> <p>We might use your response in a report on this consultation. Anonymous feedback may be used without your name.</p> <p>There may be times when the government must release the information in your responses, such as under the Government Information (Public Access) Act 2009.*</p>	<div></div>
49	<p>If you would like to be added to our mailing list for occasional updates about rental laws in NSW, give us your email address.</p>	<div></div> <p>(Any personal information provided to NSW Fair Trading (a Division of the NSW Department of Customer Service) is voluntary and protected by the Privacy and Personal Information Act 1988. The Department does not condone the sending of unsolicited commercial electronic messages as defined by the Spam Act 2003. Refer to our privacy policy for more information and your rights to access and correct the information held.)</p>
50	<p>Was it easy to complete this survey today?</p>	<p>No (only selected to get Q51 for comment)</p>
51	<p>You said 'no'. How could we improve your experience?</p>	<p>There was more information / clarification I wanted to give to some of my answers. A free text question (even if character limited) would have allowed for that.</p>