

Real Estate and Housing Policy Team
NSW Department of Customer Service
GPO Box 7057
Sydney NSW 2001

11 August 2023

Dear Real Estate and Housing Policy Team

RE: Submission responding to 'Improving NSW Rental Laws' consultation paper

Bridge Housing Limited (Bridge Housing) welcomes the opportunity to provide comment on the proposed changes to the NSW Residential Tenancies Act outlined in the Improving NSW Rental Laws consultation paper.

Bridge Housing is a Tier 1 community housing provider registered under the National Regulatory Scheme for Community Housing. We have been providing safe, secure and affordable rental homes to people on low to moderate incomes since 1985. We manage 3,600 properties across metropolitan Sydney, which provide a safe, secure, and affordable home to over 5,300 people.

Our mission is to change lives for the better through more homes and quality services. We know that safe, secure, affordable housing is a critical foundation. It provides the stability that people need to thrive and achieve their goals. We manage all our tenancies in accordance with the NSW Residential Tenancies Act and have a large leasehold portfolio, with around 20% of our properties head leased through the private market.

Bridge Housing understands the NSW rental system as both a landlord and tenant. We currently headlease 600 properties from the private market to provide social housing in very high demand Sydney markets. In addition, we operate a not-for-profit real estate agency, HomeGround Real Estate, providing property services for ethical landlords.

Removing 'no grounds' terminations'

As a social housing landlord, Bridge Housing does not issue 'no grounds' terminations in any circumstance. We frequently receive 'no grounds' terminations for properties that we head lease through the private market and have seen a 43% increase in the number of these notices in the 2022-23 financial year. Where we receive one of these notices, we must secure an alternative property in the private market and assist our tenants to move. In a number of cases, we have seen the property readvertised at significantly higher weekly rent. Our experience indicates that some private landlords use 'no grounds' terminations to apply unreasonable rental increases in a way that cannot be challenged in the NSW Civil and Administrative Tribunal (NCAT).

We fully support the removal of ‘no grounds’ terminations from the Residential Tenancies Act and the inclusion of a list of reasonable grounds as outlined in the discussion paper. Landlords must be required to give evidence to support the nominated reason for termination to ensure that this change to the legislation delivers greater security of tenure to tenants and cannot be used as a loophole to increase rents.

A new model for keeping pets

Bridge Housing acknowledges the importance of pets and the significant role they can play in supporting people’s physical and emotional wellbeing. We require tenants to apply for permission to keep a pet and our Pets Policy outlines the conditions that must be met for approval. The proposed amendments and introduction of a standard pet application form, as well as the timeframe of 21 days for a landlord to respond are in line with our current policy.

In addition to the reasons for rejecting a pet outlined in the consultation paper, we urge the team to consider including the following reasons for refusing permission to keep a pet:

- The property is unsuitable for keeping a pet because of the size of the property or the size of the animal
- The pet is likely to interfere with the reasonable peace, comfort and/or privacy of neighbours in accordance with the Residential Tenancies Act.

Collection of personal information

Bridge Housing supports the principle of limiting the personal information landlords can collect from prospective tenants as well as specifications on how this information can be used, disclosed, stored and destroyed. We also support the principle of transparency to ensure tenants are able to access personal information about them held by landlords.

As a social housing provider, we manage applications for housing as part of the NSW Housing Pathways system. Prospective applicants are required to complete an application for housing assistance and if approved, join the NSW Housing Register. We require a greater level of personal information to assess eligibility for social housing assistance and to make appropriate allocations to approved applicants. This enables us to prioritise households most in need of assistance and to allocate households to properties that meet their specific needs.

In addition, Bridge Housing manages a number of affordable housing properties developed under specific funding programs and requirements. It is necessary to collect personal data to ensure that the person is eligible for the program. Collection at the application stage means we can easily identify eligibility and ensure applicants do not waste time and energy applying for properties they are not eligible for.

Any clarifications on the personal information collected by landlords must not interfere with the capacity of social housing providers to request personal information for the purposes of assessing eligibility for housing assistance and allocating housing to approved applicants in accordance with our contractual requirements.

Information to help renters know when a rent increase is 'excessive' and other changes to improve rental affordability

As a social housing provider, Bridge Housing calculates and charges rent in line with the NSW Government's Rent Setting policy. Subsidised rent set as a proportion of household income to ensure affordability. We do not envisage that the proposed changes will impact how we calculate and set subsidised rents for our social housing tenants.

Given that we manage a large portfolio of properties head leased through the private rental market, we welcome the proposed changes to provide guidance on what constitutes an excessive rent increase and greater limits on rental increases. In 2022-23, we have received rent increases for 56% of our leasehold properties, with over half of these exceeding the median market rent.

During this same period, we have seen an increase in households facing homelessness and housing insecurity. Many of these people are working with good rental histories. While they have stable employment, they simply cannot find rental properties in Sydney due to limited supply and significant price increases. The onus must be on landlords to demonstrate that a rent increase is reasonable, rather than tenants who are desperately trying to keep a roof over their heads.

Enforcement of the NSW Residential Tenancies Act

Landlords and tenants can make an application to NCAT to enforce their respective rights and responsibilities under the NSW Residential Tenancies Act. While not included in the discussion paper, NCAT is a critical body that upholds the rights of tenants to ensure a fair rental system and it must be sufficiently resourced to do so. Since the COVID-19 pandemic, we have experienced significant delays in the hearing of complex matters, including in circumstances where tenancy breaches involved significant risk to the neighbours and our staff. It is critical that NCAT is adequately resourced to deal with matters promptly, particularly where there is a safety risk. This must be considered if the implementation of policy directions is to be realised.

Kind regards

Rebecca Pinkstone
Chief Executive Officer