

## **SUBMISSION TO NSW RENTAL LAWS ENQUIRY**

I am a landlord in regional NSW I own 3 rental houses, which are all located in the same suburb as my own home. Two of the properties neighbour my parents' home. I currently have all 3 properties rented – and have had all of them rented for the majority of my ownership, apart from brief periods between tenants when I was doing maintenance to the properties. I pride myself on keeping my properties well maintained and attending to maintenance requests promptly.

One property has recently started a new 12 month tenancy (after the previous tenant gave notice and moved out before the expiry of her lease), one has tenants who have been there for nearly 3 years and the other has tenants who have been there for nearly 5 years. Both of those longer term tenants are paying less than current market rent (one significantly less) as a form of 'person-to-person' charity to help those who are less fortunate than I have been. This is something that I have chosen to do because of my personal values. I give this information as background and context to my submissions.

### **1. Rent increases**

I believe that the appropriate rent for a property should be a reflection of the type and location of the property and the general market conditions. How a landlord has chosen to manage (or mis-manage) their own finances by over-leveraging themselves should not be their tenant's problem or a reason to increase rents beyond the general level of market inflation. I would support rental increases being restricted to once per year, and possibly limited to a factor relating to current inflation. I think providing more information about current rents in the market is a good thing. I think there is already quite a bit of this information available through various property websites.

### **2. Notice and reasons required for ending fixed term tenancies.**

I do not support a requirement to give reasons for ending a fixed term tenancy at the expiry of the fixed term. A fixed term tenancy is a contract and both parties know the end date right from the beginning. If either party chooses not to renew the arrangement with a new contract, that is their own business and does not need to be justified or explained to the other party.

I would not object to having a longer period of notice before the end of a fixed term lease if either party does not intend to renew the tenancy with a new lease – like the 90 days required for a periodic tenancy – so that both parties have ample time to prepare for the end of the tenancy. This should work both ways as it is also disruptive to a landlord to have their tenant vacate on short notice when it was expected that they would be renting for a certain period.

### **3. Keeping of Pets**

Your discussion paper mentions the mental health benefits of keeping pets. What you fail to mention is the detriment to neighbours of living next door to poorly behaved pets and the myriad of problems caused by neglected and mistreated pets across NSW. Everyone who owns a cat says that it never wanders and that their dog never barks. Everyone else knows that these are lies. Unfortunately, there are far more irresponsible pet owners in NSW than responsible ones. Cats are one of the greatest environmental menaces in this country and the keeping of domestic cats needs to be far more restricted and strictly regulated across the State as a whole. I appreciate this issue is beyond the scope of this enquiry. However, I do not want any property that I own to be contributing to the environmental destruction caused by allegedly domesticated cats. Likewise, dogs can cause significant nuisance to neighbours, as well as damage to people, animals and property. I want my properties to be good neighbours to the people who live around them. All of my properties are located near rural property and straying dogs pose a significant hazard to livestock. Backyards without domestic pets soon become a habitat for birds and other native creatures which deliver mental health benefits in their own way.

I do not believe that landlords should be forced to permit animals to be kept in their properties and should not have to provide reasons for refusing pets. If tenancy law changes remove my ability to prohibit animals from my properties, then I would more than likely remove those properties from the rental market. This would make 11 more people homeless in NSW, who didn't otherwise need to be. If the government thinks people must have pets, you need to bring in far more strict laws around responsible pet ownership and build more public housing so you can be the landlord of these pet owners.

If a property is clearly advertised as a Animal Free property then any tenant choosing to rent that property knows exactly what they are signing up for – and if they want to have pets, then they wouldn't bother applying for that property. The law shouldn't override the contract that has been made between the landlord and the tenant and allow one party to shift the goalposts after that contract has been made.

### **4. Renters' private information**

I totally support the position that renters' personal information needs to be handled responsibly, and not retained beyond the period strictly necessary for its purpose. Too many government systems require the private sector to be collecting and retaining personal information in far more detail and for longer than is necessary. Again, this is an area that needs significant widespread reform that goes beyond the scope of this enquiry.

### **5. Use of automated decision making systems**

Recent history would suggest that use of automated decision making systems in most fields is detrimental to proper decision making, the application of lawful processes

and to society as a whole. I don't think that rental applications should be assessed by automated systems. I greatly appreciate the personal efforts of my managing agents to flush out the nuances of applications and give me thorough information to consider applicants fairly. Perhaps that is the benefit of country people and country values at work – I can't speak for what happens elsewhere.

#### **6. Portability of bonds**

I totally support a system of portable bonds. In fact, I was surprised to discover that this system was not already in place. I think a 14 day timeframe for a bond top up is reasonable – and if this was the case, it reduces the risk for the new landlord and therefore addresses any issues around favouring tenants who can pay a bond without using their previous refund. If the bond is not topped up in the required time, I think that should be a valid ground to terminate the tenancy (bearing in mind that the reason that the previous bond was depleted would likely indicate that the tenant had outstanding matters from their previous tenancy – which would be a red flag for a new tenancy if it had been known in advance).

If the Government is going to rely on private investors to fill the void of affordable rental properties caused by decades of government neglect in this area, then you need to make sure that it remains an attractive proposition for people to be private landlords. I realise that there are bad and neglectful landlords out there – but you need to address those particular issues at source. It is not a solution to make blanket changes which punish good and responsible landlords who want to provide homes for people in NSW, but also want to make sure that their investment is not damaged or used in ways that damage the environment or the amenity of the surrounding neighbourhood.

It needs to be remembered that for many landlords there may not be any compelling financial need to rent out their properties so being part of the rental market is a voluntary transaction. If rental law changes make it unattractive to rent out properties to permanent tenants, then all that housing stock will be removed from the rental market and kept vacant or put into short stay uses. This would be completely counter-productive. Whilst there is undoubtedly a need for greater certainty for tenants to know how long they can live in a property and what it is going to cost them – there is a balance to be struck with the rights of those who are making significant financial investments to provide that housing, otherwise the system fails.

Yours sincerely,

9 August 2023