

**Submission
No 42**

**RESIDENTIAL TENANCIES AMENDMENT (PROHIBITING NO GROUNDS
EVICTIONS) BILL 2024**

Organisation: Tenants' Union of NSW

Date Received: 28 June 2024

About the Tenants' Union of NSW

The Tenants' Union of NSW is the peak body representing the interests of renters in New South Wales. We are a Community Legal Centre specialising in residential tenancy law and policy, and the main resourcing body for the state-wide network of Tenants Advice and Advocacy Services (TAASs) in New South Wales.

The TAAS network assists more than 35,000 renters, land lease community residents, and other renters each year. We have long-standing expertise in renting law, policy and practice. The Tenants' Union NSW is a member of the National Association of Renters' Organisations (NARO), an unfunded federation of State and Territory-based Tenants' Unions and Tenant Advice Services across Australia. We are also a member of the International Union of Tenants.

About this submission

The *Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024* aims to enhance the security and stability of residential tenancies by eliminating 'no grounds' evictions. Reforms to end 'no grounds' evictions seek to ensure that terminations of tenancy agreements are conducted on genuine and contestable grounds, improving fairness and transparency in the rental market. The Bill's intentions in this way are closely aligned with those expressed by the NSW Government about their proposed reforms to eviction provisions consulted on through the *Improving NSW Rental Laws* consultation in the second half of 2023.

This submission addresses the terms of reference for the inquiry, providing feedback on the Bill in relation to the grounds for which eviction is reasonable (more specifically, reasonable 'no fault' eviction grounds), the appropriateness of evidence requirements and penalties, and any unintended consequences. We draw the Committee's attention to our previous submissions for the [Improving NSW Rental Laws consultation](#), [our briefings](#) on this issue and [on polling undertaken with community](#) regarding a shift to a reasonable grounds system, and our recent report, [A Constant Worry](#), that demonstrates the broad range of impacts of 'no grounds' evictions for renters. These are attached as Appendices to our submission.

The Tenants' Union of NSW' office is located on the unceded land of the Gadigal of the Eora Nation.

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Recommendations

Recommendation 1: Introduce Additional Genuine Reasons for Eviction

Ensure all evictions require a genuine, contestable reason. Introduce new genuine grounds to ensure landlords are still able to end tenancies in certain circumstances. These grounds should be limited to:

- Landlord or Immediate Family Moving In
- Demolition and reconstruction of a property
- Change of Use

Recommendation 2: End 'No Grounds' Evictions

Remove the provisions for eviction for 'no grounds' for all renters, i.e. renters in periodic tenancy agreements and in fixed term tenancy agreements. Specifically remove the termination provisions at section 84 and 85 of the *Residential Tenancies Act 2010*.

Recommendation 3: Require evidence be provided with notice of termination

Require landlords to provide documentary evidence for all termination grounds when serving a termination notice, with the notice deemed invalid where insufficient evidence has been provided to the renter.

Recommendation 4: Introduce appropriately strong penalties and compensation for renters where termination grounds misused

Introduce a tiered penalty system for false or misleading use of eviction grounds and allow renters to seek compensation for wrongful eviction where property is not being used in accordance with grounds served.

Recommendation 5: Introduce temporary bans on Re-letting

Implement temporary bans on re-letting to prevent misuse of eviction grounds.

Recommendation 6: Ensure Tribunal discretion available to decline termination

Ensure the Tribunal has discretion to decline termination if it deems the eviction unreasonable or disproportionate in the circumstances.

Introduction

Everyone deserves to live with stability and peace of mind, including those who rent their homes. Moving house is often cited as one of life's most stressful events due to the significant financial costs and emotional strain involved, which are further intensified when a household is forced to move.

If a renter is being forced to move, and they have not breached their agreement, it seems reasonable that their landlord be required to provide a genuine reason for ending their tenancy. Where eviction without reason is allowed, the eviction is significantly harder to contest, and can be served in retaliation or for some other unlawful or unfair practice with little recourse.

Introducing new reasonable 'no fault' eviction grounds to replace existing 'no grounds' provisions, would still allow landlords to end a tenancy for existing breach provisions, in addition to any new additional 'no fault' reasonable grounds. It would also mean where the validity of the specified 'reasonable' grounds was in question this could be contested by the renter.

Existing Grounds for Eviction

Guiding principle: Reasonable grounds for termination should be based on the principle that a tenancy terminated for 'no fault' should only occur where the landlord genuinely no longer intends to rent the property in the private rental market.

In August 2023 NSW participated in the National Cabinet process and agreed to the "Better deal for renters" principles.¹ The first principle was: Develop a nationally consistent policy to implement a requirement for genuine reasonable grounds for eviction, having consideration to the current actions of some jurisdiction.

The *Residential Tenancies Act 2010* currently provides a broad range of reasons to a landlord to end a tenancy where there has been a breach by the tenant, including:

- Nonpayment of rent, water usage charges or charges for supply of electricity, gas or oil: 14 days notice (Section 88)
- Other breach of agreement, besides unpaid rent: 14 days notice (Section 87)
Information regarding breach is provided to the tenant specifying the clause of the residential tenancy agreement and what the breach involves.

¹ Prime Minister (2024) *Media Release: Meeting of National Cabinet - Working together to deliver better housing outcomes*, <https://www.pm.gov.au/media/meeting-national-cabinet-working-together-deliver-better-housing-outcomes>, accessed 26 June 2024

There are also 'no fault' eviction provisions available to the landlord that specify a genuine reason:

- Sale of premises (landlord has entered into contract for sale requiring them to give vacant possession to purchaser): 30 days notice (Section 86)
- Death of the tenant: No minimum notice period (Section 108)
- Premises destroyed or wholly or partly uninhabitable/cease to be useable as a residence/ appropriated/acquired by authority by compulsory process. No minimum notice period (Section 109)

Additional new grounds for eviction

The Act currently does not provide for all circumstances where a landlord may seek to end a tenancy, and where the renter has not breached the agreement. The following 'no fault' termination grounds should be introduced to allow landlords the ability to end a tenancy where they genuinely no longer intend to lease it in the private rental market:

1. Landlord or Immediate Family Moving In

This provision would allow the landlord to terminate the agreement where they or their immediate family intends to use the property as their principal residence for at least 12 months, supported by a statutory declaration and proof of immediate plans to move in. A clear definition of family must be provided within the Act. Without clarity on this, there is significant scope for disagreement between parties, and unnecessary applications to the Tribunal to resolve the issue. We recommend a minimum notice period of 120 days to ensure the renting household can find alternative accommodation.

2. Demolition and reconstruction of a property

Termination should only be allowed when building work is substantial and renders the property uninhabitable. Landlords must provide all necessary permits and consents to carry out the planned demolition of the premises and reconstruction.

We are concerned that the language of renovation or general repair as a genuine reason may allow landlords to terminate for inessential repair or renovation, and that this provision, especially where evidence requirements are insufficient, may be misused as a guise for retaliatory eviction.

We recommend a minimum notice period of 120 days.

3. Change of Use

If a landlord intends to change the use of the property (e.g., converting it to a business), they must provide evidence of the intended new use including any required permits, and be able

to demonstrate the premises will not be used as a residence for at least 6 months. We recommend a minimum notice period of 120 days.

Other proposed reasons

A number of other proposed reasons have been included in the Bill under inquiry or have been under serious consideration during government consultation on reasonable grounds:

- 'end of a fixed term'
- 'property will soon be sold'
- 'intend to carry our renovations or repair'
- 'another ground prescribed by the regulation.'

We have very serious concerns about their appropriateness. In particular we are concerned that the inclusion of 'end of a fixed term' as a reasonable grounds for eviction would significantly undermine the intent and substance of the reform. We discuss each of these in turn in greater detail below.

End of a fixed term

The end of a fixed term is not a genuine reason for termination, and removing 'no grounds' evictions must include the removal of section 84 of the *Residential Tenancies Act 2010*.

Fair Trading's End of Tenancy survey indicates that a majority of renters in NSW are in fixed term tenancy agreements (58%). They are more likely than renters in a periodic tenancy to receive an eviction for no reason - (71%) of all 'no grounds' evictions are served to renters at the end of their fixed term.

Fixed term and periodic

■ Fixed term agreement ■ Periodic agreement



Figure 1: Chart illustrating the proportion of different types of rental agreements in NSW and proportion of 'no grounds' evictions by agreement type (from [NSW Fair Trading data](#))

Under the *Residential Tenancies Act 2010*, in an already established departure from basic contract law, a tenancy agreement doesn't end merely because a fixed term agreement comes to an end. The agreement continues on as a periodic agreement unless a party to the agreement seeks to end it and gives notice. The conversion from the fixed-term to periodic agreement is made explicit in s18 of the RTAct 2010.

Of the more than 966,000 active bonds held by the Rental Bond Board, only 34.05% have been held for less than 12 months, indicating that the majority of tenancies have come to the end of a fixed term and continued on either as a periodic agreement or as a new fixed term.² These real world outcomes confirm there is no presumption from either party to the tenancy that the agreement will come to an end at the end of the fixed term contract.

In the context of the current housing crisis, tenant advocates across the TAAS network report they are seeing an increasing number of landlords who serve a termination notice alongside a substantial rent increase notice as a fixed term agreement is coming to an end, forcing tenants to either accept the increase or vacate. Additionally, landlords are moving tenants onto back-to-back short-term leases (e.g. 6 months) to use the shorter section 84 notice period (currently set at 30 days notice).

Experience from other Australian jurisdictions provides insight into the potential impacts of reform along this model. In Queensland and Tasmania, where landlords are able to evict at the 'end of a fixed term' without being required to provide a genuine reason, renters continue to face considerable insecurity. Landlords have shifted their behaviour, increasingly issuing rolling short fixed-term leases to exploit this loophole and evict at the end of a tenancy

² Special data request to the NSW Rental Bond Board, October 2023.

without having to provide a reason. As a demonstration of this, when reforms in Queensland were first introduced the Real Estate Institute of Queensland issued guidance on new practice to serve a termination notice for 'end of fixed term' when starting a new tenancy agreement to ensure the agreement never rolled over into a periodic tenancy.

NSW currently appears to have a higher usage of periodic agreements than in other states, meaning that ending no grounds in only periodic agreements is likely to lead to greater disruption of current practice as the industry adjusts to retain the power to arbitrarily evict.³

What is the type and duration of renters' current rental agreement?

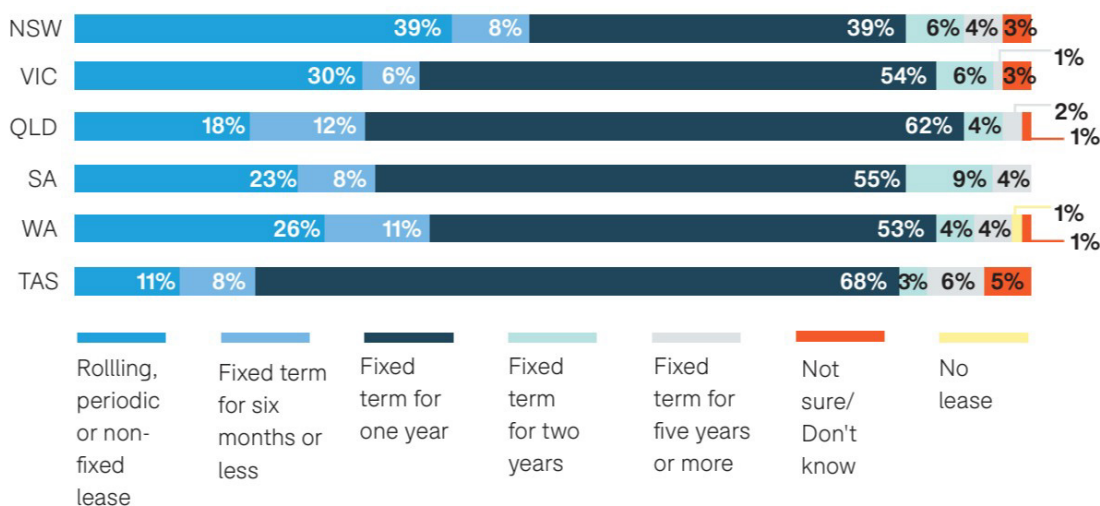


Figure 2: Graph illustrating the proportion of different types of rental agreements across states and territories, *Disrupted: The consumer experience of renting in Australia*

Victoria's reforms, effective since March 2021, disallow 'no reason' terminations except at the end of the first fixed term. This places significant pressure on renters during what becomes a 'probationary period' (their first fixed term tenancy), and may unintentionally provide an incentive for landlords to churn through renters by evicting them. If NSW adopts a similar model, over 300,000 renters – or up to 1 in 3 renters – would still be at risk of eviction for no reason (an eviction without grounds at the end of the first fixed term lease) each year.

The Victorian Government has itself recognised limitations with the model. In September 2023 the Victorian Government's [Housing Statement](#) announced plans to introduce

³ Choice, National Shelter & The National Association of Renters' Organisations (2018), *Disrupted: The consumer experience of renting in Australia*, <https://www.tenants.org.au/tu/news/latest-report-renting-shows-nsw-tops-country-rental-homes-need-repairs-fear-eviction>, accessed 26 June 2024

restrictions on rent increases between successive fixed term tenancies.⁴ They explained this was required due to an identified emerging trend where some landlords are evicting renters at the end of their first fixed-term lease simply in order to raise the rent substantially when re-listing the rental property.

To ensure greater protection and stability, NSW should require landlords to provide a genuine, contestable reason to end a tenancy at the end of a fixed term lease.

'No grounds' reform across Australia - A quick summary

Experience from other Australian jurisdictions provides insight into the progress and potential impacts of similar reforms:

- **ACT and South Australia:** Both have recently implemented reforms to remove 'no grounds' evictions, which apply to both fixed-term and periodic leases.
- **Queensland and Tasmania:** Reforms that did not fully eliminate 'no grounds' evictions have seen landlords shift behavior to put renters on rolling short term fixed term tenancy agreements, exploiting the remaining loophole and undermining the intent of the reforms.
- **Victoria:** Reforms that disallowed 'no reason' terminations except at the end of the first fixed term have incentivised landlords to churn tenancies to maintain control over the premises, and in some cases have led to eviction to allow the landlord to introduce a steep rent increase between tenancies.
- **Western Australia:** Current renting laws allow eviction without grounds for periodic and fixed term tenancies (with 60 days' and 30 days' notice respectively). Recent rental reforms controversially did not address this issue, despite previous commitments made by the Government to end 'no grounds' eviction, and widespread support for reforms among renters and the broader community.
- **Northern Territory:** Despite a review in 2019 and more recent government commitment to address the limitations of NT renting laws there has been no move to end no grounds evictions and address the limited notice provided for eviction (42 days during a periodic tenancy, 14 days at the end of fixed term tenancy for a 'no grounds' eviction).

⁴ Victorian Government (2023), *Protecting Renters' Rights*, <https://www.vic.gov.au/protecting-renters-rights>, accessed 26 June 2024

Property Will Soon Be Sold

The NSW Government through its Improving NSW renting laws consultation proposed the addition of "is being prepared for sale" as a ground for termination. We do not believe an intention to sell is sufficient justification to force a renting household to leave their current rented home.

On the face of it, an investor selling a property does not meet the test of the property leaving the rental market. An investor may sell to another investor, in which case the new buyer may value the lack of a vacancy period and the reduction of risk embodied in a sitting tenant.

If an owner-occupier were to purchase the property, they are able to use the current section 86 ground that the property has been sold, or a likely new reasonable ground of the owner moving in to occupy themselves. The renter in those circumstances is being displaced because the property is being removed from the rental sector.

A claim is made that landlords may need to sell the property empty to maximise sale price, or to prepare the property for sale, but we are not aware of evidence supporting the assertion that the practice does in fact result in a higher sale price. We suggest the committee should examine the claim before accepting it on face value. In any event, landlords who wish to do so could negotiate with tenants to vacate early by mutual consent, offering assistance with moving costs or reduced rent. This would be a reasonable investment to further the aim of maximising the sale value. The current lack of widespread negotiation speaks to the power imbalance between landlords and tenants.

We are concerned that introducing "intention to sell" as a reason for eviction could lead to landlords evicting tenants under false pretenses. In Victoria, Queensland, and the ACT, landlords can end a tenancy if the property is sold or is to be sold, with varying requirements for evidence and temporary bans on re-letting. Our colleagues in these jurisdictions report misuse of this provision. If introduced, strong enforcement measures will be needed to prevent its misuse, such as allowing renters to seek compensation or reinstatement if wrongfully evicted.

We do not support introducing this new reason for eviction, as reforms should protect renters' fairness and security.

Intend to carry out renovations or repair

We do not believe renovation or general repair should be considered as a sufficient and genuine reason to terminate an agreement.

There is a significant risk that including repair within the reasons for eviction may allow landlords to leave a property to fall into disrepair, then evict on the basis repairs are required having avoided their contractual obligations regarding maintenance and repairs during the tenancy.

If the language of repair and renovation is included, as it currently is in the Bill, it must be clarified that this is allowable only where the landlord genuinely intends to carry out significant repair and renovation of the residential premises *and* where the repairs are not required as a result of the landlord's breach of the agreement. In addition, termination should only be permitted where the landlord can demonstrate that the works will render premises uninhabitable for a minimum period of time (for example, a minimum of 6 weeks or longer) and that the work can only be undertaken if the property is vacant. We note that our recommended minimum period is longer than that set out in the Bill. This is to better reflect the substantial rather than superficial renovation or repair work required to activate the provision.

The renter must also have been given the option to continue the tenancy agreement with an abated rent during the repair and renovation period and declined. In addition it could be a requirement that plans to renovate, repair or demolish must be disclosed to the tenant before a tenancy agreement is entered into for the premises, if the landlord plans to end the tenancy for 'significant repair and renovation'. This ensures the renter is aware of the more limited duration or tenure on offer and can make an informed decision before moving into the property.

Appropriate disincentive measures should be implemented to limit inappropriate or casual use of this reason and minimise the circumstances where termination occurs and the landlord then has a 'change of mind'. This should include a temporary ban on re-letting of the property for a set period of time (e.g. 6 months).

We do not support inclusion of intent to renovate or undertake as a genuine grounds for ending a tenancy.

Another ground prescribed by regulation

The Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 proposes to allow additional termination ground/s to be prescribed by regulation for both the end of a fixed term tenancy agreement and/or during a periodic tenancy agreement.

The prescribing of termination grounds should be considered substantive, rather than simply administrative in nature given the impact of eviction with the loss of housing for the renting household. Allowing delegated legislation in this instance is not appropriate as it reduces the opportunity for parliamentary scrutiny and community consultation for a

proposed new termination grounds. It risks executive overreach for a change that significantly affects the people subject to or covered by the law, especially given there is no clear principle set out currently on which such regulation powers might be applied in determining appropriate additional grounds.

Delegated legislation (vs primary legislation) is generally considered justified where there is a requirement for highly technical or complex detail, the need for urgent introduction of law, or the need for adaptability in the law in ever changing or uncertain circumstances. We do not believe there is adequate justification on these bases for removing parliamentary scrutiny of a proposed new grounds for termination.

We do not support allowing 'another ground prescribed by regulation' in the *Residential Tenancies Act 2010*.

Evidence Requirements and Penalty Scheme

To support the reasonable grounds for eviction and prevent landlords from misusing available grounds, reforms to introduce a reasonable grounds regime should also include stringent evidence requirements and penalties:

1. Documentary Evidence

Landlords must provide a renter with independently verifiable documentation in support of the termination notice when serving the notice. Evidence may appropriately include renovation permits, or a statutory declaration depending on the grounds. Currently the Bill contemplates evidence only in relation to the Tribunal ordering termination where they are 'satisfied that the landlord has established the ground on which the notice was given'. More consideration should be given to the evidentiary requirements for specific grounds. For more detailed discussion in relation to this see [TUNSW submission Improving NSW Rental Laws, pp. 18 - 19](#).

2. Penalties for False Claims

The current Bill contemplates penalties (100 penalty units) where grounds are misused and compensation for renters where the Tribunal is satisfied the residential premises have not been used in accordance with the ground on which the termination order was made. We suggest tiered penalties for misuse of grounds. A significant fine of at least 100 penalty units should be put in place for intentional misrepresentation, and appropriate compensation provided for the renter. If a landlord's circumstances change post-eviction, they should be required to cover the evicted renter's moving costs or offer the reinstatement

of their tenancy agreement. For further discussion and detail see [TUNSW submission Improving NSW Rental Laws, pp.20 - 21](#).

3. Temporary Bans on Re-letting

The Bill contemplates a 'ban' on re-letting by providing the Tribunal the power in certain circumstances to direct the landlord to occupy or use the premises in accordance with the ground on which the termination order was made, and in this way disallow the re-letting of the property for residential tenancy.

We support provisions to allow temporary bans on the re-letting of the property for at least 6-12 months depending on the grounds relied on to discourage misuse of termination grounds. See further detail and discussion [TUNSW submission Improving NSW Rental Laws, p20](#).

Tribunal Discretion

When introducing new reasons for termination, it is important the Tribunal be provided discretion to decide if in the circumstances it is appropriate to terminate the tenancy.

At present the *Residential Tenancies Act 2010* provides discretion to the Tribunal for most termination proceedings with grounds. Where termination is for breach, for example, the Tribunal must consider the seriousness of the breach and whether it justifies termination.

The current Bill appropriately provides the Tribunal with discretion, allowing the Tribunal to decline termination if it does not find the termination to be appropriate in the circumstances. This allows the Tribunal to consider whether eviction of the renter on the provided grounds is reasonable and proportionate in the circumstances. The Tribunal must be allowed to consider a range of relevant factors and the circumstances of the case to determine whether it is satisfied it is appropriate to terminate the tenancy.

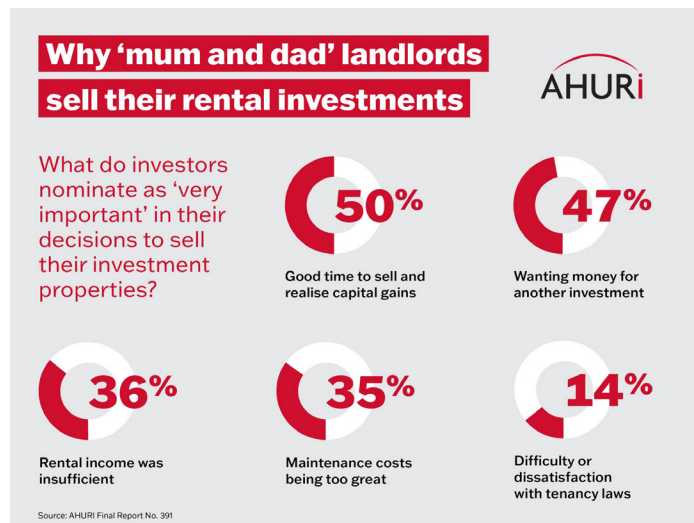
We suggest circumstances which should be taken into account include the time the renter has occupied the premises, the age and state of health of the renter, and whether the renter will be able to obtain other suitable accommodation. The Tribunal should also be asked to consider the relative hardship parties may face – the hardship for the landlord in not gaining possession of the premises for the new use balanced against the hardship the renting household faces if evicted from the premises, including any financial detriment or impacts on health.

Addressing Concerns regarding Impacts on Supply

Often when rental law is reformed or discussions of regulation arise, concerns are raised that these changes may negatively impact the supply of rental properties. However, this concern is misplaced.

Recent research titled "Regulation of residential tenancies and impacts on investment," conducted by AHURI and involving researchers from UNSW Sydney, Swinburne University of Technology, and the University of South Australia, investigated the effects of rental law regulation on landlords' participation in the market. The study analysed the impact of previous tenancy law reforms in NSW and Victoria, including Victoria's recent reforms relating to 'no reason' evictions.

The research found that in NSW, there was no impact on the number of properties entering the private rental sector, and fewer properties than expected exited the sector. In Victoria, slightly fewer properties entered the sector after the reforms, but there was no effect on the number of properties exiting. Additionally, only 14% of investors interviewed by the researchers cited dissatisfaction with tenancy laws as a significant factor in their decision to sell.



In summary, the research concluded that Australian residential tenancies law reform has supported the long-term growth of the private rental sector, rather than causing disinvestment.

Similar analysis is available in relation to New Zealand's rental reforms, with the primary reason landlords give for selling a property being "to improve my financial situation" at 59% in the most recent report. The number of landlords who gave "changes to tenancy law" as a reason (possibly amongst other reasons) is 23% in the most recent survey, which was undertaken immediately after an election campaign which included changes to tenancy law.

Given that only 3-7% of landlords were selling one or more properties in any given 6 months. If we assume each landlord who sold a property sold one then there were 65,000 rental

dwellings sold in the last two years.⁵ We can calculate that 17,500 of the 65,000 rental dwellings sold in the last two years gave changes to tenancy law being a possible reason. However, there was a net increase of more than 20,000 rental dwellings over the last two years, and in every report period landlords reported buying more properties than they sold.

Recent research published by the Social Market Foundation, *Let Down*, examining rental regulation across the English speaking world has also considered the impact of reforms, and specifically reforms regarding eviction provisions.⁶ The report found little evidence to suggest a significant negative impact to supply. Specifically they point to reforms in Scotland as particularly instructive, noting that while Scotland effectively banned no-fault evictions in 2017, this has not negatively impacted housing supply. In fact, the share of households renting privately has increased since the rental reforms were introduced, and at a faster rate than in England, where no-fault evictions currently remain possible.

Analysis across Australian jurisdictions

A growing number of states and territories are making data available from their Rental Bonds systems. Of these, Tasmania and WA now have bond data release similar to NSW. Queensland, Victoria and South Australia release information in more limited ways.

We have examined the available bond data to provide information about the median length of tenancies, turnover and overall number of available tenancies in each state (supply) where we have sufficient data to do so, namely NSW, Queensland, Victoria and Tasmania.⁷ In the following analysis we examine, where relevant, whether reforms can be determined to have had a positive or negative effect on these.

⁵ Ministry of Housing and Urban Development (2023), *Landlords Pulse Survey Topline report*, <https://www.hud.govt.nz/assets/Uploads/Documents/Landlords-Pulse-Survey-Topline-Report-December-2023.pdf>, accessed 26 June 2024

⁶ Jamie Collins, Niamh O Regan (2024), *Let down Rental regulations, subsidies and tenants' rights across the English-speaking world*, Social Market Foundation, <https://www.smf.co.uk/wp-content/uploads/2024/04/Let-Down-April-2024.pdf>, accessed 26 June 2024

⁷ The following datasets have been drawn on in our analysis: NSW Fair Trading, Rental Bonds data 2016-current; Department of Justice, Tasmania Rental Bonds 2016-current; Residential Tenancies Authority Queensland, Median Rents Quarterly Data - 2013-current; Homes Victoria, Rental Reports - 2015-current.

Introduction of rental reforms across Australian jurisdictions

Below we provide information about when significant rental reforms have occurred in the Australian jurisdictions compared in this section:

- **NSW:** The *Residential Tenancies Act 2010* commenced January 2011. Since then, significant rental reforms following the statutory review of the *Residential Tenancies Act 2010* were implemented, coming into effect March 2020.
- **Queensland:** A number of tranches of rental reform are currently being worked through. The first significant tranche of reforms was implemented in October 2022, followed by reforms in July 2023. Eviction grounds were amended for a small portion of the rental sector, those not in a fixed term. A second tranche of reforms is planned and currently being consulted on.
- **Tasmania:** The last time renting laws in Tasmania were significantly reformed was following the statutory review of the *Residential Tenancies Act 1997*, with reforms coming into effect in 2014, but these reforms did not amend eviction grounds.
- **Victoria:** The review of the *Residential Tenancies Act 1997* commencing in 2015 led to significant reforms, including reforms to significantly limit no reason evictions which came into effect in March 2021.

Median length of tenure

Median length of tenure is a necessary feature to measure how well a rental sector is functioning. Research has made clear the links between well being and housing stability, finding mental health outcomes for renters equalises with owner-occupiers only after 5-6 years of stable tenure in a home.⁸

We have observed an increase in the median tenancy length in all states, as measured by the length of time a bond was held. As the measurement of tenancy length comes when a tenancy comes to an end, we should expect to see a slow and sustained increase in the length of time bonds are held. Shocks that cause tenancies to end earlier than the resident would have liked, such as we saw in 2020 as economic impacts of COVID-19 brought long-standing tenancies to an end, will also cause a rise in the median length of tenancy but indicate an undesirable outcome.

The Rental Bond Board has the capacity to measure length of tenancy of tenancies currently on foot, and this data could be released publicly to assist in analysis of length of tenancy

⁸ Ang Li, Emma Baker, Rebecca Bentley (2022) "Understanding the mental health effects of instability in the private rental sector: A longitudinal analysis of a national cohort", *Social Science & Medicine*, Volume 296, 2022, <https://www.sciencedirect.com/science/article/pii/S0277953622000818>, Accessed 26 June 2024

without the distortion of measuring only ended tenancies.

If supply were positively impacted by reforms, we would expect to see a trend towards longer tenancies in states with legislative reform not replicated in states without legislative reform. If supply were negatively impacted by reforms, we would expect to see a decrease in length of tenancies as landlords either sold properties and in the process prematurely ending a tenancy, or churn through tenants to take advantage of a shortage of properties. However, both of these outcomes are also likely to arise because of changed financial conditions such as sales price, costs, or lack of construction without a causal relationship with rental reform.

The increase is only slight in NSW moving from 16 months to 17, with a peak just over 18 in the months during 2020 as long-standing tenancies came to an end.

Median Tenancy Length (Months)



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In Victoria, Tasmania and Queensland there were significant increases in the median length of tenancies ending. All three states increased median length by approximately 6 months in the 7 years to 2024. This covered a period of reform in Victoria, but not in Tasmania.

We suggest this is not related to rental reform, but a consequence of renters resisting moving if they are not required to. With rising rents and a lack of suitable options, renters are less likely to move.

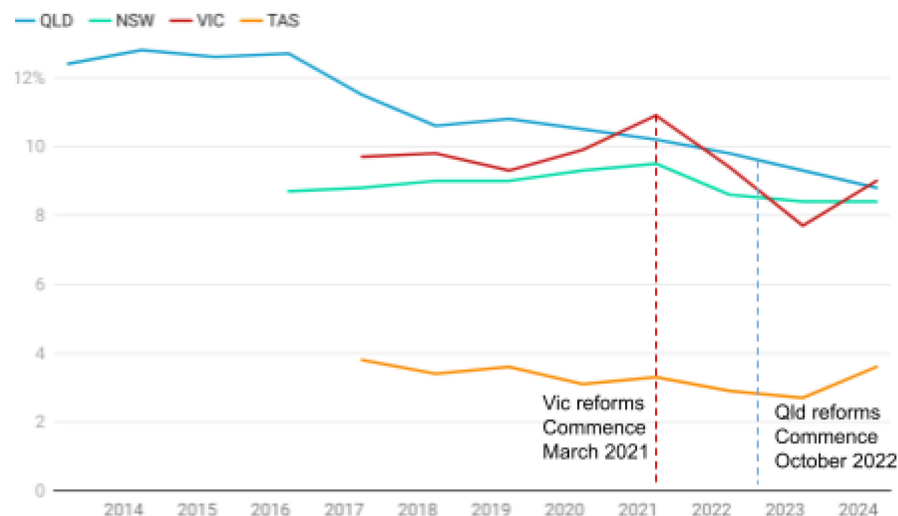
Turnover

Turnover of tenancies is measured here as defined in the Victorian rental reports as “bond refunds (moving annual total) as a percentage of total active bonds”. A rising turnover is an indicator of a shrinking rental sector, or one experiencing high volatility. We do not have a specific desired turnover figure, and an ideal figure for an area may depend on geographic differences.

Examining the four available states, we can see relatively stable turnover rates. Queensland has the most reliable downward trend, and Victoria and NSW demonstrating significant volatility in the years most affected by COVID-19.

If there were negative impacts on rental supply regarding rental reform, we would expect to see rising figures in Queensland and Victoria, but not in NSW or Tasmania. Given the Queensland trend predates rental reform, and Victoria results are more easily explained by COVID-19, there is no evidence of negative impacts.

Turnover



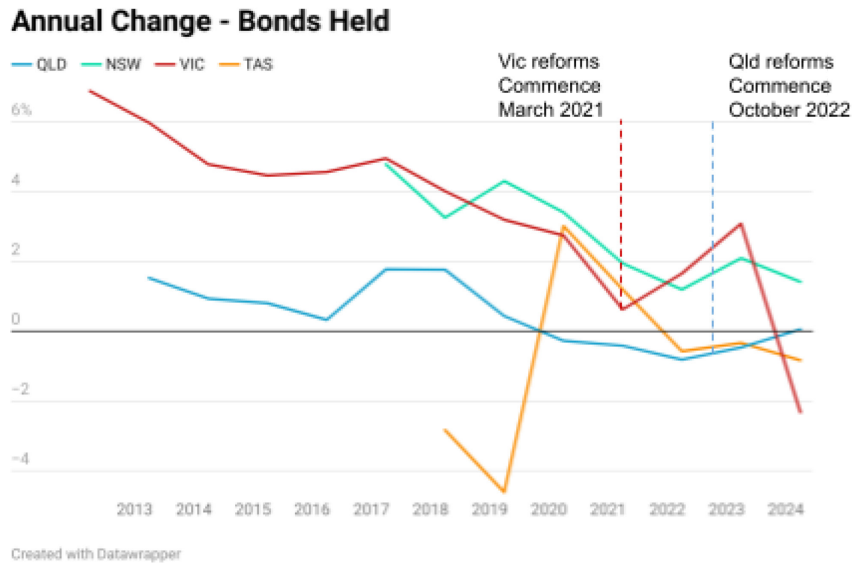
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Overall bonds held

There has been a general trend of a slowing in growth of the rental sector across the states measured. In Tasmania, Queensland and Victoria, the overall trend shows a decrease in the number of bonds held in some recent years. Given that this trend, to different degrees, is replicated in all four states regardless of reform status suggests that externalities such as changed economic conditions are likely to have greater impact than rental reform whether

positive or negative. This supports similar findings detailed elsewhere in this submission.

However, it is notable that in the immediate period after Victorian reforms were commenced, the rate of growth in Victoria increased markedly. In Queensland, the year following reforms commencing was the first in several years where there was positive growth. These results again confirm that rental reforms are at least compatible with, and may even support, efforts to increase the supply of rented homes.



Analysis across International Jurisdictions

The 2022 census data shows that the number of people renting, particularly in the Private Rental Market, is growing in Australia, a trend mirrored in the United States, Ireland, Germany, and the United Kingdom. An AHURI review in 2018 found that this growth in the private rental sector (PRS) in these countries was not driven by deregulation. Instead, stronger regulations have generally been implemented as the PRS has expanded.

The AHURI review highlights the tenure security measures adopted in various jurisdictions, showing a clear connection between tenure security, rent regulation, and legislated restrictions on terminations without grounds. In the ten surveyed countries, the primary approach to ensuring security for renters is to restrict landlords to terminating leases only on prescribed genuine grounds, as seen in Germany, Sweden, Scotland, most Canadian provinces, and some major US cities. Other international jurisdictions where 'no grounds' or no reason evictions are still allowed, such as England, are now moving to implement reforms to remove provisions allowing eviction for no reason (in England, section 21 no fault evictions) to address poor security of tenure. The security of tenure for Australian renters is comparably poor, with OECD analysis finding Australian renters had the lowest security of tenure across 31 countries, equal with Greece.⁹

Most countries consider that the arbitrary nature of 'no grounds' evictions conflicts with their responsibilities to implement their human rights obligations under the two main human rights treaties. Australia is a signatory of both instruments.

The particular obligations considered to apply are Article 17 of the International Covenant on Civil and Political Rights:

1. No one shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence, nor to unlawful attacks on his honour and reputation.
2. Everyone has the right to the protection of the law against such interference or attacks.¹⁰

Article 11 of the International Covenant on Economic, Social and Cultural Rights reads:

⁹ Boris Cournède, Sahra Sakha and Volker Ziemann (2019), "Empirical links between housing markets and economic resilience", *OECD Economics Department Working Papers*, No. 1562, OECD Publishing, Paris, <https://doi.org/10.1787/18151973>, accessed 26 June 2024

¹⁰ Australian Treaties Series, *International Covenant on Civil and Political Rights*, <https://www.austlii.edu.au/au/other/dfat/treaties/ATS/1980/23.html>, accessed 26 June 2024

1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions.¹¹

The right to adequate housing is recognised to include a prohibition on arbitrary or forced evictions. The use of a 'no grounds' eviction notice is by definition an arbitrary interference, particularly where a court or tribunal is not empowered to examine the circumstances of the notice and decline to proceed if a justifiable reason is not given.

In *Appendix 1: Eviction provisions in renting laws: An overview of six international jurisdictions* we provide a more detailed overview of a number of other international jurisdictions. Below we highlight some of the key points that might be observed from the jurisdictions considered in the Appendix overview.

- **Ireland:** After an initial 6 month period, renters in Ireland can only be evicted for 5 prescribed valid reasons including the property will be lived in by the landlord or their family, and change of use. Additional protections have been introduced to protect against eviction for sale of property where multiple tenancies (10 or more) will be impacted, sale can only proceed with renters in situ except in some limited circumstances.
- **Scotland:** Since December 2017, Scotland's rental laws require prescribed reasons for eviction. Tenants with leases under six months can be evicted on behavioral grounds, while longer-term tenants are protected by twelve additional reasons, such as the landlord's intent to sell, refurbish, or repurpose the property. Scotland's approach has not negatively impacted rental supply, with private renting increasing since the reforms.
- **New Zealand:** Reforms introduced to the Residential Tenancies Act 1986 in 2021 provide greater protections for renters, with evictions now requiring reasonable grounds. The reforms have not negatively impacted supply, evidenced by stable or decreasing rents in Auckland noting that rental reforms were undertaken alongside a range of planning and zoning reforms to address housing supply. A February 2024 regulatory impact statement concluded 'evidence regarding the impact of the 2020 tenancy law reforms on rental supply, rent increases and tenant vetting is limited, and insufficient to establish a causal relationship.'¹²

¹¹ Australian Treaties Series, *International Covenant on Economic, Social and Cultural Rights*, <https://www.austlii.edu.au/au/other/dfat/treaties/ATS/1976/5.html>, accessed 26 June 2024

¹² Ministry of Housing and Urban Development (2024), *Regulatory Impact Statement: Residential Tenancies Act tenancy termination amendments*, New Zealand Government, 21 February 2024, <https://www.hud.govt.nz/assets/Uploads/Documents/Cabinet-papers/Regulatory-Impact-Statement>

- **San Francisco, California:** San Francisco's Rent Ordinance and California Civil Code mandate "just cause" for evictions. Grounds for termination include nonpayment of rent, illegal activities, and owner move-in, among others. In San Francisco, renters evicted under "no-fault" reasons are entitled to relocation payments. This should be considered for NSW, further discussion and detail provided at [TUNSW submission Improving NSW Rental Laws, pp. 22 -23](#). These protections aim to provide stability for renters amidst a competitive housing market.
- **Ontario, Canada:** Ontario's *Residential Tenancies Act 2006* necessitates a written eviction notice and approval from the Landlord and Tenant Board. Grounds for eviction include rent nonpayment, property damage, and major repairs. Recent bylaw changes in Hamilton require landlords to obtain permits for renovations, ensuring tenant protections against unjust evictions.
- **Sweden:** Sweden's rental market predominantly features permanent contracts with flexible termination terms for renters (3 months notice required). Landlords can evict renters only for specified reasons, including breach as rent arrears, illegal subletting, or property misuse. The sale of a house is not considered a legitimate reason to break a lease in Sweden.

Conclusion

The NSW private rental market does not currently provide stability or security of tenure for people who rent their homes.

To address this, reforms are urgently needed to introduce a reasonable grounds framework providing a number of new genuine and contestable 'no fault' grounds for eviction to replace the current ability for landlords to evict for no reason. Effective reform will require strong compliance measures, including appropriate evidence requirements, and strong penalties for misuse of grounds.

NSW Parliament has a valuable opportunity through this inquiry and its report to recommend a framework for eviction reform that can deliver greater certainty and ongoing peace of mind for renters.

Thank you for the opportunity to provide this submission.

[Residential-Tenancies-Act-tenancy-termination-amendments REDACTED pdf](#), accessed 26 June 2024

APPENDICES

1. Tenants' Union of NSW (2024), Eviction provisions in renting laws: An overview of six international jurisdictions
2. [Tenants' Union of NSW \(2023\), Submission on Improving NSW Rental Laws, Section: Removing 'no grounds' terminations, p10 – 25](#)
3. [Tenants' Union of NSW \(2024\), A constant worry: Renters confront the impact of unfair evictions](#)
4. [Tenants' Union of NSW \(2024\), Briefing: Ipsos Public Affairs Polling Research – Reasonable Grounds Reform](#)
5. [Tenants' Union of NSW \(2024\), Ending no-grounds evictions for all NSW renters: briefings](#)

APPENDIX 1

Eviction provisions in renting laws: An overview of six international jurisdictions

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In this document we provide an overview of renting law and security of tenure, including an overview of grounds for eviction, compliance and monitoring features, and highlight some of the impacts of eviction regulation for the following international jurisdictions: Ireland; Scotland; New Zealand; San Francisco (California), USA; Ontario, Canada; and Sweden.

Rental regulation in other jurisdictions

As evidenced by the data provided by the 2022 census, the number of people renting, particularly in the Private Rental Market, is growing in Australia. This is also the case in other jurisdictions worldwide, including the United States, Ireland, Germany, and the United Kingdom.

An international review of the changing institutions of private rental housing conducted by AHURI in 2018 indicates that:

None of the recent growth in the PRS in the countries surveyed has been prompted or unleashed by deregulation (...) On the contrary, Ireland and Scotland are examples of successively stronger regulation being implemented as the PRS has grown. Only Spain has recently liberalised its tenancy laws.¹

The AHURI review outlines the tenure security measures adopted in various surveyed jurisdictions, pointing to a pattern of connection between tenure security, rent regulation, and legislated restrictions on terminations without grounds.

Across the 10 countries, the foremost approach to assuring tenants' security is to allow landlords to terminate on prescribed grounds only (as in Germany, Sweden, Scotland, most Canadian provinces and some major US cities). Only two countries rely on long fixed terms, and Ireland has a unique regime of cyclical restrictions.²

Very few international jurisdictions allow 'no grounds' or no reason evictions, and where they are still allowed, such as England, these jurisdictions are now moving to implement reforms to remove provisions allowing eviction for no reason (in England, section 21 no fault evictions) to address poor security of tenure. The security of tenure for Australian renters is comparably poor, with OECD analysis finding Australian renters had the lowest security of tenure across 31 countries, equal with Greece.³

Most countries consider that the arbitrary nature of 'no grounds' evictions conflicts with their responsibilities to implement their human rights obligations under the two main human rights treaties. Australia is a signatory of both instruments.

¹ Chris Martin, Kath Hulse, and Hal Pawson (2017), *The changing institutions of private rental housing: an international review*, AHURI Final Report No. 292, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/292>, accessed 26 June 2024

² Ibid.

³ Boris Cournède, Sahra Sakha and Volker Ziemann (2019), "Empirical links between housing markets and economic resilience", *OECD Economics Department Working Papers*, No. 1562, OECD Publishing, Paris, <https://doi.org/10.1787/18151973>, accessed 26 June 2024

The table below is drawn from the above referenced AHURI report, *The changing institutions of private rental housing: an international review*.⁴

Table 9: Security of tenure: Australasia, Europe, North America (select countries)

Country	Fixed term and periodic tenancies	Grounds for termination by landlord
Australia	Short (6–12 months), fixed-term and periodic tenancies	No-grounds termination allowed; Victoria has proposed legislation to remove the 'no specified reason' ground
Belgium	9-year fixed terms, but most are 3-year terms	Termination at end of fixed term allowed
Canada	Mostly short (6–12 months), fixed-term and periodic tenancies	Mostly prescribed grounds only; some allow termination at end of fixed term
Germany	Little use of fixed-term tenancies	Prescribed grounds only
Ireland	Short fixed-term and periodic tenancies	Prescribed 6-year cycle with lesser restrictions on termination in initial 6 months, then prescribed grounds only
New Zealand	Short (6–12 months), fixed-term and periodic tenancies	No-grounds termination allowed
Sweden	Little use of fixed-term tenancies	Prescribed grounds only
Spain	3-year fixed terms with some provision for early termination	Termination at end of and, in limited circumstances during, fixed term
United Kingdom	Short (6–12 months), fixed-term and periodic tenancies	No-grounds termination allowed (England and Wales); prescribed grounds only (Scotland)
United States	Short fixed-term and periodic tenancies	Varies by state and municipality: most allow termination without grounds, a few large cities allow termination on prescribed grounds only

Sources: survey responses; Bååth (2015); CMHC (2017); Cornelius and Rzeznik (2015); Haffner and Bounjouh (2015); James (2014); Jordan (2015a; 2015b); Orji and Sparkes (2015); Roig (2015).

⁴ Chris Martin, Kath Hulse, and Hal Pawson (2017), Op.cit., p52

Ireland

Renting law and security of tenure

The Residential Tenancies Act 2004 governs the security of tenure in Ireland. It prescribes a specific regime of varying restrictions on landlord terminations. A landlord may terminate a tenancy without grounds for the first six months of the lease (aside from the restrictions prescribed by a fixed term).

After the initial six-month period, the tenancy rolls into an ongoing lease (of unlimited duration), meaning the landlord is allowed to terminate on prescribed grounds only.⁵ Once the first six-year term is over, the landlord has six months to issue an eviction notice (with grounds); if that doesn't occur, the lease will continue for its subsequent six-year term.⁶

According to a report from a survey commissioned by the Residential Tenancies Board in 2022, the average tenancy with Small Landlords (1-2 properties) is 4.1 years, an eight-month average increase from 3.7 years in 2020. Tenants renting for 5-10 years represent the greatest share (24% in 2020 and 23% in 2022) of all tenancies. Surveyed renters cited limited rental stock and the desire to avoid paying higher rent as reasons for choosing a longer tenure.⁷

Lawful grounds for evictions

Following the first six months, in instances when the renter is not in breach of their obligations, the Irish *Residential Tenancies Act 2004* outlines five valid grounds for ending a tenancy, including:

- The property is no longer suited to the renter's needs; for example, if it is too small
- The landlord intends to sell the property within 9 months. However, this may not apply if the landlord plans to sell 10 or more dwellings in a development within a 6-month period
- The landlord needs the property for their own use or for an immediate family member (this only applies to private landlords)
- The landlord plans to change the use of the property (for example, convert it from residential use to office use)
- The landlord intends to refurbish the property substantially⁸

⁵ Prior to 2022 after the 6 month period, a tenancy extended to a 6 year tenancy. Since mid 2022 after the initial six months the renter can remain indefinitely. This means that by 2028, all tenancies of more than six months will be of unlimited duration.

⁶ Chris Martin, Kath Hulse, and Hal Pawson (2017), Op.cit.

⁷ Irish Residential Tenancies Board (2023), *Rental Sector Research Summary Report*, https://www.rtb.ie/images/uploads/forms/RTB_Summary_Report_2023_13.12.23.V1_.pdf, accessed 26 June 2024

⁸ Citizens' Information (2024), *Factsheet: Your landlord wants you to leave*, <https://www.citizensinformation.ie/en/housing/renting-a-home/tenants-rights-and-responsibilitie>

Compliance and monitoring

Section 35A of the Residential Tenancies Act 2004 ensures that whenever the landlord intends to sell ten or more units within a single development simultaneously or within six months, they must do so with renters in situ.⁹ This amendment followed the public outcry after a high-profile attempt to terminate multiple tenancies in a development in Tyrrelstown, Dublin, in 2016.

However, this provision can be avoided by landlords who rely on the “undue hardship” exception, which allows them to evict renters if the market value of the property sold with renters in place is 20% below the price that could be reached with vacant possession.¹⁰

[s/if-your-landlord-wants-you-to-leave/#bebb91](#), accessed 26 June 2024

⁹ Planning and Development (Housing) and Residential Tenancies Act 2016, [Planning and Development \(Housing\) and Residential Tenancies Act 2016](#), accessed 26 June 2024

¹⁰ Jack Power (2022), Tenants in entire Dublin apartment block face eviction, *Irish Times*, <https://www.irishtimes.com/ireland/social-affairs/2022/10/22/tenants-in-entire-dublin-apartment-block-face-eviction/>, accessed 26 June 2024

Scotland

Renting law and security of tenure

As of December 2017, all new residential tenancies in Scotland can only be terminated with a prescribed reason. The grounds allowed vary depending on the circumstances and the length of the tenancy to date.

Lawful grounds for evictions

Renters with tenure of six months or less will be given at least 28 days' notice and one of six prescribed reasons for their eviction (all relating to the tenant's behaviour).

These are:

- the renter is no longer occupying the let property
- the renter has breached a term of the tenancy agreement
- the renter is in rent arrears over three consecutive months on the date you apply to the Tribunal for an eviction order
- the renter has a relevant criminal conviction
- the renter has engaged in relevant anti-social behaviour
- the renter associates with a person who has a relevant conviction or has engaged in relevant anti-social behaviour

When issuing a Notice to Leave to tenants who have resided in the property for more than six months (apart from the outlined above behaviour-related grounds), landlords can indicate one of twelve additional reasons for ending the lease:

- the landlord intends to sell the let property
- the let property is to be sold by the mortgage lender
- the landlord intends to refurbish the let property
- the landlord intends to live in the let property
- the landlord's family member intends to live in the let property
- the landlord intends to use the let property for a non-residential purpose
- the let property is required for a religious purpose
- the renter ceases to be – or fails to become – your employee
- the renter no longer needs supported accommodation
- the landlord has had their registration refused or revoked
- the landlord's HMO licence has been revoked
- an Overcrowding Statutory Notice has been served on the landlord

Renters who have held their lease for six months or more are entitled to at least 84 days of notice.¹¹

¹¹ Scottish Government (2022), *Private Residential Tenancies Factsheet: Ending a tenancy as a landlord*, <https://www.mygov.scot/ending-a-tenancy-as-a-landlord/private-residential-tenancies>, accessed 26 June 2024

Compliance and monitoring

If the renter does not adhere to a Notice to Leave, the landlord is entitled to apply to the First-tier Tribunal for Scotland for an eviction order. The Tribunal will consider whether the grounds for eviction are reasonable, weighing up the evidence and the circumstances of both the renter and the landlord.

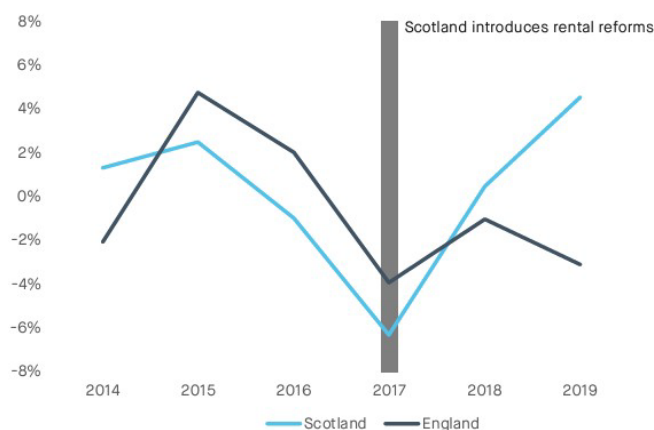
If a renter has left the property and thinks they have been misled into leaving the property, they can apply to the Tribunal for a 'wrongful termination order'. The Tribunal may make a wrongful termination order if it decides that the landlord misled the Tribunal into giving an eviction order it should not have; or the landlord misled the renter into leaving the property (for example, by claiming that they intended to sell the property but instead re-letting it to another tenant)

If a wrongful termination order is issued, the landlord will be told to pay the renter a payment of no more than six months' rent. The local council will also be told about the order and may decide the landlord is not a 'fit and proper' person leading to them losing their landlord registration.¹²

Changes to supply after rental law reform

While Scotland banned evictions for no reason in 2017, this has not negatively impacted housing supply. In fact, the share of households renting privately has increased since the rental reforms were introduced, and at a faster rate than in England, where no-fault evictions remain possible. The figure below, sourced from *Let Down*, a 2024 report examining rental regulation in the English speaking world, demonstrates no negative effect on supply following the reforms.¹³

Figure 13: Percentage increase in the share of household which are rented privately, Scotland and England, 2014-2019



Source: Scottish Household Survey and English Housing Survey

¹² Ibid.

¹³ Jamie Collins, Niamh O Regan (2024), *Let down Rental regulations, subsidies and tenants' rights across the English-speaking world*, Social Market Foundation, <https://www.smf.co.uk/wp-content/uploads/2024/04/Let-Down-April-2024.pdf>, accessed 26 June 2024

New Zealand

Renting law and security of tenure

Like Australian states, New Zealand adopted and adapted much of English common law and has very similar cultural and political traditions.

New Zealand's modern *Residential Tenancies Act 1986* originates from a similar period as the modernisation of Australian tenancy law throughout the 1980s and 90s. Many principles are similar to Australian approaches, including the use of a Tribunal for dispute resolutions and the lodging of bonds in a central authority.

New Zealand announced a wide-ranging reform process in 2018. Reform to a reasonable grounds requirement included in the Residential Tenancies Amendment Act took effect in New Zealand on February 11, 2021. Relevantly, this changed the notice periods and the lawful reasons to end a tenancy.

Lawful grounds for evictions

In instances of breaches of the Tenancies Act and Tenancy Agreements by the renter, the landlord can apply to the Tenancy Tribunal to obtain an order to end the tenancy.

Grounds to apply for an Order of the Tribunal include:

- Rent arrears (if unresolved following the 14-day Notice to Remedy or arrears of more than 21 days)
- Breaches of the Tenancies Act and Tenancy Agreements
- A tenant stays in the property after the tenancy ends
- Illegal activities at the property
- Assault of the landlord, threatening behaviour and serious damage to the property

The list adopted in New Zealand for reasonable grounds to end a periodic tenancy early includes:

- the owner or owner's family member requires the property as their principal place of residence (63 days notice)
- the property is to be put on the market for sale or disposition or has been sold (90 days notice)
- extensive alterations, redevelopment or demolition within 90 days after termination date are to be carried out (90 days notice)
- the house is to be converted into commercial premise, or demolished (90 days notice)
- The landlord is not the owner of the premises and their ability to lease it out is due to end (90 days notice)
- The premises are to be converted into commercial premises for at least 90 days

Additionally, there are grounds that require that the potential for the reason to be activated to be listed in the tenancy agreement to be valid. These include the property is needed for an employee or contractor of the landlord, or is to be used as part of a nearby business (63 days notice).

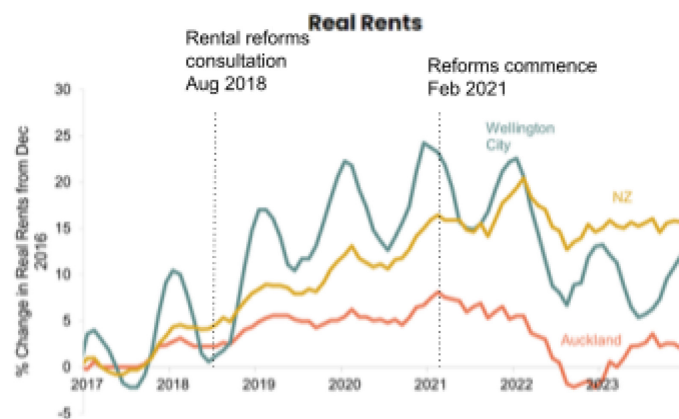
Note that all fixed-term tenancies end by default on the day the contract ends unless the renter and landlord agree in writing to renew the contract. This is set out in the Act at s13B.

New Zealand's Ministry of Housing and Urban Development has been monitoring the rental sector since implementation.¹⁴ In the most recent report they have found that the number of renters who have moved in the previous 6 months had dropped from 18% in 2021 to 12% in 2024.

Compatibility with supply efforts

Auckland passed a significant zoning reform in 2016, which has been examined closely particularly in Australia. While zoning was focussed in Auckland, rental reforms were at a national level, which gives a natural experiment to test whether rental reforms have any negative impact on efforts to increase supply.

Examining rents deflated with CPI, independent researcher Matthew Maltman shows rents started slowing in 2021 and significantly decreasing to below 2017 levels in real terms 2022 in Auckland.¹⁵ Other areas across New Zealand also saw rents no longer increasing after the reform, demonstrating compatibility between supply efforts and rental regulation.



Maltman 2024, modified by TUNSW

¹⁴ Housing and Urban Development (2024), *Renters Pulse Survey Topline Report January 2024*, <https://www.hud.govt.nz/assets/Uploads/Documents/Renters-Pulse-Survey-Topline-Report-January-2024.pdf>, accessed 26 June 2024

¹⁵ Matthew Maltman (2024), Auckland, *One Final Effort*, <https://onefinaleffort.com/auckland>, accessed 26 June 2024

San Francisco, California

Renting law and security of tenure

Renters in the San Francisco area are covered by one of two “just cause” eviction legislations: the San Francisco Rent Ordinance or the California Civil Code.

Lawful grounds for evictions

Under the San Francisco Rent Ordinance, the “just cases”, including “no-fault” eviction clauses, are:

- Nonpayment of rent or habitual late payment
- Repeated breach of terms if the rental agreement
- Illegal use of the unit
- Substantial damage to the unit
- Termination of agreement and renter refuses to execute a written extension of the same terms.
- The renter has refused the landlord access to the premises as required by law
- Unapproved subtenant
- Move-in by the landlord or their close relative
- Sale of a unit that was converted (seniors and people with disabilities cannot be evicted for condo conversions)
- Demolition or removal of the unit from housing use
- Substantial renovations
- Capital renovations
- Withdrawal from the rental housing use of all units in the building (Ellis Act eviction)
- Lead paint abatement (30 days relocation)
- Demolition
- Good Samaritan Occupancy Status (refers to a tenancy after a natural disaster) expires.

The California Civil Code “just eviction” (including ‘no fault’) causes are:

- Nonpayment of rent or habitual late payment
- Repeated breach of terms if the rental agreement
- Illegal use of the unit
- Substantial damage to the unit
- Termination of agreement and tenant refuses to execute a written extension of the same terms.
- The renter has refused the landlord access to the premises as required by law
- Unapproved subtenant
- Failure to vacate after termination (employees/agents/licensees)
- Termination by a tenant who fails to vacate
- Demolition

- Substantial renovations
- Capital renovations
- Withdrawal from the rental housing use of all units in the building (Ellis Act eviction)
- Lead paint abatement (30 days relocation)

In the case of premises covered by the California Civil Code, relocation payments are available to renters affected by 'no fault' evictions and are equal to one month of rent.

Relocation payments

Relocation payments for households evicted for less than 20 days are limited by state law. Otherwise, renters who are evicted for the “no-fault” causes capital improvements, demolition, Ellis Act, owner move-in, or substantial rehabilitation have a right to a relocation payment as determined by the Rent Ordinance (see tables below).¹⁶

¹⁶ San Francisco Tenants' Union (2024), *Factsheet: Just causes for eviction under the SF rent ordinance*, <https://sftu.org/justcauses/>, accessed 26 June 2024

**Relocation Payments for Evictions based on Owner/Relative Move-in OR
Demolition/Permanent Removal of Unit from Housing Use OR
Temporary Capital Improvement Work OR Substantial Rehabilitation***
[Rent Ordinance Section 37.9C]

Date of Service of Notice of Termination of Tenancy ("Eviction Notice")	Relocation Amount Due Per Tenant	Maximum Relocation Amount Due Per Unit	PLUS Additional Amount Due for Each Elderly (60 years or older) or Disabled Tenant or Household with Minor Child(ren)
3/01/22 – 2/28/23	\$7,421.00	\$22,262.00	\$4,948.00
3/01/23 – 2/29/24	\$7,540.00	\$22,618.00	\$5,027.00
3/01/24 – 2/28/25	\$7,912.00	\$23,733.00	\$5,275.00

* See Ordinance Section 37.9C for additional relocation requirements for evictions under 37.9(a)(8) (owner/relative move-in), 37.9(a)(10) (demolition/permanent removal from housing use), 37.9(a)(11) (temporary eviction for capital improvement work) and 37.9(a)(12) (substantial rehabilitation). Effective 1/1/13, the amount of relocation payments for temporary capital improvement evictions under 37.9(a)(11) for less than 20 days is governed by California Civil Code Section 1947.9 and not by Rent Ordinance Section 37.9C.

Relocation Payments for Tenants Evicted Under the Ellis Act*
[Rent Ordinance Section 37.9A]

Date of Service of Notice of Termination of Tenancy ("Eviction Notice")	Relocation Amount Due Per Tenant	Maximum Relocation Amount Due Per Unit	PLUS Additional Amount Due for Each Elderly (62 years or older) or Disabled Tenant
9/01/22 – 2/28/23	\$10,000.00	\$30,000.00	\$6,700.00
3/01/23 – 2/29/24	\$10,160.00	\$30,480.00	\$6,807.20
3/01/24 – 2/28/25	\$10,660.89	\$31,982.66	\$7,142.95

* See Ordinance Section 37.9A for additional relocation requirements for evictions under 37.9(a)(13) (Ellis Act).

Relocation Payments for Temporary Displacement for Less Than 20 Days
[Civil Code Section 1947.9]

Date of Service of Notice of Termination of Tenancy ("Eviction Notice")	Relocation Amount Due Per Tenant Household
3/01/22 – 2/28/23	\$402.00/day (plus actual moving expenses)*
3/01/23 – 2/29/24	\$408.00/day (plus actual moving expenses)*
3/01/24 – 2/28/25	\$428.00/day (plus actual moving expenses)*

* See California Civil Code Section 1947.9(a)(2) which provides that the landlord shall have the option to provide a comparable dwelling unit and pay any actual moving expenses in lieu of paying the daily compensation rate.

Ontario, Canada

Renting law and security of tenure

Under Ontario's Residential Tenancies Act 2006, a written eviction notice stating the reason for eviction must be provided and approved by the independent authority responsible for resolving residential tenancy disputes (Landlord and Tenant Board).

Lawful grounds for evictions

A tenancy can be ended early, based on a breach of the agreement, referred to in the Act as 'for cause'. These are:

- Not paying the rent in full
- Causing damage to the rental property
- Disturbing other tenants or the landlord
- Illegal activity in the rental unit or residential complex

Additionally, the landlord may evict the tenant under 'no fault' grounds, which are:

- Major repairs which require a building permit and for the premises to be empty
- Landlord intends to move in or have his immediate family or their caregiver move in.
- The landlord has sold the property and the purchaser requires all or part of the property because the purchaser, a member of the purchaser's immediate family or their caregiver wishes to move into the unit. (This reason for eviction only applies in rental buildings with three or fewer units or condominium units)

Compliance and monitoring

As of January 2024, Hamilton, a city in Ontario, imposed the first-of-its-kind bylaw preventing 'renovictions' by introducing additional provisions to the Tenancies Act. These provisions force landlords to obtain licences to legitimize repairs they make to their properties. Landlords will have to obtain a special permit at a cost of \$700 before they can end a tenancy due to the desire to demolish, repair, or renovate their property.

This additional provision will facilitate a continued relationship between the landlord and the renter. The landlord is to keep the tenant up to date in writing regarding the status of renovations and when the unit will be ready for occupancy. The scheme comes with proposed fines for non-compliance of up to \$500 a day, subject to scrutiny of Ontario's Ministry of the Attorney General.¹⁷

¹⁷ Don Mitchell (2024), Ontario city set to impose '1st-of-its-kind' bylaw preventing renovictions, *Global News*, <https://globalnews.ca/news/10231647/hamilton-bylaw-preventing-renovictions/>, accessed 26 June 2024

Sweden

Renting law and security of tenure

The Swedish private rental market doesn't technically require a written contract (although having one is recommended). Leases typically run from a certain point in time and until further notice by either party - that is, they are indefinite in almost all cases.¹⁸ Landlords can only terminate in specific circumstances, generally involving breach of the contract (see below). This type of agreement is known as a permanent contract and is the most common form of lease contract.

In the uncommon case of fixed-term agreements, both landlord and renter are bound by the fixed rental period. The notice period for fixed-term contracts varies according to the length of the lease:

- The notice period for a one-year contract is at least three months.
- In case of leases longer than one year, the renter can terminate the agreement no later than one month before the end of the rental period by giving one month's notice.

However, the landlord must give notice no later than three months before the end of the tenancy for the notice to take effect.¹⁹

Even in these cases the renter generally has the right to extend the rental period (lease) unless the landlord can demonstrate a prescribed good reason to terminate, such as a need to carry out construction work on the premises.

Lawful grounds for evictions

The landlord is entitled to terminate the contract with the renter under certain circumstances, such as if the tenant:

- are more than a week late paying rent.
- rent out or transfer the property to someone else without the landlord's permission.
- use the property for other purposes than as a residence, e.g. criminal activity or for running a big company from the property.
- are responsible for allowing vermin to infest the property or fail to report the appearance of vermin there.
- refuse to let the landlord enter the property without having a good reason to do

¹⁸ IUT - Swedish Union of Tenants, *The Private Rental Sector in Sweden*, <https://www.iut.nu/wp-content/uploads/2017/03/the-private-rental-sector-in-Sweden.pdf>, accessed 26 June 2024

¹⁹ Baker McKenzie (2024), *Global Corporate Real Estate Guide*, <https://resourcehub.bakermckenzie.com/en/resources/global-corporate-real-estate-guide/europe-middle-east-and-africa/sweden/topics/leases>, accessed 26 June 2024

so, eg in the event of repairs.

- neglect to look after the property.
- do not abide by conditions in the rental contract.²⁰

If the rental property is sold, the rental agreement for the sitting tenant carries on unchanged with the same conditions.

²⁰ Information Sverige (2023), *Factsheet: Rights and information in housing*, <https://www.informationsverige.se/en/om-sverige/att-bo-i-sverige/rattigheter-och-skyldigheter-i-ditt-boende.html>, accessed 26 June 2024