

**Submission
No 36**

RESIDENTIAL TENANCIES AMENDMENT (PROHIBITING NO GROUNDS EVICTIONS) BILL 2024

Name: Ms Felicity Wilson MP
Position: Member for North Shore, Parliament of New South Wales
Date Received: 27 June 2024



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Select Committee on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024
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Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024

Dear Chair

I write to make a submission on behalf of my community to the Select Committee Inquiry into the *Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024*.

The cost-of-living crisis impacting people across New South Wales is most keenly felt through increased housing costs, as the largest single expense for most households, predominantly for those who own and occupy their home with a mortgage, and for renters.

Renters in NSW are experiencing significant increases in weekly rent costs, while facing tightening vacancies, and can also be affected by any financial decisions that landlords need to make if they also find themselves facing hardship. That could include sale of a property, removing it from the rental market, or increasing rent.

The housing market needs a strong supply of rental properties, which relies on people being able to own and offer properties as landlords. Any policy or regulatory framework must consider and reflect the balance of this market. However, the framework that exists does not reflect community expectations, nor does it provide basic protections to ensure that good renters can have as much security and stability in their home as possible.

Before the 2023 State Election, the major parties all agreed on this principle and committed to supporting a ban on no grounds evictions, or the introduction of a “reasonable grounds” model for evictions. In the past 15 months, the rental crisis has only become more pronounced – and still, we have no action from the Minns Labor Government. Even this Select Committee Inquiry is occurring only because a member of a minor party undertook the policy work and legislative drafting to put a Bill before the Parliament.

It is an abject failure of the Minns Labor Government that people across NSW – including in my own community – remain at risk of losing the roof over their family’s heads.

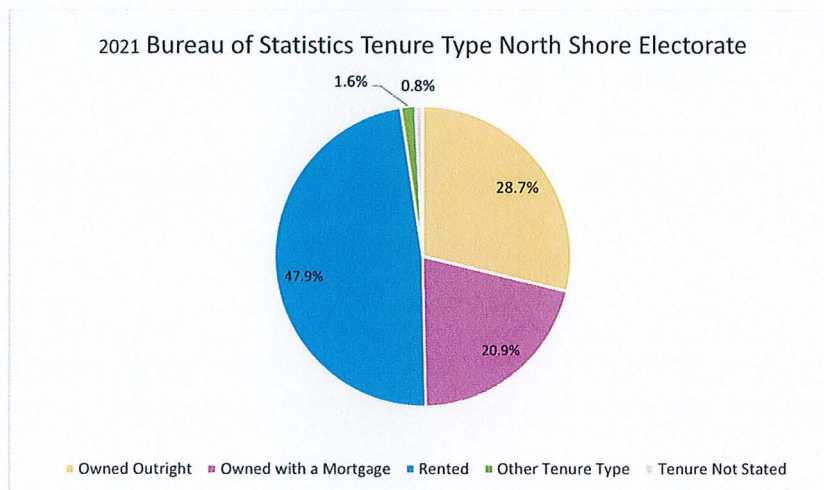
Renting in North Shore

This submission reflects not only the high proportion of renters within the electorate of North Shore, but also the broad community support of locals, including landlords and those who own and occupy their home, that their neighbours and friends who rent have necessary protections.

Almost half of all homes in my community are rented, with a higher proportion of renters in suburbs where housing stock is higher density. Of all the electorates across NSW, North Shore had the sixth highest proportion of renters at the time of the 2021 Census at close to 47% - and renters had increased by 9% in the five years since the 2016 Census.

Analysis of Census data between 2016 and 2021 shows that: ¹

- In 2021, 60.1% of people in the 2061 postcode (Kirribilli) were renters, up from 58.9% in 2016.
- In 2021, 52% of people in the 2089 postcode (Neutral Bay) were renters, the same as in 2016.
- In 2021, 56.2% of people in the 2060 postcode (North Sydney) were renters, up from 54.2% in 2016.



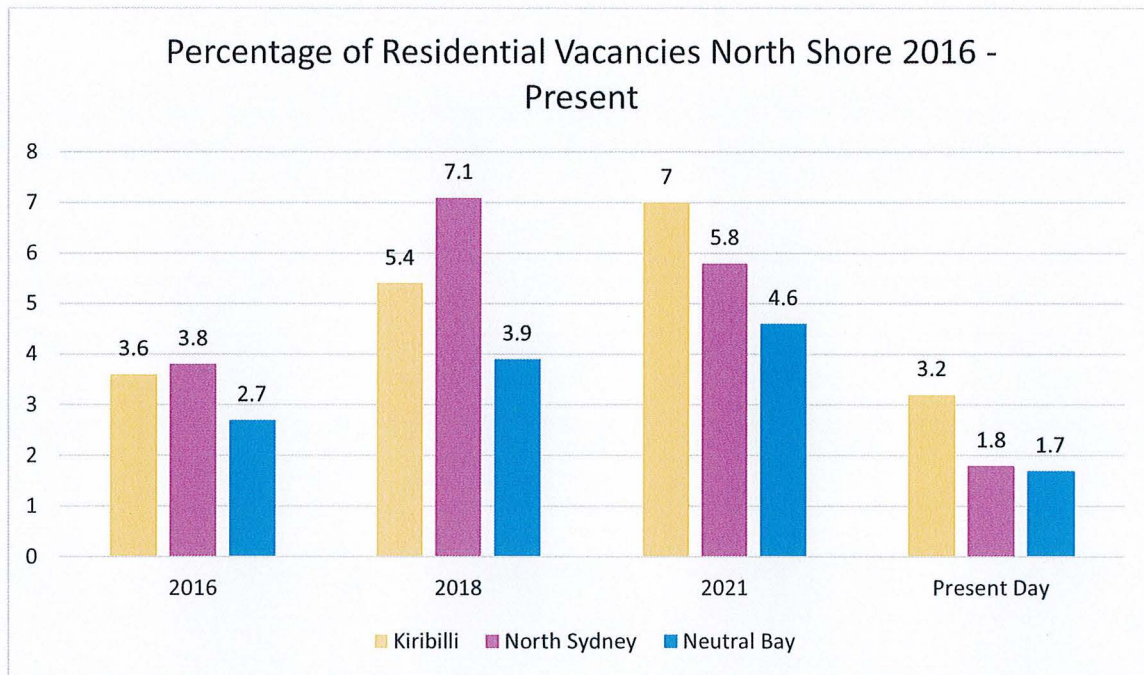
People rent for a variety of reasons. In communities like mine - inner metropolitan, dense and vibrant - we often see people move in and out of the community, or homes within the community, with 52% of residents changing address between censuses. This can reflect their life circumstances, with the demographics of my community younger on average than much of the state. People in my community are more likely to be couples without children, or live in a lone person household, than most communities across the state. Renting can provide flexibility, choice, and mobility. It can also be for financial reasons – reflecting the harsh reality of the increasing inability to purchase a home in our community – particularly for younger people.

The rental climate across NSW has changed dramatically since the Census in 2021. The North Shore community has been acutely aware of the painful increases in rental prices, and the rapidly declining residential vacancy rates, meaning longer wait times to find a home, steeper competition when applying to rent, and an increase in rent bidding.

¹ Australian Bureau of Statistics. (2021). "Search Census data". <https://www.abs.gov.au/census/find-census-data/search-by-area>

Data from SQM Research Australia finds that:²

- Residential vacancy Rates in the 2061 postcode (Kirribilli) have fallen from 7% in 2021 to 3.2% at present.
- Residential vacancy Rates in the 2089 postcode (Neutral Bay) have fallen from 4.6% in 2021 to 1.7% at present.
- Residential vacancy Rates in the 2060 postcode (North Sydney) have fallen from 5.8% in 2021 to 1.8% at present.



Being a renter should never diminish your right to feel safe, secure, and stable in your home. Tenants in my community and across NSW who pay their rent on time and meet all their responsibilities face the risk that they can be evicted without any reason.

Housing stress, typically described as expending more than 30% or more of a household budget on rent or a mortgage, is playing a significant role. According to the latest data from the Australian Bureau of Statistics, far too many in my community – more than 27% – are experiencing housing stress.

Introducing reasonable grounds test for evictions

It's time for NSW to introduce a reasonable grounds test for evictions that reflects the need to provide stability and security for renters, balanced with the need to protect the investment interests and property rights of owners. Other jurisdictions in Australia have made steps to address the imbalance we experience in NSW. The *Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024* took steps to progress this proposal, and incorporated sensible grounds that should be included in any future legislation, along with any additional grounds necessary to reflect the rental market.

² SQM Research. (2024). "Residential Vacancy Rates": Vacancy Rates by Postcode. https://sqmresearch.com.au/graph_vacancy.php?postcode=2060&t=1

Tenants evicted often face difficulties finding another place to live and suffer financial and social stress as a result. This can include removing and relocating children from school or childcare, increasing or making more difficult commuting for work, and fracturing social and family connections and community support networks.

No-grounds evictions disproportionately impact vulnerable groups such as low-income renters, seniors, people with disabilities and single parents – people who may already face barriers to accessing affordable housing. There are also those who are attempting to leave situations of domestic and family violence who often delay leaving or do not leave.

This inquiry should not need to make the case for the introduction of reasonable grounds for evictions in NSW. Sadly, due to the failure of the Minns Labor Government to take any steps to address this rental crisis in the 15 months they have governed NSW, we are left in a vacuum of policy or regulatory reform that requires other parties to come to the fore and drive the outcomes that the people of NSW need.

My community of North Shore is in strong support of rental reforms. Every day I hear another anecdote of higher rents, rent bidding, queues at open house listings, and sadly evictions without a reason given even as a courtesy.

The home is the most important space for the safety, stability, and wellbeing of an individual and their family. I urge this committee to support the change NSW needs to ensure renters can have a home - just like those who choose to or can afford to buy a home.

Yours sincerely

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Felicity Wilson MP
Member for North Shore