

**Submission
No 29**

RESIDENTIAL TENANCIES AMENDMENT (PROHIBITING NO GROUNDS EVICTIONS) BILL 2024

Organisation: Better Renting

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To the Legislative Assembly Select Committee on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024,

Better Renting is writing to express our support for this bill and provide some input regarding specific questions in your Terms of Reference.

We are a community of renters working together for stable, affordable, and healthy homes. Countless times we have heard from renters worried that if they speak up for themselves, they will lose their home through a no-grounds termination. Losing one's home is a huge disruption, and the ever-present threat of it causes endless anxiety for renters and makes it harder for people to exercise their rights. This is perhaps why the real estate industry is so intent upon retaining the right to end tenancies without a reason. It is the same reason that the NSW Parliament should be acting swiftly to end no-ground terminations and move towards a 'good cause' framework that requires landlords to have a verifiable reason to end a tenancy.

Our responses to the specific Terms of Reference are below. In short, please pass the bill or something a lot like it: it would make a world of difference for millions of people renting in NSW who want their homes to feel secure.

What would be suitable grounds for an eviction?

We agree with the proposed grounds in the bill for which an eviction would be reasonable. Central here is the idea that the property is no longer available for private rental.

One ground that is absolutely not reasonable to end a tenancy is the end of a fixed-term agreement. In such a context, where the property remains available in the private rental market, the incumbent tenants should be able to continue to occupy the property as their home. If the Parliament chooses to allow termination at the end of a fixed term then all that will happen is that landlords keep tenants on rotating fixed terms and avoid letting a lease become periodic – tenants will still be insecure and at risk of arbitrary eviction.

What evidence should be required to support reasonable grounds?

Landlords should have to provide supporting evidence for their grounds to end a tenancy. One option here would be a statutory declaration. Where the landlord is claiming that they are doing renovations, evidence could also include planning approval or quotes from contractors. In general, renters should be in a position to assess the veracity of a landlord's claim, and not merely have to take it on spec.

What penalties should be in place?

The bill proposes that a landlord can face a financial penalty if they do not use the premises in accordance with the ground on which a termination order was made, and that a renter may seek compensation through the Tribunal. We support these options. When a renter is forced to move they may face moving costs in the thousands of dollars, in addition to time and stress, and possibly increased rent in their new home. Sometimes a landlord will have legal grounds

to cause such a move, other times they may lie. In such cases, tenants must be able to access compensation to put them in an equivalent position as if the landlord had not proceeded with a fraudulent termination.

Any unintended consequences?

We expect that ending unfair evictions will improve housing stability and security for renters. It may also improve affordability, given how often we hear about renters being forced out through a no-grounds termination so that the landlord can increase the rent for new tenants. It would certainly also help the financial position of renters if they weren't forced to incur thousands of dollars in moving costs, simply at the arbitrary whim of a lessor.

Ample available evidence indicates that landlords are pretty unaware of tenancy law and it has little influence on decisions to invest or to sell property. As such we expect little impact on the investment decisions of landlords; even where a landlord does sell, the property remains available in the housing market.

Notes on other jurisdictions

Other jurisdictions are leading, within Australia, on this issue.

The ACT ended no grounds evictions from April 2023. Since then the ACT has had relatively flat rents, relative to other cities where rents have been going up. In the ACT, a lessor can end a tenancy, with notice, using several prescribed grounds, including if they want to use the property to live in themselves, or for major renovations.

South Australia has also recently gazetted new regulations describing the grounds on which a landlord may end a tenancy, making it the first state to follow through on the National Cabinet commitment to deliver "A Better Deal for Renters". In addition to terminations where the tenant is at fault, a landlord would be able to end a tenancy for themselves or a family member to occupy the property, for major repairs or renovations, or because the landlord has entered into a contract of sale requiring vacant possession.