

Via email: nogroundsevictionsbill@parliament.nsw.gov.au

**Re: Legislative Assembly Select Committee on the Residential Tenancies Amendment
(Prohibiting No Grounds Evictions) Bill 2024**

The Committee for Sydney welcomes the opportunity to provide input to the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024.

The Committee for Sydney is the city's peak advocacy and urban policy think tank. We are an independent non-partisan organisation with more than 150 members. We are advocates for the whole of Sydney, developing solutions to the most important problems we face. Our goal is to make Sydney the best Sydney in the world.

Unfair rental laws are not only hurting people's wellbeing, but NSW's productivity.

It's a difficult time to be a renter in Sydney. Escalating housing costs fuelled by increasing borrowing expenses, supply-side pressures and record low vacancy rates have placed immense strain on renters.

The Committee for Sydney's members include businesses and institutions that provide more than 280,000 jobs in Sydney and more than 670,000 jobs in Australia. Over the past year we have heard from our members about the acute impact unaffordable and insecure rental housing in Sydney is having on their ability to attract new talent and retain existing employees.

This feedback has been from every single member, from every different sector. Regardless of industry, unaffordability is having a profound impact on company's productivity and performance.

One of the best productivity savings that can be gained by reforming rental laws is to do everything possible to keep people in the homes they are already in. Ending no grounds evictions helps do this by ensuring that evictions have reasonable grounds (noting that more than half of evictions currently have no grounds¹).

The second is to ensure that people are living in places that are fit and healthy for habitation. The impact no-grounds have on suppressing tenants' ability to raise serious issues with the property – such as dampness, mould, poor ventilation – is well documented.² This often forces tenants to live in unhealthy conditions that harm their physical and mental health, and reduce their productivity, because they fear eviction more than enduring poor living conditions.

No other lever can have such an immediate impact to help ease the impacts of the housing crisis for the third of people in NSW who rent.

We commend the numerous measures the NSW Government has undertaken over the past year to help ease the housing crisis Sydney is experiencing. From pattern books to TODs and record

¹ See: <https://www.smh.com.au/politics/nsw/thousands-evicted-without-grounds-as-nsw-rental-reforms-drag-20240319-p5fdla.html>

² See: <https://www.tenants.org.au/reports/constant-worry>



investment in Social Housing, many levers have been pulled. Yet while these solutions will go a long way toward solving the housing crisis over time, they will take time to see results.

There is one reform the Government can support that can materially improve the lives of the third of Sydneysiders who rent for the better immediately, and that is to end no-grounds evictions in full.

This is why the Committee for Sydney supports the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024. It is also critical that ending no-grounds evictions applies to both periodic and fixed tenancies. Evidence from Queensland shows the perverse impacts on rental security due to their failure to apply it to both types of tenancies.

There is a generational shift when it comes to renting. Fairer rental laws are needed to support renters both today, and into the future.

While the current rental pressures Sydneysiders are facing are reason enough to end no-grounds evictions, for the first time in generations, renting is the most common tenure type in NSW. Fair rental laws are no longer a marginal or fringe issue.

More than a third (35.9%) of Sydneysiders are renting, followed by 33.2% with a mortgage and 27.7% who own their home outright. This proportion is higher than NSW overall where renters make up 32.6% of the total population.³ Renting is now the dominant tenure type in NSW and Sydney, and this will only grow over time.

Despite decades of housing policy in Australia that have promoted and incentivised home ownership, getting into the housing market is increasingly unattainable in Sydney, particularly for young people and younger generations. This means more people will be renting for more of their life.

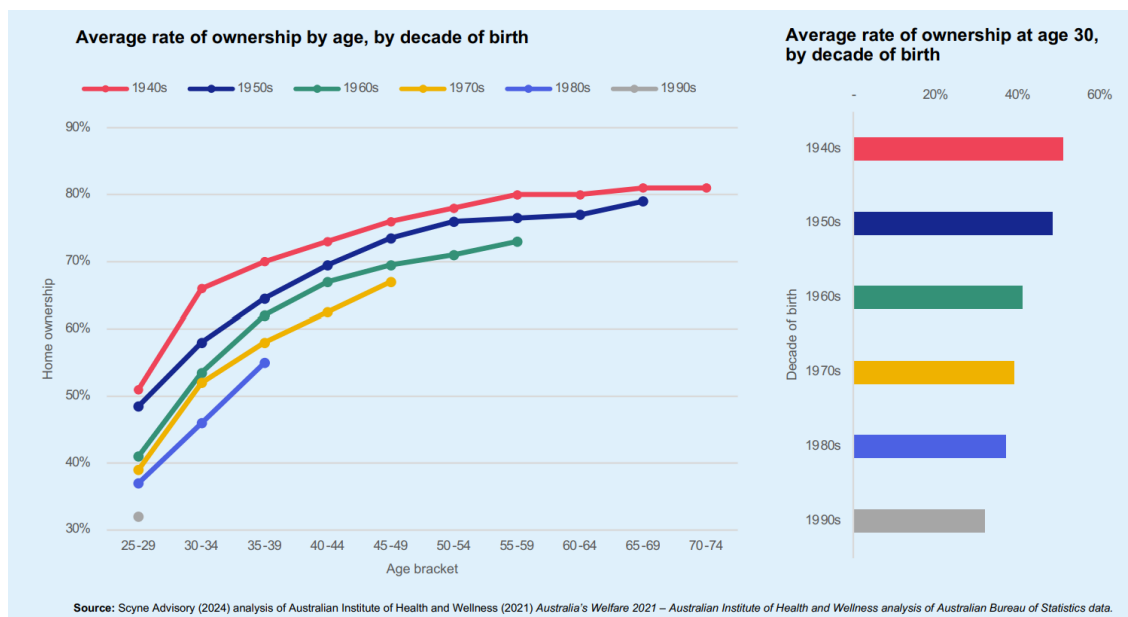


Figure 1: Home ownership rates are declining by ~4% every 10 years in equivalent generational age brackets.

³ See: <https://www.abs.gov.au/census/find-census-data/community-profiles/2021/1GSYD>



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Analysis by Scyne Advisory (see Figure 1 above) showed that the rate of home ownership is dropping by ~4% every 10 years in equivalent generational age brackets. A 30-year-old person 40 years ago was 1.5 times more likely to own their home than a 30-year-old today. If this trend continues into the future, less than half of all children born today in Sydney will ever own a home in Sydney. Put another way, when children born today reach retirement age, the majority of them will have been, and will be, lifetime renters. We are one generation away from a society where renting is no longer something you do for a period of your life, but something most people do forever.

This has profound implications for our society – and warrants efforts to arrest and reverse this trend – but it also fundamentally reshapes the way we think about renting. If people are to rent for their whole lives, renting must be fit-for-purpose for all stages of life – and be suitable to support putting down roots and building community and connection.

Rental laws must be reviewed and updated accordingly to reflect the changing needs of changing demographics. Ending no-ground evictions in full, is a critical first step.

Thankyou

Thank you again for the opportunity to provide input. Should you have any questions or want to discuss our submission in more detail, please do not hesitate to reach out to Estelle Grech, Policy Manager Planning and Housing, via estelle@sydney.org.au, or Eamon Waterford, CEO, via eamon@sydney.org.au.

Kind regards,

Eamon Waterford
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The Committee for Sydney