

## **REINSW: TACKLING THE RENTAL CRISIS IN 2023**

**December 22, 2022**

**The new year will begin with the state's rental supply crisis at an unprecedented point, so the Real Estate Institute of NSW (REINSW) has outlined some key ways for the NSW Government to step up to the challenge of tackling the crisis in 2023 and beyond.**

REINSW CEO Tim McKibbin says in 2023, the pressure on the rental market will be exacerbated as increased immigration, population growth and the fallout from this year's floods widen the gap between demand and supply.

"A healthy rental market is in everyone's best interests – tenants, landlords, the real estate industry and the NSW Government," Mr McKibbin says.

"We know the challenges tenants face in the current climate. We know there's insufficient supply and landlords are exiting the market. Rents are spiking and some people are being forced to turn to crisis accommodation or worse, to the streets.

"With a new year comes a new opportunity for Government to work with industry on a coordinated response. Politically-driven measures which target agents and landlords have not helped tenants.

"Policies which are periodically floated such as the end of fixed term leases and rent freezes, as well as the relentless anti-landlord media campaign, ignore the reality faced by landlords: the repayments on their investment, which for many is their retirement income, have become too arduous in the wake of all the interest rate increases.

"Ultimately, it requires the NSW Government to acknowledge the root cause of the rental crisis, the lack of homes for people to rent, and then commit to working with industry on a coordinated range of measures to begin to address one of the most pressing social issues NSW has faced."

According to the REINSW, the NSW Government can look at a series of measures in order to begin the process of repairing the rental market:

1. Fast-track the supply of new housing in areas well-serviced by transport and amenity;
2. Ensure local councils fulfil their obligations to provide housing for people through the adoption of appropriate housing targets, and make them accountable;
3. Implement taxation reform which either abolishes or at least drastically reduces property taxation, as the current system including stamp duty, the property tax and other fees and levies is discouraging investment in residential property;
4. Respect that landlords have the right to control how their investment is managed by protecting their right to negotiate fixed-term leases with tenants; and
5. Foster an environment of respect among all stakeholders and cease the anti-landlord media campaign, as the rental crisis won't be addressed by fuelling conflict between landlords, tenants and agents.

"A healthy rental market is an environment in which tenants have choice, landlords have their rights and security protected, investors are encouraged to invest in residential property and make homes available to tenants, and developers have the confidence to proceed with new projects," Mr McKibbin says.

"Unfortunately, none of the characteristics of a healthy rental market are present at the moment.

"As a result, we're seeing some investment property owners turn to the short-term accommodation market or simply sell up in favour of other investments, as the weight of regulation forces them to seek other options to meet their income and repayment needs.

"About a third of Australians rent and of those, around 90% are in rental accommodation provided by private landlords. The importance to encourage, not disincentivise, investors has never been greater," he says.

**ENDS**

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**About REINSW**

The Real Estate Institute of New South Wales (REINSW) is the peak industry body for real estate agents and property professionals in NSW. It represents more than 2000 agencies across residential sales, property management, commercial, strata management, buyers' agency, agency services and auctioneering. Established in 1910, REINSW works to improve the standards, professionalism and expertise of its members to continually evolve and innovate the industry. It lobbies the government and industry on behalf of members, develops new products and services to benefit agencies and professionals, and offers training and ongoing professional development. For more information, visit [reinsw.com.au](http://reinsw.com.au).