

Eviction is a significant, often traumatic, event that can compound the personal crisis a household may be facing. It can destabilise a household and push them further into financial hardship. Renting households carry the primary burden of the direct costs associated with evictions, especially in the immediate term. In the longer-term evictions result in increased expenditure on government services and significant impact on the health and wellbeing of the broader community. When a household is made homeless, eviction makes recovery significantly more difficult. During and following a life crisis, a stable home is a fundamental precondition for recovery. In terms of the costs faced, eviction into homelessness carries with it much higher financial and social costs for everyone, especially over the longer term.

However, it is currently relatively easy for a landlord to evict a renter, and often accepted as a standard or common practice. Recent Australian research on renting has identified that Australia, prior to Covid-19, was already experiencing an incipient 'eviction crisis'. Given the significant costs and harm associated with eviction more needs to be done to ensure renting households are not unnecessarily forced to move.

IMMEDIATE, DIRECT COSTS OF EVICTION

Eviction, Hardship and the Housing Crisis: building a crisis-resilient renting system considers the experience of eviction from start to finish and identifies the various financial costs experienced at the point of eviction and relocation. The report estimates:

- Renting households in NSW face basic costs of \$2,520 when they move, and generally are more likely to face costs of around \$4,075 to move.
- The 'core cost' of a move for renting households in NSW ranges from \$2,015 for a single person household in Greater Sydney through to \$3245 for a family household in Regional NSW
- The 'average cost' of a move for renting households in NSW ranges from \$3,215 for a single person household in Greater Sydney through to \$5,400 for a family household in Regional NSW

Landlords also face a number of costs when evicting a renter, including a reletting and advertising fee. Where eviction requires an application to the NSW Civil and Administrative Tribunal (NCAT) there is a Tribunal application fee and the property manager's Tribunal attendance fee. We estimate costs for the landlord at between \$1,100 - 1,400.

Annually NSW Treasury has estimated the direct cost of evictions for the NSW economy is around \$115 million pa. Our estimate, using the same method of calculation with updated estimates on costs, similarly estimates costs at around \$122 million pa.

MEDIUM - LONGER TERM COSTS: EVICTION COMPOUNDS DISADVANTAGE

Eviction is a driver of poverty over the medium to longer term. Renters move more often than other households (owner occupied households). Over 80% of private renters have moved in the last 5 years; a third have moved between 2 - 3 times; and 10% have moved 5 times or more. The direct costs of moving - on average \$4,075 for each move - are substantial and

when considered over a 5-year period, are placing especially low-income renting households at a significant financial disadvantage.

The report provides an overview of the substantial research into the medium to longer term impacts of eviction. Eviction is associated with long term impacts on employment, health and education outcomes, an increased demand on health and housing services, and a loss of capacity for the building of social networks and community.

When a household is evicted into homelessness costs are significantly higher again. Eviction has serious impacts on the physical health and mental well being of the individual. They are more likely to experience under and unemployment, face violence and discrimination, and are at increased risk of contact with the criminal justice system. AHURI research on the additional costs for Australian governments estimates that supporting an individual experiencing homelessness costs around \$29,450 each year.

WHAT CAN BE DONE?

Given the high costs associated with eviction overall, how can we better discourage their use except where it is necessary? Where eviction is necessary, how can we better minimise or mitigate impacts and more equitably distribute the associated costs? *Eviction, Hardship and the Housing Crisis: building a crisis-resilient renting system* proposes three ways in which tenancy law could be changed to better discourage the unnecessary use of eviction.

- 1. In current NSW tenancy law 'no grounds' eviction provisions should be replaced with a range of specified reasonable grounds for ending a tenancy.**

If the *Residential Tenancies Act 2010* was amended to provide an expanded list of 'reasonable grounds' for ending a tenancy this would allow landlords to be more transparent about their reasons. Where a dispute arose about the eviction, for example where a renter held concerns the eviction was retaliatory or otherwise unjustified, the landlord would be required to provide evidence to the Tribunal to demonstrate the reason provided for eviction was genuine before the Tribunal made an order.

- 2. The landlord should be required to cover basic moving costs for the household where a renting household is evicted for reasons other than breach (for 'no fault' evictions).**

Requiring landlords to pay the relocation costs for an eviction where there was no breach by the renter would act as a clear disincentive against unnecessary - frivolous or potentially retaliatory or discriminatory - evictions. If the landlord can demonstrate they will face significant hardship in paying relocation costs, the landlord should have access to a hardship relief fund to ensure they can meet their legal obligations.

- 3. Fees for applications for eviction at the NSW Civil and Administrative Tribunal should be set higher compared to other matters.**

A higher fee for applications for eviction, compared to other matters, would better reflect the seriousness of and costs involved in eviction proceedings. Increasing the fee charged specifically for applications for eviction matters would put a clearer disincentive on the unnecessary applications for eviction, and prioritise dispute resolution which holds the continuation of the home and the relationship as the preferred outcome.