

**Submission
No 20**

RESIDENTIAL TENANCIES AMENDMENT (RENTAL FAIRNESS) BILL 2023

Organisation: Tenants Union of NSW
Date Received: 31 May 2023

Partially
Confidential

About the Tenants' Union of NSW

The Tenants' Union of NSW is the peak body representing the interests of tenants in New South Wales. We are a Community Legal Centre specialising in residential tenancy law and policy, and the main resourcing body for the state-wide network of Tenants Advice and Advocacy Services (TAASs) in New South Wales.

The TAAS network assisted more than 35,000 tenants, land lease community residents, and other renters in the previous 12 months. We have long-standing expertise in renting law, policy and practice. The Tenants' Union NSW is a member of the National Association of Tenant Organisations (NATO), an unfunded federation of State and Territory-based Tenants' Unions and Tenant Advice Services across Australia. We are also a member of the International Union of Tenants.

Contact

Jemima Mowbray

Tenants' Union of NSW

[Redacted]
[Redacted]

Ph: 02 8117 3700

Email: [Redacted]

Website: tenants.org.au

The Tenants' Union of NSW' office is located on the unceded land of the Gadigal of the Eora Nation.

1/6/2023 Erratum: The original submission referred to clauses 22(a) and 22(b) of the bill, this has now been corrected to clauses 22A and 22B.

Contents

About the Tenants' Union of NSW	1
About this Submission	3
Recommendations	4
1. Rent bidding	6
1.1 Rent bidding: Solicited higher offers	6
1.2 Rent bidding: Unsolicited higher offers	7
2. Clause 22B, Rental Fairness Bill 2023	8
2.1 Rent auctions as a rent setting mechanism	8
2.2 Likely impact of rental auctions on transactional behaviour	9
2.3 Current disclosure & transparency requirements	12
2.4 Further transparency and guidance required	12
2.5 Further consideration and consultation regarding reforms	16
2.6 Close monitoring and evaluation of reforms	16
3. Other transparency measures during the application process	17
Appendix	19
<i>Sample of responses - Tenants' Union of NSW Survey on Rent Bidding, May 2023</i>	

About this submission

Thank you for the opportunity to provide our feedback to the Legislative Assembly Select Committee's Inquiry on the *Residential Tenancies Amendment (Rental Fairness) Bill 2023* (the Bill or Rental Fairness Bill). In line with the Terms of Reference of the Inquiry our comments in this submission are focussed primarily on reforms to restrict rent bidding, with special focus on the Clause 22B.

We appreciate and acknowledge the positive intention expressed through the Bill to provide renters with greater transparency during the application process. However, we hold serious concerns that the reforms introduced at Clause 22B will unintentionally sanction and entrench rent auctions as an acceptable rent setting measure in the private rental sector. We believe an approach that allows rent auctions could lead to unrealistic and inflated rents rather than creating stability and greater consistency for renters in the private rental market.

The Tenants' Union considers the best outcome for renters and the NSW rental housing system is to end rent bidding altogether. This can be achieved by including provisions within the Bill prohibiting landlords or their agents from entering into a tenancy agreement at a higher rent than advertised.

Rent bidding survey: Renters' responses

As an Appendix to our submission we provide a sample of the responses received from renters to our survey on rent bidding. In the survey we asked renters to share any experiences they may have had this year (2023) in relation to rent bidding. We also asked respondents to let us know their thoughts in relation to the proposed reforms. We asked respondents:

- Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?
- Thinking about a time you have been frustrated by the application process, what would you like to have happened differently?

In providing the sample of responses as an Appendix we hope to ensure the direct inclusion of renters' voices within the consultation process. A full copy of responses (excluding personal information) can be provided on request. Text analysis suggests 71% of renters do not believe transparency will help their problems with rent bidding.

Joint letter

Along with our formal submission we submit a joint letter with our sector colleagues outlining our concerns regarding the proposed reforms to 'end secret rent bidding'. See attached.

Recommendations

Recommendation 1: Extend existing restrictions against rent bidding to landlords and other persons as set out in the current Bill at Clause 22A(1), (2), (3) and (5).

We support the extending restrictions against soliciting for a higher offer of rent to landlords and other persons. Appropriate penalties for individuals and companies that fail to comply must apply.

Recommendation 2: Extend clause 22A to restrict landlords and their agents from accepting offers of rent higher than the listing or advertised price (i.e. unsolicited rent bids).

Rent bidding restrictions introduced in the *Residential Tenancies Act 2010* should include a prohibition on landlords and their agents from entering into an agreement for an amount of rent that is higher than the advertised amount of rent for the premises.

Recommendation 3: Remove current clause 22B from the *Residential Tenancies Amendment (Rental Fairness) Bill 2023*.

Clause 22B introduces a rent auction model for rent setting once an unsolicited higher offer is received. We do not support inclusion of the clause in the Bill.

Recommendation 4: If the rent auction model as envisaged in clause 22B is to be introduced, further consultation be undertaken.

If rent auctions as envisaged in clause 22B are to be introduced, further consideration must be given to what additional transparency measures, rules and safeguards are required. These may include, but are not limited to, incorporation of:

- An opportunity for the landlord to 'opt out', no higher offers entertained
- Notification requirements regarding:
 - determinations of 'acceptable applicant'
 - withdrawal of offer
 - application outcome
- Disclosure requirements regarding other offers of value
- Reasonable timeframes for:
 - other applicants to make counter offer, and
 - acceptable applicants to receive notification of outcome of their higher offer
- Appropriate limits for the rent auction format
- An opportunity for the successful bidder to withdraw

Further consultation with key stakeholders, relevant government agencies, and the

broader community must be undertaken to ensure adequate transparency and appropriate safeguards are in place prior to passage and commencement.

Recommendation 5: Require that landlords provide prospective tenants with notification when their application for a property has been deemed unacceptable, and the reason/s for the decision.

This transparency measure addresses frustrations renters experience where it is not clear why they are not being accepted. Current legislation only requires information about database listings to be shared.

Recommendation 6: Enable renters to access a greater amount of information about the landlord during the application process.

This information should include the landlord's financial capacity to meet their legal obligations and their history in relation to Tribunal orders made against them. This may be best enabled by considering licencing or registration schemes.

Recommendation 7: Introduce a prescribed standard rental application form.

A prescribed standard rental application form would provide greater protection against discriminatory and/or intrusive requests for information during the rental application process by limiting the information that can be requested.

1. Ending rent bidding

1.1 Rent bidding: Solicited higher offers

Current protections against the solicitation of rent bidding by real estate agents introduced through the *Property and Stock Agents Regulation 2014* in December 2022 provide that:

- A rented premises must be advertised or listed for rent at a fixed amount.
- An agent must not solicit or otherwise invite an offer of an amount of rent that is higher than the advertised amount of rent for the rented premises.

These terms form part of the Rules of Conduct that agents are legally required to comply with, and a licensed agent who fails to comply can face penalties. Current restrictions do not apply to landlords and other persons.

We support the introduction of amendments in the Bill via clause 22A(1), (2), (3) and (5) to extend the current rent bidding restrictions against soliciting bids to landlords and other persons and requiring that they advertise for a fixed amount.

In particular we note the expansion of application of restrictions to apply beyond landlords and agents to other persons as a positive advancement on previous regulation. This will ensure the restriction captures and applies in instances where third parties, including third party platforms or services, are used to advertise or list a rental property and/or otherwise assist with managing the application process. This may include receiving and managing enquiries and applications through the initial and/or later stages of the listing process. The example currently provided at subsection 22A (3) usefully illustrates that third party platforms and/or applications fall within scope of the restriction against soliciting a higher offer of rent.

We note enforcement of this provision will require resourcing from the department. Listing sites have not uniformly co-operated with the existing enforcement efforts and established websites, such as Gumtree, solicit offers as part of the ordinary course of their platform. An increasing pool of proptech companies including large corporations like Facebook will require monitoring.

Recommendation 1: Extend existing restrictions against rent bidding to landlords and other persons as set out in the current Bill at Clause 22A(1), (2), (3) and (5).

1.2 Rent bidding: Unsolicited higher offers

The proposed restrictions against rent bidding in the current *Residential Tenancies Amendment (Rental Fairness) Bill 2023* do not apply to unsolicited rent bidding. Unsolicited rent bidding is where a renter may choose to offer more rent than the advertised amount without solicitation. They may be encouraged to do so by a range of people including agents not directly related to the particular property.

While some renters may have the available resources and feel comfortable paying more, in the context of the current rental crisis too many renters feel pressure to offer above an advertised amount – often beyond their means. This is a particular concern for us in terms of those renters who due to income, disability or discrimination face a higher risk of homelessness and are bidding a higher rent due to their desperation to secure a home.

I was effectively turfed out of my previous property for making complaints due to numerous breaches of the Residential Tenancies Act 2010 and was anxious to find a property quickly to ensure I would have a roof over my head. I offered \$10 above the asking rent and was accepted on this basis.

Renter respondent, TUNSW Rent Bidding survey, May 2023

The agent was very sneaky in the way he did it. He told me it was illegal to ask for more money, but he didn't want me to miss out on the home, and someone else had offered "much more". I was in shock - I'd been in the same property for 12 years prior to this, and had no idea this kind of behaviour even occurred. I told him I'd have to think about it. He then immediately gave it to the other person.

Renter respondent, TUNSW Rent Bidding survey, May 2023

In order to genuinely curb rent bidding, unsolicited as well as solicited rent bidding should be banned. This can be done in the Bill by inclusion of a clause prohibiting landlords or their agents from entering into a tenancy agreement at a higher amount of rent than advertised.

Recommendation 2: Extend clause 22A to restrict landlords and their agents from accepting offers of rent higher than the listing or advertised price (i.e. unsolicited rent bids).

2. Clause 22B, Rental Fairness Bill 2023

2.1 Rent auctions as a rent setting mechanism

The NSW Government has made a commitment to ban secret rent bidding. We understand their intention is to ensure that rental transactions are made more open and transparent. We commend the government's commitment to bringing greater transparency to the application process.

However, we hold serious concerns that the currently proposed approach to banning secret rent bidding may fuel increases in market rents rather than stabilise them.

Housing is an essential service. Access to housing is fundamental to people's safety and wellbeing. We are concerned the current approach taken to restrict 'secret' rent bidding will not only sanction rent auctions, but may entrench them as a feature of rent setting practice. We believe this can only result in bad outcomes for the end user consumer (renting households), as they are at a significant disadvantage where an auction model is permitted as part of the rent setting and negotiation process.

As explained above, in the current context of low vacancy and significant competition between applicants for a rental premises, applicants may offer an amount of rent above an advertised amount due to significant concerns they may otherwise not secure alternative accommodation. This does not result in an approach to rent setting for rental premises in the private rental market based on '**fair market value**'.

We define 'fair market value' here in relation to the following, price (rent) is determined on the basis of the following principles:

1. provider (landlord) and applicant (renter) are reasonably knowledgeable and/or informed in relation to both the offered premises and the agreement to be entered into,
2. are behaving in their own best interests,
3. are free of undue pressure, and
4. are given a reasonable time period and opportunity to view the rental premises and consider the agreement before applying, making an offer for and/or entering into an agreement.

Rent auctions as a model for rent setting are unlikely to be able to meet criteria 2 and 3 as the pressure of the market, especially at the current time, means applications and decisions to enter into agreements are often rushed and made in haste. This is to both the detriment of the applicant (renter), as well as the landlord or their agent, particularly in the longer term. It should be noted that applicants (renters) generally have limited capacity to meet criteria 1, and that advertisements and physical

inspections rarely disclose all the relevant information. Tenants generally do not see the tenancy agreement, including additional terms, until after approval and do not have the ability to see the maintenance history.

The majority of listing and advertising of rental premises in the private rental market is undertaken by real estate agents on behalf of landlords. A majority of landlords use a real estate agent to rent out their property, even where they may intend to manage the property themselves once a new tenant is found. They do this because they recognise an agent has expert knowledge of the market and significant experience.

Consideration is given by agents (and landlords who self advertise or list a property) before determining the **appropriate advertised rent** at listing, including taking account of current market rents and any other factors or priorities a landlord has expressed. They are free to adjust the advertised price if their initial assessment was incorrect, but must balance the best interests of the landlord in their assessment.

At its most basic level, this means there is a balancing of the technical maximum rent with the vacancy period required before meeting that maximum rent. Every week of vacancy is approximately a 2% reduction in annual rent received. However, it should be noted that an agent is generally paid the same letting fee regardless of the time taken.

The protection in place here for the owner is that the agent must act in the best interests of their client landlord. Some interpretations of the 'best interest' obligation focuses on the initial financial aspect of those interests, and do not necessarily adequately value the owner's actual interest in long-term stability of the investment both by reducing vacancy but also consideration of convenience, social responsibilities and so on.

We believe community expectation is that rents for rental premises in the private rental market should be set on the basis of **'fair market value'**. Additionally there is an expectation that appropriate protections be extended (i.e. implemented where any existing protections are insufficient) to guard against undue pressure and perverse outcomes during the rent setting and negotiation process.

For this reason we do not support the sanctioning of a rent auction model for the determination of a final price (rent), including the model contemplated in the Rental Fairness Bill at Clause 22B.

2.2 Likely impact of rent auctions on transactional behaviour

Rent auctions in the context of the rental market is most likely to result in inflated, above fair market value, prices. The phenomenon of rent bidding is only a feature in markets where rents are under significant upwards pressure due to a lack of available

and appropriate homes. They can often lead participants (bidders) to pay more than they normally would. Researchers discuss this with reference to a number of psychological factors that come into play in auctions. These include, for example:

- Auction fever – an emotional response leads to deviation from strategy or price a bidder determined appropriate prior to entry into auction
- Social facilitation – competitive instincts drive higher bids, and
- Endowment effect – over valuing of something that is scarce or in high demand or perceived to be so.

This is a risk for items or services we are already familiar with as being traded via auction, and where participants are not able to operate in line with principles of fair market value. There are significant regulatory burdens placed on auctions because of the risks, even where the consequence of not being the successful bidder are not as serious as the consequence of failing to find a home for an individual and their family. We are particularly worried about the impact of the auction format for prices in the private rental market.

There is therefore a heightened risk of bad outcomes for renters, particularly given current private rental housing market conditions. Participants in a rent auction (applicants/potential renters) can face significant undue pressure to secure housing and so the result is not in line with a fair market value. This is especially the case where an applicant/potential renter holds concerns they may otherwise face homelessness or be forced to remain in unsafe or inappropriate housing.

I had to find a rental due to an unsafe living environment where I experienced domestic violence. I felt I had limited rental options at the time so took the first place that approved me. I now live in fear that my rent will increase due to the current market issues and I will not be able to afford my current place. Then I will be forced into a rent bidding exercise that I can't compete in. I am a one wage household and I have limited work capacity due to disability and injury. However, I am more fortunate than most.

Renter respondent, TUNSW Rent Bidding survey, May 2023

The process lacks transparency throughout, so transparency on rent bidding itself doesn't really help. You have no insight into the bidders to give insight into the bid, such as to make the numbers themselves being shared just an added stress.

Renter respondent, TUNSW Rent Bidding survey, May 2023

We are concerned about the impacts of the auction format on transactional behaviour throughout the application process. For those looking for a new premises the introduction of a rent auction model as proposed may lead to increased anxiety and uncertainty about the pricing of premises, as well as general distrust of listing prices as a good indication of price. During a rent auction we are worried applicants will make higher offers that are significantly more than they had determined was reasonable prior to entering the auction, and possibly beyond their means with the agreed rent unsustainable or unfeasible for the applicant in the long term. For those who have been unsuccessful in a rent auction we are concerned about the impact this may have on their future behaviour when applying for properties. In particular, we worry the outcome will further fuel their anxiety and unhelpfully encourage applicants to make substantially higher offers of rent in future applications.

Some commentators have claimed that disallowing bidding will result in higher prices as owners or agents will list premises at a higher level than they would in a rent bidding system. We do not observe evidence to suggest this will produce an outcome worse than the current system produces. Listing at a higher price removes the false price signal to tenants that the property is available at the lower price point. By removing that signal the demand for that property is reduced. This creates a greater level of jeopardy for the owner, as they risk a vacant dwelling for a longer time.

This jeopardy reduces the incentive for an owner to list at a higher price point than they believe will attract tenants balanced against the vacancy period, and we believe it would be a breach of the Rules of Conduct for an agent to do so. In an imbalanced market, which is the only market in which rental bidding currently occurs, rental auctions can only increase prices over fair market value.

While this bill is not intended to address rent pricing behaviour which fails to meet community expectation or need for essential services, we would welcome a future opportunity to assist Parliament in considering these issues.

Given the concerns we have developed through analysis of the bill, and were raised with us by renters and others, the general lack of stakeholder support, and the implementation challenges we do not support the inclusion of provisions implementing rent auctions in the Bill.

Recommendation 3: Remove current clause 22B from the *Residential Tenancies Amendment (Rental Fairness) Bill 2023*.

2.3 Current disclosure and transparency requirements of clause 22B

There is a fundamental misalignment between attempting to end solicited rent bidding and introducing transparency in such a way that facilitates the process of accepting further bids once an unsolicited bid has been received.

Reforms to end 'secret' rent bidding that contemplate not simply notification of an offer, but counter offers by other applicants once an initial unsolicited bid has been received (a 'rent auction' model) will likely result in unresolvable implementation issues that undermine the intent of reforms to ban solicited bids. We hold serious concerns that reforms sanctioning a 'rent auction' may create outcomes significantly worse for renters than the current regulatory scheme.

The transparency requirements in relation to unsolicited offers and counteroffers made by acceptable applicants currently outlined in the Bill at Clause 22B are limited to the following:

- written notice must be provided within one business day to all applicants
- all reasonable steps must be taken to update listings/advertisements where further inspections are contemplated
- a requirement on the landlord or their agent to retain a copy of all notice for 3 years

2.4 Further transparency and guidance required

While people are familiar with the idea of an auction in relation to the sale of residential property, the idea of a rent auction as a formalised or sanctioned rent setting practice has not previously been contemplated in NSW or any other jurisdiction. It is worth noting here that auctions for rent and auctions for sale are very different propositions. A sales auction is pricing both a utility for use as shelter but also, and increasingly primarily, an asset for investment. The participants are on much more equal footing, and there is a significant amount of existing regulation around the process to ensure that the auction is carried out in a fair way. Auctioneers have separate licences and training is required. There is a higher degree of transparency and disclosure required in relation to the property and the agreement prior to the auction taking place. The regulation of auctions in this way has developed over many years and iteration of government regulation precisely because of the potential for unfair practices to emerge.

The rent auction model that would be implemented by clause 22B does not currently require the degree of transparency and disclosure expected in a sales auction, nor the

training or formal licensing required for auctions in the sale of land or livestock. If a rent auction model is to be implemented further transparency and disclosure requirements are needed to ensure all parties can make an informed decision and that the process is as fair as possible.

This [the higher offer] could be totally made up, just to squeeze some more money out of renters. There is just no way to verify any of this so-called 'other offer' that a ghost person is supposedly offering.

Renter respondent, TUNSW Rent Bidding survey, May 2023

I can't see how the proposed changes will improve anything for tenants at all. Currently, when you apply for a tenancy and the agent calls you and says "another applicant has offered \$40 a week extra, do you want to offer more as well?" You have no way of knowing if this other applicant actually exists or has made the offer. If your eviction date is looming, you can feel forced to offer more money even though you don't really know if it's necessary. Requiring agents and landlords to tell other applicants will probably only enshrine this practice and make it even more common. The cost of paying rent relative to people's incomes has already increased enough. We should be finding ways to prevent excessive rent increases, not facilitate them.

Renter respondent, TUNSW Rent Bidding survey, May 2023

Further consideration must be given to how the Bill can address or incorporate the following:

- **Opportunity for the landlord to 'opt out'**

Currently the Bill provides that once an unsolicited offer has been made by an applicant the landlord is willing to enter into an agreement with, the landlord or their agent must notify all other applicants. The Bill does not contemplate or provide guidance in relation to a situation where a landlord wishes to 'opt out' of a rent auction. That is, where a landlord's intention is only to rent at the price initially advertised.

A landlord and their agent should be provided with the option to inform all applicants they will only be entering into a tenancy agreement at the advertised price and no unsolicited offers will be entertained/considered. This could be done at the point of

listing, or alternatively when an unsolicited offer is received. To ensure landlords don't use this as a loophole to get out of notification requirements, penalties should apply where a landlord then enters into an agreement at a higher rent.

- **Notification regarding determination of 'acceptable applicant'**

Further clarity is required to set parties' expectations regarding the meaning of 'acceptable applicant'. It is currently unclear under the current proposal whether an applicant who is determined to be an 'acceptable applicant' is presumed to be successful if no other applicant makes a higher counter offer. To ensure an applicant can make an informed decision, especially when considering making a further counter offer for this property and/or to apply for or accept an offer for an alternative property, the applicant needs to have a clear understanding of what a determination of 'acceptable applicant' means, and to what extent they can assume this reflects the likelihood of a successful application.

It is also unclear whether an applicant who has made a higher offer will be notified they have been determined an 'acceptable applicant' by the landlord or the landlord's agent. Applicants should be notified they have been determined to be an 'acceptable applicant' and that other applicants have been notified of their higher offer.

When notified of this determination, it should be made clear to them whether this is only in relation to the specific higher offer they made and if for example, their capacity to pay the offered rent will be reconsidered for each new offer they make.

Consideration should also be given to whether landlords and their agents should also be required to retain some adequate documentation to demonstrate an applicant whose higher offer was shared had met a basic range of criteria establishing them as an acceptable applicant. This would help ensure fairness and transparency in the process.

- **Disclosure requirements regarding other offers of value**

Currently the Bill does not contemplate or require disclosure if an acceptable applicant has made an offer of value as an alternative or in addition to a higher offer of rent. We are aware, for example, applicants are increasingly offering payment of rent in advance, or services in lieu (such as gardening or trade services) to make their application more attractive.

This may become prevalent - or at least more likely - in a rent auction scenario, especially where another applicant may counter offer to meet the original higher offer, with added value in the form of rent in advance or some other form of value.

- **Reasonable timeframe to make a counter offer**

The Bill does not currently require landlords or their agents to provide reasonable time for other applicants to make a counteroffer.

- **Withdrawal of offer**

The Bill is currently silent regarding what a landlord or agent is expected to do if an offer is withdrawn. This is generally disallowed in other auctions, but will be necessary in an environment where renters are forced to make applications on a range of properties often at the same time. We are concerned that if other applicants are not informed that an offer has been withdrawn these will effectively act as 'dummy bids'. This applies both to higher bids, and bids that may represent the renters only 'acceptable applicant' competition for the premises.

- **Appropriate format limits for rent auctions**

Appropriate checks or restrictions should be considered to help address and minimise the risks associated with auctions. These could include, for example:

- a limit on the duration (length of time) of the auction
- a limit on number of offers each applicant can make
- a limit on the number of rounds of notification of a higher offer, e.g. first higher offer leads to written notification and all counter offers made by other acceptable applicants considered to be final offers
- a restriction on accepting new applicants after a higher offer has been received, notification made and counter offers sought.

In addition consideration could be given to applying a restriction on how much an auction can increase price from initially advertised price. As an example:

- a hard cap on the quantum amount above advertised rent that the landlord or their agent can accept e.g. only offers of maximum 5% above advertised rent will be considered

- **Opportunity for successful bidder to withdraw**

Applicants who have had their higher offer accepted should be provided the opportunity to withdraw their offer within a reasonable timeframe (e.g. 1 day) before confirming if they will enter into a tenancy agreement.

- **Notification of outcome**

There is no requirement in the current Bill that all applicants be notified of the outcome of a higher offer. Landlords or their agents should be required to notify all other applicants, or at a minimum other applicants who made a counter offer of higher rent

if they are unsuccessful. This is needed in particular for those who have been told they were determined to be 'acceptable applicants' so they can move forward with securing alternative premises.

We would further suggest that to improve transparency, applicants should be told the final price at which the premises was rented for. Consideration could also be given to updating listings/advertisements about the final rent premises leased for.

2.5 Further consideration and consultation regarding reforms

The Tenants' Union of NSW recommends that if clause 22B is not removed from the Bill, further consultation with key stakeholders, relevant government agencies, and the broader community must be undertaken before the Bill is passed.

Consultation may take a few forms, including through the soon-to-be-appointed Rental Commissioner. If 'rent auctions' are to be introduced, further consideration must be given to what additional transparency measures, rules and safeguards are required.

Recommendation 4: If a 'rent auction' model as envisaged in clause 22B is to be introduced, further consultation be undertaken to ensure adequate transparency and appropriate safeguards are in place prior to passage and commencement

2.6 Close monitoring and evaluation of reforms

Monitoring and evaluation methods need to be considered carefully prior to commencement of the legislation. Any changes to legislation or regulation required to audit the process should be implemented in preparation for commencement.

Close monitoring of the impact of reforms, especially in relation to the impact of rent auctions, will require greater transparency in the application process. This may include requiring the bond lodgement form to state whether the rent was set by fixed-price advertisement only or through a bidding process allowing for analysis both of the extent of the practice and any differences in pricing that result.

Additional information should also be requested from the landlord or their agents and tracked, including the number of bids and the duration of the auction (depending on the auction format and rules determined as appropriate once the Bill has been passed).

3. Other transparency measures during the application process

There is significant frustration expressed by renters about the lack of transparency, especially during the application process. When applying for a rental property you are very rarely told why you have been unsuccessful in applying for the property. Renters would like to be notified when their application for a property is unsuccessful and the reason/s for the outcome in this instance.

We have already identified the very clear asymmetry of information during the process. Landlords and their agents are able to request a broad range of personal information and documentation from an applicant when assessing their potential capacity to meet the obligations of the tenancy agreement. A tenant is not provided with the same level of information about the landlord and their ability and past history in relation to meeting contractual obligations.

Renters would value greater access to information about the landlord. This includes the landlord's financial capacity to meet their legal obligations including repairs and maintenance, and their past history in relation to any Tribunal orders made related to breaches, especially where there are outstanding Tribunal orders or where a landlord has had many orders made against them.

In addition many renters report having experienced discrimination during the rental application process. This includes unlawful discrimination on the basis of age, having young children, being a single parent, race, gender, disability, and sexuality. Previous research has pointed to particular risk of discrimination for households with children, and in particular single-parent households. Discrimination limits options for renters, and can increase significantly the risk of vulnerable and low income renters being pushed into homelessness. There are very limited interventions available after the fact where an applicant is able to demonstrate unlawful discrimination (via the Anti-Discrimination Board of NSW or the Australian Human Rights Commission). A more effective means of addressing the prevalence of unlawful discrimination at the application stage would be to introduce protections against discriminatory and/or intrusive requests for information during the application process. This could include the introduction of a prescribed standard rental application form that removes the ability of the landlord to seek or require unnecessary information.

Recommendation 5: Require that landlords provide prospective tenants with notification when their application for a property has been deemed unacceptable, and the reason/s for the decision.

Recommendation 6: Enable renters to access a greater amount of information about the landlord during the application process. This information should include the

landlord's financial capacity to meet their legal obligations and their history in relation to Tribunal orders made against them. This may be best enabled by considering licencing or registration schemes.

Recommendation 7: Introduce protections against discriminatory and/or intrusive requests for information during the rental application process, through introducing a prescribed standard rental application form.

Experiences of Unsolicited Rent Bidding



Response Respondent made the decision to offer rent above the advertised price because -

Further details on circumstances

1 I was worried I would not be successful if I did not offer above.

I was effectively turfed out of my previous property for making complaints due to numerous breaches of the Residential Tenancies Act 2010 and was anxious to find a property quickly to ensure I would have a roof over my head. I offered \$10 above the asking rent and was accepted on this basis.

I have reported two agencies to Fair Trading where rent bidding has taken place. In both instances the property was listed with "Price Negotiable" or "Contact Agent" as the listed price on the ad, indicating a clear intent to solicit rental bids. News reports indicate that the government has not issued any fines, instead issuing warning notices which is extremely disappointing considering that the laws have been in place for over 6 months now. These warnings are doing nothing to deter bad behaviour.

2 It was not myself, but a friend's parents that offered the higher rent.

The people involved in the rent bidding were renting only briefly whilst their own home was being built. Their landlord provided a no grounds NOT, the renters tried to ask to have the time extended due to a serious upcoming surgery they had. The landlord then without communication gave them an (invalid) NOT for a breach to get them out in 2 weeks. In an attempt to stay they offered more money. They received no response from the Landlord. My concern is obviously these renters were put in a very hard spot due to requiring surgery and having to move so their rent bidding was under pressure. But I also note that they are wealthy, and not usually renters, so in trying to pay a higher rent to secure their position, are actually driving up the price of rentals in the area for those without the renters wealth and situation to then escape the rental market.

3 I was worried I would not be successful if I did not offer above

This has happened to me before, in 2019 and 2021. I knew the property was vacant, was not prepared to move in straight away so I offered a little more in recognition that the owner may decide to go with another tenant based purely on start date. This secured me the property both times.

In 2023 when searching for a property I have heard unscrupulous agents encourage potential tenants - usually those that were from non English speaking backgrounds - to offer as much as they could to secure the house. I was fortunate I could make the decision to never rent through those agents.

4 I have not offered above the advertised price as they are already overinflated.

During the open house a lady was saying they would pay \$450 a week for the place advertised at \$400 a week.

Experiences of Unsolicited Rent Bidding



Response	Respondent made the decision to offer rent above the advertised price because -	Further details on circumstances
5	I was worried I would not be successful if I did not offer above.	We offered extra rent and 3 months rent paid in advance to show we were good with money.
7	I was worried I would not be successful if I did not offer above.	It's so ridiculously difficult in this rental crisis to get places things have become so competitive. Been looking since May last year.
8	I was worried I would not be successful if I did not offer above.	We were desperate to secure the lease.
9	NO, just encourage renters to push higher, even if not financially viable, in order to try to secure a roof over their heads.	Honest information from real estate agents as to property attributes and chances for securing property.

Experiences of Solicited Rent Bidding



Response **Details of the property and the breach of solicited rent bidding** **Further details on circumstances**

1	<p>██████████ - has absolutely no integrity at all.</p>	<p>I was outbid and had no chance and had already been issues termination notice and had to leave and then my place after moving out was advertised for nearly \$100 more per week. People have no chance of gaining property with the wrougths going on.</p> <p>Real estates and people with granny flats in back yards privately are all doing it.. money talks as the saying goes amd people are getting greedy as well as struggling to survive.</p>
2	<p>The agent or landlord suggested it, The people next door offered more than what was asked for. This has now pushed up rents in the area unfairly.</p>	<p>There is no way someone who is looking for a home would dob and agent in. They will do whatever it takes to secure a home for themselves. Rent bidding, from either side, needs to be outlawed. Whatever the price advertised, or lower, should be made possible for people to apply for. Also, this advertised price needs to match or be very close to other similar properties in the area.</p>
3	<p>Deferring long pending repairs and issuance of 90 day no ground notice was experienced first hand. Carefully worded statements were used by the agent clearly biased in favour of higher rent and in full awareness of long outstanding repairs.</p>	<p>Secret rent bidding will happen through acts of collusion between agent, landlord and strata. It's foolish to assume that clever long standing agents will openly promote rent bidding.</p>
4	<p>My friends were sent an email from the rental agent informing them (I'm not so many words) that they would not the the rental property unless they increased their expected rent</p>	<p>This is my friend's experience.</p>
5	<p>The property manager whispered at the opening that other prospective tenants had already offered more for the property, if I wanted to offer more it would help my application</p>	<p>I felt like he was lying just to get people to offer more. Its very underhanded.</p>
6	<p>Agent referenced that there were several interested parties that had applied and that the best applicant might want to offer something to incentivise the landlord</p>	<p>We have a dog and it was mentioned that the landlord would generally prefer an applicant with no dog or children.</p>

Opinions on Rent Bidding



Response	Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?	Thinking about a time you have been frustrated by the application process, what would you like to have had happen differently?
1	<p>No, transparency about bids that other people make would not have helped in the context of rent bidding. The issue at hand extends beyond knowing the bids of others; it encompasses the larger problem of forcing desperate individuals to compete against each other in a housing emergency. The question fails to acknowledge the underlying systemic issues that contribute to the intense competition and "hunger games" atmosphere in the rental market. Instead of solely focusing on revealing bid amounts, it is crucial to address and resolve the systemic factors that perpetuate an unfair and dehumanizing competition, where the true beneficiaries are unscrupulous real estate agents and landlords.</p>	<p>When reflecting on a frustrating experience with the application process, there are several aspects I would have preferred to be different. Firstly, clearer communication throughout the process would have been beneficial. It can be incredibly frustrating when there is a lack of timely updates or when important information is withheld, leading to uncertainty and anxiety. Having regular and transparent communication would have provided reassurance and a better understanding of the status of my application.</p> <p>Furthermore, I believe it is essential for landlords or property managers to be more responsive and accessible during the application process. Promptly addressing queries or concerns and providing a clear timeline for decision-making would have alleviated much of the frustration experienced during the wait.</p> <p>Lastly, I would have appreciated more fairness and transparency in the selection process. It can be disheartening when it feels like applications are evaluated arbitrarily or without proper consideration. Implementing clear criteria and a fair evaluation process would have helped to create a more equitable experience for all applicants.</p>
2	<p>It shouldn't be a thing. Rent is already ridiculously high</p>	<p>People who offer a bribe should have their applications immediately rejected. Offering above the asking price for a rental property is bribery and corrupt and needs to be treated as such</p>
3	<p>No, at times I would still not be able to afford a higher amount as the property was already extreme.</p>	<p>A system that facilitates all your documents, identity, history all in one place; so it would be easier for us as renters to apply for any property by locating the agent on such a system via a code, and applying for a certain advertised property, removing the amounts of wasted paper we use and a creating a simpler method.</p> <p>This may keep communications and other items in memory or proof, including the possibility of transferring current bond immediately to a successful new rental property when requiring to move or relocate as current system and real estates are at times being unfair, keeping our bond for no reason just to delay us in receiving what is rightfully ours, especially after being great tenants; some people in real estates abuse the power their given in this space for no reason at all.</p>

Opinions on Rent Bidding



Response	Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?	Thinking about a time you have been frustrated by the application process, what would you like to have had happen differently?
4	No because the agents don't follow a code of conduct or have a regulatory body other than NCAT which don't deal with complaints about agent conduct. There needs to be accountability of all the lies and dodgy practices that the agents get away with	I would like the whole process to be more transparent and for agents to be held accountable for the unmoral and unethical ways they operate. I can only see this happening with a strict code of conduct and a regulatory body that both tenants and owners can make complaints about agents conduct to without it affecting their future housing needs. Far to often you see an agent who gets away with lies and misinformation and deception to both the tenants and owners. In my 20 years of renting I have only had 2 property managers who where decent and had a good moral compass. I also owned a property and the agent treated me as badly as they did the tenants, only interested in making money.
5	No	It would be much safer for all involved if the huge collection of personal information demanded by landlords and real estate agents was handled by 3rd party security professionals/fairtrading rather than random real estate agents with no expertise in information security. The information that can be requested should be limited in scope to that which is actually required to asses applicants.
6	The only thing it would do is make it clear that listings I was considering are no longer affordable to me. Rent bidding should be banned completely, with real estate agents / landlords made to publish rents.	1) a single application process that isn't full of bugs / poor and arbitrary design choices that hinder applications or don't apply to their circumstances 2) secure document portal so that we're not giving these private companies so much data where they fail to protect anything (I had an agent ask us to send important identity documents to a yahoo account). 3) there needs to be regulation limiting what documents & information real estate agents can ask for. 4) more transparency needed, including past listing info, floor plans where available, and full disclosure of relevant info (e.g. if the property is shared with a granny flat, that needs to be included! If no NBN connection, same deal. Sick of wasting my time with inspections that I could have avoided if the agents did their jobs). The whole system is cooked and irredeemable. Renters are treated like garbage - cannon fodder for other people to build their wealth. It is a kafkaesque hellscape that needs to be completely dismantled.
7	It does not help me secure a home. It lays bare the fact that someone else was willing and able to pay more than I could at that time to secure a home for themselves. This is good for them but does not help me when house hunting. Knowing you've been outbid would be better than the boilerplate rejection, since renters do not get any real insight into why they have not been accepted.	The application process needs to not use third-party data collectors. It's insanely frustrating to have my (40-something year old, two kids, married) manager at work called and asked if he would live with me (30-something year old with a partner). This is information that is just not needed to be provided or asked. Applications are tense and frustrating times with a harsh ticking clock over you where you are powerless in the face of arbitrary decisions of people unknown to you.

Opinions on Rent Bidding



Response	Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?	Thinking about a time you have been frustrated by the application process, what would you like to have had happen differently?
8	<p>No rent bidding or offers of money allowed at all.</p> <p>I'm concerned about the current changes the government is proposing as it could lead to auctions and make the situation harder.</p> <p>I think it will encourage people to make offers beyond their means.</p>	<p>It was disheartening to find out we had been knocked back on a property because the other applicants had offered more money, rather than taking tenants on their tenancy record. Our household has an impeccable rental history and great references, we were also able to demonstrate we were able to easily afford the rent advertised. But we didn't have excess funds to pay in advance. The agent told us we didn't get the place because the other tenants offered money. We don't know if they offered to pay months ahead or if they offered a higher rent. This was in June last year</p>
9	<p>Yes. It would help as a reference point so you are not bidding too high. It is so easy for a landlord or real estate agent to lie to a tenant about how much others are offering, or if there are others offering at all.</p>	<p>If a LL or agent are going to advertise a property at a certain amount, don't ask or expect for anything higher with an intention to increase the rent. It is also frustrating that a tenant is required to meet such a strict expectation, but LLs and agents are not help up against an equally strict expectation. AND if the application says pets allowed and the LL later says they are not TAKE IT OFF YOUR ADVERTISEMENT. It is disappointing to be approved for a property then having to back out yourself because the landlord changed their mind about keeping your pet.</p>
10	<p>I have never experienced rent bidding. However, my thoughts go to those low income earners who don't stand a chance in the 'rent bidding' war. People who are socially and economically disadvantaged are vulnerable to the current rental crisis; bidding for these properties can only do one thing to these people; and that is to secure a seat amongst our ever growing homeless community.</p>	<p>I have not found applying for properties an issue as everything now is done online.</p>
11	<p>The first law that must be passed is that no govt employee can own an investment or rented property, to get rid of bias. And investment property must be removed from Super investments. If you want to own rentals then you are in business and must be treated differently.</p>	<p>My income or bank details are my private business and should not be part of the process, and we should as tenants have a meeting with the owner during the application.</p>
12	<p>Yes, most definitely. This is what happened in the past but now you don't know so people bid much higher as they don't know if \$50 higher or \$250 higher is what is going to make your application succesful</p>	<p>It would be much better if the agents approve an application based on the credentials and not on who offers the highest so I believe it should be illegal for anyone to rent higher or for agents to accept anything other than the advertised price, other than a lower offer in some instances.</p>
13	<p>Rent bidding should be illegal on both sides of the renting system, it affects rental prices of similar properties in an area. Rent bidding affects the people in society who are already at a disadvantage by being on lower incomes, they don't have the same ability to offer higher rent or large sums in advance rent.</p>	<p>There should be more openness and honesty about the process. It should be illegal to refuse an application on the basis of an applicant being on Centrelink payments, this happens to so many people.</p>
14	<p>No. All this will do is solicit silent rental auctions. The asking rent should be the final rent and this should be recorded and tracked to ensure that no one has an unfair advantage over others due to their financial position.</p>	<p>Less personally identifiable information required. I was required to produce bank statements, proof of savings and other financial information which I regrettably shared as I felt I had no other choice.</p>

Opinions on Rent Bidding



Response	Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?	Thinking about a time you have been frustrated by the application process, what would you like to have had happen differently?
15	I think it would encourage prospective tenants to offer more money to secure the rental. Transparency I think does not actually prevent this behaviour, but in fact encourages it.	I want the application process to stop asking so much bloody personal information! All the landlord needs to know is that I have secure employment and I pay my rent on time. Why do they need to know anything more than that?
16	Whilst marginally better than secret bidding, open bidding would still mean rent would be the highest possible. Knowing all the bids, and whether my bid was successful would be better in the same way that losing \$100,000 is better than lo ing \$400,000	Property providers and their agents should respect that it's people's future homes in which they trade. This would include accurate and complete information about the property. This would include things like recent and non-biased photos, details of previous rent, maintenance, etc and perhap review from any previou tenant
17	No - I don't agree with rent bidding so I would never do it.	Transparency about the fact that the reason we were unsuccessful was due to rent bidding.
18	Its absurd! Stop driving up rents. rent freeze now. Nobody should be homeless.	Everyone should have a house.
19	No, because I can only afford to pay what I can afford.	Landlords say they want a long-term tenant but only agree to a one year lease - would have wanted a longer lease time (2-5 years). No expectation for a deposit for a property to hold the application when don't have cashflow.
20	No, why would it. Rents are not something that is meant to be bidden on, it's not an auction.	No one forms, these things are more information theft and real estate agenbts ask for more personal info than a Govt. Dept. such as Services Australia or even the tax dept.
21	No, the property should be rented as per the price advertised.	Agents seem to have all the power and squeeze tenants where they can and even advise landlords to do it. There should be a centralised government body where all advertised rental properties are logged and final rents are also logged. Rental properties should not be advertised at no more than 15%+- increase on previous rental price.
22	Rent bidding is and should be outlawed now.	Rents should be based (not on a market) but an individual basis. Tenants should have direct contact with owner and third party interlopers like property managers should be abolished.
23	Yes, like Ebay bids it should let you know if the bid has already been exceeded. Real estate agents didn't need bidding previously and rental prices should be based on quality of the premises, location and security. Not an over zealous bidding process.	Real estate agents need to keep applicants better informed. Wasting people's time may lead to the missing out on other opportunities. The first applicant who meets the criteria should be successful not the highest bidder. Bidding is helping to push rental prices to ridiculous, unsustainable levels.
24	Rent bidding should be banned.	They require far too much personal information, a photo by of our cat and our bank statements is to o invasive
25	Improving transparency in this process does not really make it fairer. The stated rent should be kept to by the property owner and their agent. What next? Tenants are told to vacate a property because someone has said they will pay more than the sitting tenant?	Being gazumped in a rental application is basically unfair as it favours those with more money. Making such practices subject to being more transparent doesn't make them any less unfair.

Opinions on Rent Bidding



Response	Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?	Thinking about a time you have been frustrated by the application process, what would you like to have had happen differently?
26	<p>I can't see how the proposed changes will improve anything for tenants at all. Currently, when you apply for a tenancy and the agent calls you and says "another applicant has offered \$40 a week extra, do you want to offer more as well?" you have no way of knowing if this other applicant actually exists or has made the offer. If your eviction date is looming, you can feel forced to offer more money even though you don't really know if it's necessary. Requiring agents and landlords to tell other applicants will probably only enshrine this practice and make it even more common. The cost of paying rent relative to people's incomes has already increased enough. We should be finding ways to prevent excessive rent increases, not facilitate them.</p>	<p>The application process is always frustrating. Landlords and agents demand SO much personal information from us (including bank statements! Really it should be none of their business where we buy our groceries) and yet we get absolutely zero information about them: Do they plan on selling the house, moving into it or knocking it down soon? Do they have a record of taking tenants to the Tribunal with spurious bond claims? Have they just painted over a whole lot of black mould without doing anything to treat it? Will they be willing and able to make any urgent repairs that might come up during the course of your tenancy? There is a huge imbalance here.</p>
27	<p>Yes It would be helpful. To know what we are up against</p>	<p>So much personal information needs to be submitted now. Tica and relevant information and references should be enough. And of course I understand about having sustainable employment and providing bank statements. But Im seeing stories where the real estate is ringing up the bank. Which is an invasion of privacy.</p>
28	<p>Not really. The process lacks transparency throughout, so transparency on rent bidding itself doesn't really help. You have no insight into the bidders to give insight into the bid, such as to make the numbers themselves being shared just an added stress.</p>	<p>The problem with rent bidding as a function of renting is that it negatively affects single renters or single parents with children more than couples, by virtue of them having access only to single income. Renting is difficult enough without feeling like you have to effectively bribe a real estate agent and in some cases landlord to get accommodation. REA's have lost all their integrity (if they had much to start with) and there is no expectation from me that an agent is ever going to take anything into consideration other than the highest bid. It's a short sighted view that's making people stressed and desperate and does not result in the best tenant. Rent bidding should be banned altogether, the rent is quoted as \$X and the applications should be taken on that basis.</p>
29	<p>No. Rent bidding, in all forms, should be illegalised. The proposed reform for 'transparency' will only increase the use of rental bidding by landlords by validating the grubby practice. If anything, current settings are better since the way in which bidding has to be done secretly matches how unethical it is, how shady it is. The proposed 'transparency' reform will promote the use of rental bidding by signalling to landlords that the practice is acceptable so long as it is transparent. Rent bidding is never acceptable. The consequences of the proposed reform will be even higher rents and even higher homelessness.</p>	<p>I would have liked if landlordism was completely abolished to begin with.</p>

Opinions on Rent Bidding



Response	Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?	Thinking about a time you have been frustrated by the application process, what would you like to have had happen differently?
30	This could be TOTALLY made up, just to squeeze some more money out of renters. There is just no way to verify any of this so called 'other offer' that a ghost person is supposedly offering.	If I lost a property, I would like to know why they chose the other tenant over me. No standard copy paste, but a genuine answer. Quite often, we find that the new people offered some obscene more money than advertised to get it. When rents go up, landlords pass it on to tenants. When rents go down, no one says anything.
31	I have not, to my knowledge, been affected by rent bidding but then how would I know, since it is secret? I think it should not happen at all. I think transparency would be good but it would probably only make me complain to Fair Trading. I don't have the funds to engage in rent bidding. It would severely negatively impact me.	I always feel stressed about having to provide a bank statement. That in itself is unfair. I might have just paid my last fortnight's rent when I am asked for a bank statement so it may look like I don't have the ability to pay etc. I find it very intrusive. If I am on Centrelink it may weigh negatively on me.
32	Not experienced, that I know of...don't think there should be rent bidding at all	the amount of personal information required. not save this information online in any way
33	I think rent bidding is unfair full stop. It either benefits those with more money, or puts pressure on those without to raise their rent. I work in relation to the rental market, and have heard from renters whom are going to offer more than they can afford, just to secure some sort of property. I have had some say they will end up in rental arrears without doubt because they cant' afford it, but it's their only option to not be homeless NOW.	Real Estates are asking for a lot of seemingly irrelevant information, or information that could be used to discriminate against people. Also the use of apps that collect and review such information are also worrying for the same reasons, as well as the possibility of data being stolen.
34	Yes, enormously.	More transparency from the agent. Applications selected on merit rather than out bidding or whose quickest to fill out the form.
35	No, rent bidding should be illegal. Rental amounts should be regulated.	Rental bidding should be illegal as it was when I was a Property Manager.
36	It shouldn't be allowed.	No discrimination and advertised price and when someone signs a lease rent shouldnt be allowed to increase for at least 2 years at a time.
37	No, rent bidding should not be encouraged or allowed.	Inspection times on weekends instead of during everyone's work hours. You're expected to have a full time job to be able to pay rent, but so many inspections are held in the middle of the week.
38	Yes, it would.	Yes, having reason for a knock back would be nice. But at the end of the day real Estate agents work for the landlord, not the tenant. So any new laws would just be circumvented, like most real estate law.
39	No, it could actually increase the rent by turning it into a bidding war between prospective tenants.	Some properties are leased without even an inspection being open to the public. That is annoying
40	Yes because then you get a better idea of market value and competition.	If there's anything other than rent that the owner wants eg short/ long term rentals.

Opinions on Rent Bidding



Response **Thinking about times you have experienced rent bidding, would transparency about bids that other people make have helped?** **Thinking about a time you have been frustrated by the application process, what would you like to have had happen differently?**

41	No	I would like to know where my information is stored and how my application is assessed. Often times we are not informed of a rejection, just silence.
----	----	---

42	Yes	Agents to treat everyone the same, regardless of background (culture or financial) or family status.
----	-----	--

To: Legislative Assembly Select Committee on the Residential Tenancies Amendment (Rental Fairness) Bill 2023

Dear Committee Members

We are writing to you as representatives of the below signed organisations. We are concerned about the current draft legislation on rental reform that aims to eliminate secret rent bidding and instead replace it with a regulated rental auction process.

While we welcome the government's intention to provide better protection to NSW renters and improve the functioning of the rental market, we believe that the proposed reforms have unintended consequences that will have further negative impacts on tenants and the rental market.

Rent bidding is when prospective tenants offer more money than the advertised price for a rental property, either voluntarily or in response to solicitation by agents, owners or third parties. It is a practice that can create unfair competition and increase rental prices in a tight market – especially problematic in a high-inflation environment that we are currently in. It can also lead to discrimination, exploitation, and insecurity for tenants, especially those who are vulnerable or disadvantaged. We note this conduct is not condoned by professional real estate agents and not encouraged.

The current draft legislation requires owners and agents to notify applicants of other offers that are higher than the advertised price but does not prevent them from accepting such offers. This means that rent bidding can still occur, and that tenants can still be pressured or tempted to pay more than they can afford. We have become aware that the recent media on the practice has also led to increased bids from prospective tenants.

We urge you to amend the current draft legislation to remove rent bidding altogether and instead put in place a fair and administratively simple process whereby:

- A fixed rental price must be advertised at the time a property is put up for rent. This advertised rate would act as a ceiling.
- Landlords, real estate agents and potential tenants must not offer, solicit, or accept a higher rental rate than the originally advertised rate.

We believe that this policy would create a fairer and more transparent rental system that would benefit both tenants and landlords. It would reduce stress and uncertainty for tenants, who would know exactly how much rent they need to pay and whether they can afford it. It may also encourage landlords to set realistic and reasonable rents that reflect the market value and condition of their properties and reduce the administrative burden that a regulated rental auction would cause.

We appreciate your attention to this matter and hope that you will consider our proposal. We are happy to meet with you or your staff to discuss this further.

Sincerely,



Trina Jones
CEO Homelessness NSW



Leo Patterson Ross
CEO Tenants Unions



John Engeler
CEO Shelter NSW



Yolanda Saiz
CEO St Vincent de Paul Society NSW



Ben McAlpine
Acting CEO NCOSS



Joel Dignam
Executive Director Better Renting



Marika Kontellis
CEO Council on the Ageing



Jonathon Hunyor
CEO Public Interest Advocacy Centre



Yumi Lee
CEO Older Women's Network NSW Inc



Ben Connor
Coordinator Blue Mountains Tenants Advice and Advocacy Service, Central Tablelands and Blue Mountains Community Legal Centre



Sidonie Shaw
Coordinator Central Coast Tenants' Advice



Nicole Grgas
Coordinator Hunter Tenants Advice and Advocacy Service



Nicole Jenkins
Centre Manager Northern Rivers Community Legal Centre



Sebastian Zagarella
CEO People with Disability Australia



Emma McGuire
Team Leader Mid Coast Tenants Advice & Advocacy Service



Louise Farroway
Coordinator Illawarra Legal Centre



Martin Baker
Coordinator Eastern Area Tenants Service



Camilla Pandolfini
CEO Redfern Legal Centre



Anne Wolfenden
President New England and Western Tenants' Advice and Advocacy Service