



Residential Tenancy Law Reforms: No Grounds Evictions

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Residential Tenancy Law Reforms: No Grounds Evictions....it is not in the legislation – not yet

Since the announcement last week by Chris Minns, NSW Premier that residential tenancy laws will be changed to ban 'no grounds evictions of tenants' – there has been a flurry of information and discussion regarding this topic.

In July 2023, the NSW Government released a consultation paper on improving rental laws, including ending no grounds evictions. All members of the public (including agents) had the opportunity to provide feedback on the issue. Following this process, in February 2024, Greens MP Jenny Leong introduced the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024. On 16 May 2024, the Legislative Assembly referred the Bill to a parliamentary committee to respond by 20 September 2024. The parliamentary committee will provide a report in order to summarise the current state of the rental sector in NSW and the current law, as well as the debate about no grounds evictions and recent proposals for law reform in NSW.

The property industry in NSW has been extremely vocal this past week, and the general consensus of opinion is that when investors feel that property

is not the most attractive investment for them, they will choose financial investment options other than property, which will create a situation where there are less properties in the market that are available to rent. This situation simply exacerbates the current rental crisis in NSW.

Definition

No-grounds or no-fault evictions allow a landlord to evict a tenant during an ongoing (or continuing) lease or at the end of a fixed-term lease at any time, without having to give a reason. No reasons need to be provided to the tenant for the termination notice to be valid.

The proposed changes

The government is moving to ban no-fault evictions and intend to introduce the legislation to parliament next month.

This change would bring NSW in line with legislation in the ACT, Victoria, Queensland and South Australia.

The discussions in the media this week have focused on landlords in New South Wales stating that such a change to legislation to ban the practice known as "no-grounds evictions" will erode the rights of property owners and reduce the amount of rental stock on the market. Under the proposed changes, landlords would be forced



to meet specific requirements to evict someone:

- the sale of the property or the offer for sale with vacant possession
- when the owner or their family members intends to move into the property
- existing rules for breach of lease, including non-payment of rent and damage to the property
- significant repairs, renovations, or demolition is required to the property
- the property is no longer being used as a rental

If the eviction is sought on renovation or repair grounds, the landlord would not be able to re-list a property for rent for at least four weeks.

Penalties for landlords?

If the landlord gives “non-genuine” reasons for the termination of a tenant’s lease, they will face penalties. The quantum of these penalties has not been outlined at this stage.

What is the process?

Whilst no government regulatory body will be officially checking if landlords are in breach of the changes, action would rely on individual complaints. If a tenant felt they had been evicted for the wrong reasons,

they would need to make their complaint to NSW Fair Trading for further investigation. Furthermore, if there was an argument between a landlord and tenant and they are seeking a resolution, they would need to take it to the NSW Civil and Administrative Tribunal (NCAT).

It has been discussed that the new legislation will require landlords to provide more notice when evicting someone, except for those on periodic agreements. For those on fixed-term agreements of less than six months, the termination notice would be doubled from 30 to 60 days. For fixed-term agreements of more than six months, the notice would be raised from 60 to 90 days.

The changes are expected to be introduced in 2025.

The question that I have been asked many times this week is – “is there anything that agents can do about this?” My only suggestion is that, since the consultation phase has passed, it is time to speak with your local State Member of Parliament and raise your concerns with them and ensure that they have a good understanding of the issues, prior to it passing through parliament.

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