

# Rent increases

If the landlord wants to increase the rent during your tenancy agreement (sometimes called a 'lease'), they must give you a proper notice and there are some limits as to when and how much the rent can be increased.

The rent cannot be increased during a fixed-term tenancy agreement unless this is specified in writing in the agreement. Unfortunately the standard real estate agent tenancy agreement usually includes this term so it is important to read the agreement carefully before you sign it. If you don't agree to that term you should try crossing it out of your agreement. However, the landlord or agent may insist on the term being included.

## Notice

You cannot be given a rent increase more than once every 6 months. This applies to periodic (ie month to month) tenancy agreements, and fixed-term agreements where the agreement allows for a rent increase during the fixed term. (If there is a clause in your fixed-term agreement that allows for more than one rent increase during a 6-month period, it is invalid.)

The landlord must give you 60 days' notice in writing of a rent increase and they must use the proper form. If the notice is sent by mail, they must allow an extra 2 business days for the notice to reach you.

The notice can only be for one rent increase and it must advise you of your right to apply to Consumer Affairs Victoria within 30 days to investigate the increase if you think that it is excessive.

If a rent increase notice doesn't meet all of these conditions it is invalid and you don't have to pay the increased amount. If you have been given a rent increase notice and you think that it may be invalid, contact the Tenants Union for advice.

## Challenging a rent increase

If you think that the rent increase is too high, you can request that an inspector from Consumer Affairs Victoria come and inspect the property and assess whether or not the increase is reasonable. You must make the request within 30 days of receiving the notice.

Address your request to:  
The Director  
Consumer Affairs Victoria  
GPO Box 123  
Melbourne VIC 3001

The inspector should look at the condition of the property, the facilities, and any services provided with the property, and compare the rent proposed in the notice with that of similar properties in the same area. During the inspection you should point out anything that supports your claim that the rent increase is excessive. This could include the state of repair of the property, problems with the location, and any facilities or services that are provided by you rather than by the landlord.

If the inspector does not consider the rent to be excessive, then you should consider whether or not you will get the inspector's written report. Keep in mind that the landlord is also entitled to a copy of the report and if the report suggests that the rent could be higher, this may encourage a future increase.

If the inspector considers the rent to be excessive, they will usually try to negotiate a fairer rent with the landlord or real estate agent.

If the inspector considers the rent to be excessive and they cannot negotiate a fair rent, they must provide you with a written report. Once you have the report, you can apply to the Victorian Civil and Administrative Tribunal for an order that the increase not be allowed. You must apply within 30 days of receiving the inspector's report.

If the Tribunal decides that the rent increase is excessive, it can order that the rent not be increased or that it be increased by a lesser amount. It can also set a period of time (up to 12 months) in which the landlord is not allowed to increase the rent. However the Tribunal will make these orders only if the proposed increase would make your rent significantly more than it is for similar properties in the area.

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If the rent increase comes into effect before your case is heard at the Tribunal, you should pay the increased amount until the Tribunal has made its decision. If the decision is in your favour, the Tribunal can order that the landlord pay you back for any increased amounts that you have already paid.

## **Reduction in services or facilities**

If your landlord reduces any services or facilities provided with the property (eg closes a communal laundry) without reducing the rent, you can request a report from Consumer Affairs Victoria as to whether you should be given a rent reduction. If the report is in your favour you can apply to the Tribunal for an order that the rent be reduced.

## **Negotiating with the landlord**

It is worth trying to negotiate with your landlord or agent over a proposed rent increase. They may be willing to reduce it, especially if you are an established and reliable tenant or you would have to move out because of the increase.

If you have an inspector's report you can also use this to try and negotiate with your landlord or agent so you don't have to take the next step of going to the Tribunal. Make sure that any agreement you reach is put in writing and signed by yourself and the landlord or agent.

## **Refusal to pay the increase**

If the landlord or agent have given you valid notice of a rent increase and you refuse to pay it, you will be in rent arrears (ie behind in your rent). Once you are 14 days in arrears, the landlord or agent can give you a 14-day Notice to Vacate and apply to the Tribunal to have you evicted. You would be given the chance to present your case at the Tribunal but there is always a possibility that you will be evicted. See the ***Avoiding eviction for rent arrears*** fact sheet or contact the Tenants Union for more information.

**For more information phone the Tenants Union Advice Line on ☎ (03) 9416 2577.**