

Moving in with others?



SHARE HOUSE LIVING

Information for Tenants

CO-TENANCIES VS. SUB-LEASES

Two or more tenants with a shared relationship to the landlord/agent (listed on the lease) are considered co-tenants.

Co-tenants are joint and severally liable for paying the rent and damage, meaning the landlord/agent may come after any of the co-tenants for the full rent or damage even though another tenant moves out or is responsible for damage. Co-tenants must then sort out any debts between themselves.

Sub-tenants are those with a lease agreement with the 'head' tenant(s) and generally have no direct relationship with the landlord/agent.

Sub-tenancies are permitted under the following two conditions:

- 1) the 'head' tenant(s) must occupy the premises
- 2) the 'head' tenant(s) must get consent from the landlord/agent who must not unreasonably withhold consent.

While the agreement between the 'head' tenant and the landlord is covered under the Act, sub-tenancies are not covered under the Act. A sub-lease agreement will be subject to general contract law. **All agreements between tenants should be in writing and signed, with each tenant receiving a copy. This could assist with issues around payment terms, vacating, etc.**

BOND AND RENT

Managing the Bond

In sub-tenancies only the head tenant can be required to lodge a bond with the Rental Deposit Authority (RDA) and only the head-tenant will be entitled to receive bond money back from the RDA. A head tenant may charge a bond from a sub tenant, but extra caution will be required as all safety measures, which apply to a bond that is being held with the RDA are not available. So make sure to clearly line out any conditions of the

bond in the sub lease agreement (subject to contract law!).

There are two options of organising the bond:

- A. All co-tenants can lodge one bond together and note the amount they each have contributed to the bond and receive one mutual bond number from the RDA. In this situation, when co-tenants are moving in or out they need to complete a Tenant Transfer Form. Generally, incoming tenants lodge the form with the Rental Deposit Authority through Service Tasmania and pay their bond to the outgoing tenant.
- B. Alternatively each tenant can lodge a separate bond with the RDA, listing their room number followed by the street address. Separate bond numbers will be issued for each tenant. When a tenant moves out before the end of the lease they can claim their bond with the RDA and the incoming tenant lodges a new bond.

Note: While you can have multiple bonds lodged for the same property the total bond monies cannot exceed four times the weekly rent for that property.

Rent Payments

Rents in a share house can vary, with every tenant paying an equal share of the rent or a discounted rent for smaller rooms or if a couple shares a room. Discounts could be considered for extra chores.

Be sure that all tenants know the exact amount of their rent, the day it is due and what account it must be paid into.

Most landlord/agents will require an automatic direct deposit, so rent money must be in the account on time. Having rent in arrears can be grounds for a Notice to Vacate being issued.

It is a good idea to have a method of checking these deposits, remembering that all tenants on the lease are responsible for timely payment of rent.

THINGS TO CONSIDER

Bills other than Rent

Carefully consider all shared bills such as land line phone, power, gas. Internet connection and data requirements need to be discussed. Agree on a plan before entering a contract with an internet provider.

It needs to be very clear how these bills are calculated per person and how/when they are paid. Tenants could consider either a standard sum added to their rent payment with a reconciliation of amounts every quarter, or payment when the bill arrives, and a deadline to deposit funds.

Be aware that utility companies will only deal with people listed on the original contract, be sure that someone in the house continues to be a valid contact.

Share Houses

To maintain a smoothly running share house, it is important to keep a good flow of communication.

Co-tenants should make decisions together.

In a head tenant / sub tenant situation, decisions will probably rest with the head tenant as they are ultimately responsible to the landlord/agent for maintaining the conditions of the lease and the Act.

A head tenant should inform sub tenant's of decisions or house rules which effect them. It is advisable to discuss house rules, write them out and have all tenants sign an agreement.

Housework

Will the housework be done on a roster? Is it done equally with chores shared around or do some people have specific ongoing chores? Agree on the level of cleaning required, one person's clean kitchen is another's worst nightmare. Post cleaning rosters in a visible area.

An agreement should also be made on the daily cleaning needs of the house - especially the kitchen and bathroom areas.

Food

Will all food be bought and stored communally or will this only apply to basic grocery items such as salt, pepper and cleaning products? Will there be a shared budget for these items or will the person buying the items seek reimbursement?

If tenants purchase their own food or speciality items, how will this be marked and safely stored? Nothing can cause more tension then people feeling their food has been taken.

Are meals cooked communally, do people take it in turn or do people cook independently?

Yard Work

Is the gardening the tenants' responsibility and if so, how will these chores be handled? Whose equipment will be used and who will pay costs such as petrol for the lawn mower?

Noise and Visitors

Tenants in a share house should be sympathetic to the needs of others; students who are studying, shift workers, early risers, night owls or party animals.

However these things should be considered before moving into a share house. Ask questions. If a new tenant is quiet and studious, they probably shouldn't move into a party house.

Another thing to discuss is if visitors are allowed to stay at the house, and if so, for how long. A partner staying overnight every couple of weeks may be suitable, but when they stay 5 out of 7 nights every week, this could create issues.

Privacy

All tenants should have a safe and secure personal area, which is off limits to all other tenants unless they are invited to enter. Locks are an optional item and cannot be installed without the permission of the landlord/agent (this is an alteration to the premise).

USEFUL CONTACTS

Tenants' Union of Tasmania (TUT)

166 Macquarie Street Hobart

☎6223 2641 or 1300 652 641

www.tutas.org.au

Housing Connect

Services include bond assistance, mediation etc

☎1800 800 588

Consumer Affairs and Fair Trading

Residential Tenancy Commissioner

Rental Deposit Authority

☎1300 654 499

TUT @ Launceston Community Legal Centre

☎1800 066 019

TUT @ North West Community Legal Centre

☎6424 8720