

What do you pay for? Is the increase reasonable? Fallen behind in rent?



ALL ABOUT RENT

Information for Tenants

Rent is what makes the tenancy go round... In this fact sheet we will cover the law on rent payments, rent increases and what happens when you fall behind in rent.

Rent is the money a tenant pays in exchange for the right to occupy a rental property. The rent amount should be set out in the lease agreement.

When a property is advertised it must include a set rent amount. It is illegal for a landlord to invite rent bidding!

Payment Period

The lease must also specify a payment period, in other words how often rent falls due.

Generally a payment period for rent is either one or two weeks. The longest payment period landlords in Tasmania are allowed to demand is four weeks for most rental properties and two weeks for boarding premises.

It is illegal for a landlord to charge rent per calendar month, instead of weeks. A payment period cannot be changed unless all parties to the agreement accept any change.

Rent in Advance

Rent is required to be paid in advance during the term of the lease.

For example: A tenant moves in on July 1st and rent is to be paid fortnightly. Rent is paid on July 1 for the period from July 1 to July 14. In other words, rent is paid for time that the property WILL BE occupied, not the time the property HAS BEEN occupied.

Rent Payment and Receipts

If a tenant pays by cash or cheque, they must receive a receipt with the date paid, tenant's name, address of the premises, amount paid and the period that the rent is paid for. Electronic payments do not require a receipt as it usually leaves an electronic 'trail'. A landlord cannot change the method of payment during a lease without the tenant's consent.

Only deposit-taking institutions such as banks or credit unions may charge fees for paying rent. Other services that landlords use to collect rent must not charge fees to the tenant.

Rent Increases

A landlord can increase the rent for a non-fixed term lease, or a fixed term lease that explicitly allows for rent increases to occur. When a fixed term lease agreement does not include provision for a rent increase, rent cannot be increased during the term of that lease.

The increase notice must be in writing, stating the new rent and the day on which the increase takes effect. The tenant must be given at least 60 clear days notice and there must be at least 12 months between increases. This does not apply to social housing properties where only 60 days notice must be given.

QUICK FACTS ON RENT

- It is illegal to invite **rent bidding!**
- Rent must be **paid in advance**
- Typical rent **payment periods:** a fortnight or a week
- Max payment period is 4 weeks, no charges per calendar month
- **Rent increase:** once in 12 months with 60 days notice
- There is **no cap** on the amount of rent increases
- Unreasonable increases can be disputed within 60 days of notice
- **Rent Arrears** can result in a Notice to Vacate
- Most **Notices to Vacate** can be remedied
- Contact the Tenants' Union for legal assistance with rent issues!

**Tenants'
Union of
Tasmania**

The information in this fact sheet is not legal advice. It is intended as a guide only. It applies only to legislation current in Tasmania as at 27 March 2018. For information regarding a specific tenancy problem, please phone the Tenants' Union on (03) 6223 2641 or 1300 652 641. The Tenants' Union of Tasmania Inc accepts no responsibility for actions based on this information, nor for actions based on electronic translations of this.

If a tenant believes an increase is unreasonable it may be challenged with the Residential Tenancy Commissioner (RTC). Tenants will have 60 days from notice of the rent increase to lodge a dispute. In deciding if an increase is unreasonable the RTC takes into account the general level of rents for comparable premises in the locality and any other relevant matter. The Tenants' Union can provide advice on this.

Rent Arrears

Rent must always be paid when it falls due. This is a condition of all lease agreements. Rent Arrears occur when a tenant fails to pay rent for a period they are in the property.

RENT ARREARS - an example:

A payment period is for April 1 to April 14, so the rent should be paid on April 1. If the rent is not paid until April 5, rent is in arrears from April 1 until April 4. Once the fortnightly rent amount is paid, the rent is no longer in arrears, it is correctly in advance until April 14.

NOTE: Rent is due again on regular payment date, not in a fortnight from the last payment.

Notice to Vacate - Eviction Notice

Should a tenant get behind in rental payments the landlord/agent may issue a Notice to Vacate (eviction notice) for rent arrears. This notice must specify the amount of arrears owing at the time the notice is provided.

A Notice to Vacate for rent arrears must give at least **fourteen (14) clear days** notice to solve the problem. This allows the tenant to:

- ▶ Pay the arrears owing, thus remedying the problem, and no further action can be taken, OR
- ▶ Vacate the property (note that any rent arrears may be taken from the bond).

It is important to note that during any twelve month period, if a tenant receives **three Notices to Vacate specifically for rent arrears**, the tenant can no longer remedy the breach. In simple terms - this is a three strike rule.

If a landlord/agent issues the third and final Notice to Vacate and the tenant does not vacate the property the landlord may apply to the Magistrates Court for an Order for Vacant Possession (eviction). This may also occur on any other Notice to Vacate for arrears if the arrears are not paid.

If you fall behind in rent...

- ✓ Be active in finding a solution and DO NOT ignore the problem.
- ✓ Contact the landlord/agent to discuss the issue as soon as possible.
- ✓ If possible pay the arrears or enter into a payment plan to repay the arrears.
- ✓ Contact the Tenants' Union with any queries about the legality of the action taken against you.
- ✓ Housing Connect (Phone: 1800 800 588) may be able to provide assistance in paying rent arrears and bonds (conditions apply)

USEFUL CONTACTS

Tenants' Union of Tasmania (TUT)

166 Macquarie Street Hobart

☎6223 2641 or 1300 652 641

www.tutas.org.au

Residential Tenancy Commissioner

(Consumer Affairs & Fair Trading)

☎1300 654 499

Legal Aid Commission of Tasmania

☎1300 366 611

Housing Connect

(including Rent and Bond Assistance)

☎1300 729 400

Anti Discrimination Commission

☎6224 4905 or 1300 305 062

Women's Legal Service

☎1800 682 468

Hobart Community Legal Service

☎6223 2500

TUT @ Launceston Community Legal Centre

☎1800 066 019

TUT @ North West Community Legal Centre

☎6424 8720