

# Rent Increases After the Emergency Period

*This fact sheet contains general information about how rents can be increased.*

*'Lessor' is a term for your landlord.*

## The Rent Increase Moratorium

In response to the COVID-19 pandemic, laws were put in place to prevent rents from increasing. The new laws created an 'emergency period' lasting from 20 March 2020 to 28 March 2021 (for more information, see our [COVID-19](#) fact sheet).

During the emergency period, your rent cannot increase. When the emergency period ends, your rent can increase.

### 1. I live in a private rental. How can my rent legally increase?

If you live in a private rental (meaning you rent from a private lessor or a real estate agent), there are two ways that your rent may increase.

1. Your lessor can ask you to agree to a new lease which starts immediately after your current lease expires, at a higher rent. This is often called 'renewing your lease'. If you agree, the rent will increase from a certain date, usually 30 days after your new lease commences.
2. Your lessor can give you a [Form 10 'Notice to Tenant of Rent Increase'](#). If the notice is valid, the rent will increase from a certain date.

### 2. What happens if I renew my lease at a higher rent? When do I have to start paying the higher rent?

You are not required to pay the higher rent for the first 30 days of the new lease.

You are not required to pay the higher rent until the first day after the end of the emergency period (29 March 2021).

You are required to pay the higher rent either 30 days from the start of the new lease, or on the first day after the end of the emergency period, whichever is later.

The 30 day 'grace period' only applies when **renewing** your lease; that is, if you agree to a new lease which starts immediately after your previous lease expires. If you have a lease with no fixed end date, and you agree to a new lease at a higher rent, the higher rent will become payable from the start of your new lease or the day after the end of the emergency period, whichever is later.

*Amanda's current lease is ending on 15<sup>th</sup> February 2021. She has agreed with her lessor to renew the lease, at a rent of \$20 per week higher than her current rent. The renewed lease will start on 16<sup>th</sup> February 2021, immediately after her current lease finishes.*

*Amanda is not required to pay the increased rent for the first 30 days of the new agreement, until 18<sup>th</sup> March 2021. However, the 18<sup>th</sup> March 2021 is during the emergency period. The end of the emergency period is later than the end of the first 30 days of the new agreement. So, Amanda's rent will not increase until 29<sup>th</sup> March 2021.*

*Derek's current lease is ending on 20<sup>th</sup> March 2021. He has agreed with his lessor to renew the lease, at a rent of \$50 per week higher than his current rent. The renewed lease will start on 21<sup>st</sup> March 2021, immediately after his current lease finishes.*

*Derek is not required to pay the increased rent for the first 30 days of the new agreement, until 20<sup>th</sup> April 2021. Even though the end of the emergency period is 28<sup>th</sup> March 2021, Derek does not pay the increased rent until 20<sup>th</sup> April 2021 because the 20<sup>th</sup> April 2021 is later than the end of the emergency period.*

### **3. If I sign the new lease, I won't be able to afford the higher rent. What should I do?**

You have three main options.

- 1.** You could try to negotiate with your lessor to agree on a rent that you can afford. For more information, see our 'negotiation' fact sheet
- 2.** You could refuse to sign the new lease. If you refuse to sign the new lease, your lessor can choose to terminate your current lease when it expires. For more information, see our termination fact sheet. If your lessor does not choose to terminate your lease, the lease will continue as a periodic tenancy agreement at the same rent. Be aware that the lessor can issue you with a Form 10 Notice of Rent Increase if you are on a periodic lease – see below.
- 3.** You could look for somewhere else to move to, and then give notice in writing to terminate your lease. For more information, see our [Ending Your Tenancy](#) fact sheet.

Think carefully before signing a new lease, and make sure you will be able to maintain the agreed rent payments. You may wish to speak to a financial counsellor to plan what will be affordable for your household (details at the end of this fact sheet).

### **4. What happens if I receive a Form 10 'Notice to Tenant of Rent Increase'?**

The rent can increase if you are given this notice and the notice is valid.

**5. I received a Form 10 'Notice to Tenant of Rent Increase'. How much can the rent increase by?**

The amount that the rent can increase by depends on whether you have a fixed term agreement or a periodic agreement.

**6. Do I have a fixed term agreement or a periodic agreement?**

You have a fixed term agreement if you signed a lease with a fixed end date, and the end date has not passed yet. Often these agreements will be for six or twelve months.

You have a periodic agreement if either:

- You signed a lease with no fixed end date; or
- You signed a lease with a fixed end date, and the end date has passed, and neither you nor the lessor took any action to terminate the agreement or enter a new agreement.

**7. I have a fixed term agreement and I received a Form 10 'Notice to Tenant of Rent Increase'. How much can the rent increase by?**

During a fixed term agreement, your rent can only increase if the lease contains a term stating how the rent will increase. For example:

- Your lease could contain a term which states that the rent will increase by \$20 per week;
- Your lease could contain a term which states that the rent will increase by 15% per week;
- Your lease could contain a term which states that the rent will increase in accordance with CPI.

If your lease contains a term like this, then the rent can only increase as much as that term allows. For example, if your lease says that the rent can increase by \$20 per week, the rent can only increase by \$20 per week.

If your lease does not contain a term stating how the rent will increase, your lessor cannot increase your rent until after your lease has expired.

**8. I have a periodic agreement and I received a Form 10 'Notice to Tenant of Rent Increase'. How much can the rent increase by?**

During a periodic agreement, there are no limits on how much the rent can increase by. Your rent can increase even if your lease does not say that the rent can increase.

**9. I received a Form 10 'Notice to Tenant of Rent Increase'. How much notice does the lessor have to give me before the rent increases?**

To increase the rent, the lessor must give you a [Form 10 'Notice to Tenant of Rent Increase'](#). The notice must state how much the new rent will be. The notice must state the date that the rent will increase.

The date that the rent will increase must be not less than 60 days after you receive the notice.

The date that the rent will increase must be not less than 6 months from when you moved into the property.

The date that the rent will increase must be not less than 6 months after your last rent increase.

If the date that the rent will increase is inside the emergency period, the rent will not increase until the day after the end of the emergency period (29 March 2021). You do not need to start paying the higher rent until the day after the end of the emergency period.

*Michelle moved in two years ago, and has not had a rent increase for one year. Michelle received a Form 10 Notice to Tenant of Rent Increase on 1<sup>st</sup> January 2021 which says that the rent will increase from 5<sup>th</sup> March 2021. This date is before the end of the emergency period, so Michelle's rent will only increase after the end of the emergency period. Michelle will start paying the higher rate of rent from 29<sup>th</sup> March 2021.*

*Abdul moved in one year ago, and has never had a rent increase. Abdul received a Form 10 Notice to Tenant of Rent Increase on 28<sup>th</sup> February 2021 which says that the rent will increase from 2<sup>nd</sup> May 2021. This date is after the end of the emergency period, so Abdul's rent will increase on the 2<sup>nd</sup> May 2021. Abdul will start paying the higher rate of rent from 2<sup>nd</sup> May 2021.*

## **10. What if I am given a Form 10 'Notice to Tenant of Rent Increase' and I can't afford the higher rent?**

You have three main options.

- 1.** If you are on a periodic agreement, or reaching the end of a fixed term agreement, you could look for alternative accommodation that you can afford, and then give notice in writing to terminate your lease. There are rules about terminating your lease that you must consider: see our [Ending Your Tenancy](#) fact sheet.
  - Note that it can be more difficult to terminate your lease before the end of a fixed term agreement. For more information, see our [Breaking Your Lease](#) fact sheet.
- 2.** You could try to negotiate with your lessor for a smaller or no rent increase. For more information, see our 'negotiation' fact sheet.

3. In some circumstances, you could apply to court for an order that the rent is set by the court. Before making an application to court, see our [Rent Increases](#) fact sheet.
  - Note that in almost all circumstances, if you wish to apply to court for an order that the rent is set by the court, you must apply within thirty days of receiving the Form 10 'Notice to Tenant of Rent Increase'.
  - It is generally a good idea to seek legal advice before applying to court.

### 11.1 I live in social/community housing and the rent is increasing

Different rules apply if you live in social housing or community housing.

If your rent increased due to an increase in household income, but there was no change to the method of calculation of rent, you must pay the increased rent.

If you have received notice that the method of calculation of rent will change, you are required to pay according to the new method of calculation if:

- the change in method of calculation of rent takes effect not less than 60 days after you are given the notice;
- the change in the method of calculation of rent takes place not less than 6 months after the last time the method of calculation of rent was changed; and
- the change in the method of calculation takes place after the end of the emergency period.

If you received a notice that the method of calculation of rent would change during the emergency period, you don't have to pay according to the new method of calculation until 29 March 2021.

We advise seeking legal advice if you are unsure about your rent increase in social/community housing.

### Useful contacts and resources

You can call the Financial Counsellors Helpline on 1800 007 007 for financial support and financial advice.

If you are having difficulty negotiating with your lessor, see our Negotiation fact sheet.

To assist in paying for a rent increase, you may be eligible for a residential rent relief grant. See our [Residential Rent Relief Grant Scheme](#) fact sheet and Consumer Protection's [website](#). At any stage, if you are unsure of your rights, see our other [fact sheets](#) or consider seeking legal advice.

#### Disclaimer:

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