Private Tenancy Explained: Rent Increases

This factsheet explains:

- How often can my landlord increase my rent?
- How much can my rent increase?
- Rent increases for fixed term and periodic tenancies
- Notice for rent increases

This factsheet gives general legal information. It is not legal advice.
Last reviewed on 4 November.

How often can my landlord increase my rent?

Your rent cannot be increased more than **once every 12 months**. This rule applies even if your fixed-term tenancy ends and you sign a new agreement or your tenancy becomes periodic.

The only exception is if your tenancy agreement includes a special term allowing rent to increase more often, and ACAT has approved that term.

The law treats back-to-back tenancy agreements as one continuous tenancy for rent increases. For example, if you sign two 6-month fixed-term agreements for the same property, your landlord can still only increase your rent once during that 12-month period.

How much can my rent increase in a fixed term tenancy?

If you have a fixed-term tenancy agreement, your rent usually cannot increase during the fixed term.

The only exception is if your tenancy agreement says your rent can increase. This is not common, but it is a good idea to check your agreement.

If your agreement allows a rent increase, it must clearly explain:

- How much the rent will increase; or
- How the increase will be worked out.

Private Tenancy Explained: Rent Increases

Any rent increase must also follow the rules in ACT tenancy laws, unless your agreement allows a higher increase.

What happens when my fixed-term agreement ends?

If you stay in your property after your fixed-term agreement ends and you and your landlord do not end the tenancy, your agreement will automatically become a periodic tenancy (also called a month-to month tenancy).

Once your tenancy becomes periodic, the rules for rent increases in periodic tenancies will apply.

Your landlord cannot end your tenancy just because you do not agree to a proposed rent increase.

What if I sign a new fixed-term agreement?

If you and your landlord agree to sign a new fixed-term tenancy agreement, you can negotiate the new rent before you sign the agreement.

How much can my landlord increase the rent in a periodic tenancy?

In a periodic tenancy, ACT law sets a limit on how much your landlord can increase your rent without ACAT's approval. The limit is based on changes in the cost of renting.

If your landlord wants to increase your rent:

- they must tell you if the proposed increase is above the legal limit
- you do not have to agree to a rent increase that is above the limit
- if you do not agree, your landlord must apply to ACAT for approval before they can increase the rent above the limit.

If your landlord applies to ACAT, they must show that the rent increase is not excessive.
The rules about excessive rent increases only apply to **periodic tenancies.**

How much notice do I need to be given before a rent increase?

Your landlord must give you at least 8 weeks' notice in writing. The notice must state:

- The amount of the proposed increase;
- Whether the proposed increase is more than the rent increase limit amount, and

Private Tenancy Explained: Rent Increases

- If the proposed increase is more than the permitted amount – the notice must state that if you do not agree to it, the landlord must seek ACAT's approval before the increase can take effect.

As a tenant, you do not need to agree to an excessive rent increase and you have the right to have ACAT review the landlord's proposal.

If you think your landlord or real estate agent has not given you the correct notice of a rent increase, tell them as soon as possible. You may also want to get legal advice.

A rent increase is not valid unless your landlord has followed the notice requirements or ACAT has approved the increase.

You can talk to a lawyer for free through Legal Aid ACT's Tenancy Advice Service. Contact 1300 402 512 to make an appointment to talk to a lawyer.

Can I challenge a rent increase that is less than the allowed amount?

If your landlord wants to increase your rent by an amount that is within the legal limit, they can usually do so as long as they have followed the other rules. For example, they must give you the correct notice and at least 12 months must have passed since the last rent increase.

If you think the proposed rent increase is unfair, you can apply to ACAT to challenge it. For example, you may think the property is in poor condition and the increase is too high.

If the proposed increase is within the legal limit, you will need to show ACAT why the increase is excessive. You may want to get legal advice before applying to ACAT.

You can talk to a lawyer for free through Legal Aid ACT's Tenancy Advice Service. Contact 1300 402 512 to make an appointment to talk to a lawyer.

How will ACAT decide rent increase disputes?

In deciding whether to approve a rent increase, ACAT is required to consider:

- When the rent was last increased, and by how much.
- The landlord's costs for the property.
- The value of any services, or goods or fixtures the landlord provides such as appliances or furniture.
- The condition of the property.

Private Tenancy Explained: Rent Increases

- The rent charged for similar properties.
- Any improvements you have lawfully made to the property.

ACAT will also consider any other information that is relevant, including what both you and the landlord have to say.

ACAT will allow the rent to increase if:

- the increase follows the tenancy agreement and the landlord has followed the law; or
- after considering all the circumstances, ACAT decides the increase is not excessive.

Can I move out if I am unhappy with the rent increase?

If you are unhappy with the proposed rent increase in a periodic tenancy and either you do not wish to go to ACAT, or ACAT has approvedthe increase, you can decide to end your periodic tenancy and move out instead. If you want to do this, you must give 3 weeks' written notice to the landlord.

You can talk to a lawyer for free through Legal Aid ACT's Tenancy Advice Service. Contact 1300 402 512 to make an appointment to talk to a lawyer.

Helpful contacts

Legal Aid ACT

- Phone: 1300 654 314 (Monday to Thursdays, 8.30am to 7pm, Fridays 8.30am to 5pm)
- Website: www.legalaidact.org.au

Tenancy Advice Service

- P: 1300 402 512 (Monday to Thursdays, 8.30am – 7pm, Fridays 8.30am – 5pm)
- www.legalaidact.org.au/tasact

ACAT (ACT Civil and Administrative Tribunal)

- P: (02) 6207 1740
- https://www.acat.act.gov.au/case-types/rental-disputes

These factsheets are on our website: www.legalaidact.org.au/what-we-do/information-education