

Rent increases

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 it must be in the prescribed form. If the notice is sent by mail, they must allow an additional 2 business days for the notice to reach you.

The notice can only provide for one rent increase and it must advise you of your right to apply to Consumer Affairs Victoria to investigate the proposed increase if you think it is unreasonable. The notice must also advise that you have 30 days to make your complaint to Consumer Affairs. You can contact Consumer Affairs on ☎ (03) 9627 6222 or ☎ 1800 136 716.

If a rent increase notice doesn't meet all of these conditions it is invalid.

Challenging a rent increase

If you think the rent increase is too high, you can request that an inspector from Consumer Affairs Victoria come and inspect your home to determine whether 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 123A
Melbourne VIC 3001

The inspector should look at the state of repair, the facilities and any services provided with the premises and compare the rent charged for your home with that of similar properties in the same area. You should provide the inspector with any information about the property that will support 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 provided by you rather than by the landlord.

After the inspection, the inspector will provide you with a report. Once you have the report you can apply to the Victorian Civil and Administrative Tribunal to ask them to determine if the rent is excessive. You must apply within 30 days of receiving the inspector's report.

If the Tribunal finds that the rent 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) for which the landlord cannot increase the rent. However the Tribunal will make these orders only if the proposed increase is significantly more than the rent paid for similar properties in the area.

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 a decision. If the decision is in your favour, the Tribunal can order that you be reimbursed any increased rent that you have already paid.

Reduction in services or utilities

If your landlord reduces any services or facilities available with the property (eg closes a communal laundry), you can request a report from Consumer Affairs Victoria as to whether the rent on your property should be reduced. Once you have the report, you can apply to the Tribunal for an order that the rent be reduced. The Tribunal will only set a new rent if the rent is significantly more than the rent paid for properties with the same facilities in the same area.

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 the amount of the increase, 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 an agreement with your landlord or agent so you don't have to take the next step of going to the Tribunal. Make sure any agreement you reach is in writing, signed by yourself and the landlord or agent.

Refusal to pay the increase

If the landlord or agent has given you a valid notice of a rent increase and you refuse to pay it, you will be in rent arrears. 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 have 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.