

# Rent increases

As a tenant you have rights under the *Residential Tenancies Act 2010* and *Residential Tenancies Regulation 2019*. This factsheet summarises the law in NSW about how rent may be increased, including how often it may be increased, correct notice, and what to do if the increase is excessive.

## How can the rent be increased?

The landlord/agent can only increase the rent provided that:

- they give you **correct written notice** of the increase, or
- a rent increase is **stated in your tenancy agreement**.

If you are a tenant in social housing – public or community housing – see ‘Social housing has extra rules’ below.

## How often can rent be increased?

How often the rent can be increased depends on the type of tenancy agreement you have. A *fixed-term* agreement is for a specified period (e.g. 6 months). A *periodic*, or ‘continuing’ agreement is where the fixed-term has expired or no fixed-term is specified.

**If you have a *periodic agreement*, or a *fixed-term agreement of 2 years or more*, then your rent can be raised once in a 12-month period.** You must be given 60 days proper written notice. The notice must specify:

- the increased rent
- the day from which the increased rent applies

If the landlord/agent posts the notice, they must allow an extra 7 working days for delivery.

**If you have a *fixed-term agreement of less than 2 years*, a separate notice of rent increase is not required** – however if there is a rent increase during the fixed-term it must be included in the tenancy agreement, as a term of the agreement. The start date must be stated, and the amount, or a certain method for calculating the amount, must also be stated. Check your agreement for rent increase terms before signing it. Whether there are rent increases in the fixed-term is a matter of negotiation and agreement between landlord and tenant. When and how much should be agreed before signing the agreement.

Agreement type	Permitted frequency
Periodic (ongoing)	once in any 12-month period, with 60 days written notice
Fixed-term of 2 years or more	once in any 12-month period, with 60 days written notice*
Fixed-term of less than 2 years	as per your written tenancy agreement*

\* When signing a new fixed-term agreement for an existing tenancy, 60 days notice is still required.

## Renewing your tenancy with a new fixed-term agreement

If you are renewing your tenancy by signing up to a new fixed-term agreement, the rent cannot be increased by the new agreement simply having a higher rent term.

Notice of rent increase on renewal is required. The notice period is 60 days. The notice is required before the agreement is renewed. See the note under section 41(2) of the *Residential Tenancies Act 2010*.

## Oral tenancy agreements

A tenancy without a written agreement cannot have a rent increase during the first 6 months. Also, no grounds termination cannot be used during that first 6 months.

## What if the rent increase notice is incorrect?

If you do not get 60 days notice and/or notice is not given in writing, you do not have to pay the increased rent.

You can write to the landlord/agent explaining that the notice is incorrect. Continue to pay your current rent.

If the landlord/agent still wants to increase the rent, they must give you a new notice.

If you pay an invalid rent increase, you can apply to the Tribunal for repayment, but you must apply within 12 months of the increase. Get advice from your local Tenants Advice and Advocacy Service if you want to make an application.

## Excessive rent increases

If you think a rent increase is excessive, you can:

- negotiate with the landlord/agent to lower or withdraw the increase, and/or
- apply to the NSW Civil and Administrative Tribunal (NCAT) for an order that the new rent is excessive. You must apply within 30 days of getting a rent-increase notice. (See below for more detail about applying to the Tribunal).

## Negotiating a smaller rent increase

Ask to meet with the landlord/agent. You can offer to pay a smaller amount of extra rent per week or to pay the increase gradually over 6–12 months. If the landlord/agent seems interested, put a proposal in writing.

While negotiating, apply to the Tribunal within the 30-day time limit in case you cannot come to an agreement.

See our *Rent Increase Negotiation Kit* for tools to help you negotiate: <https://tenants.org.au/resource/rink>

### Applying for an excessive rent order

If the Tribunal finds that a rent increase excessive, it will make an *excessive rent order*. The order will specify:

- the amount that the rent must not exceed
- the day from which this maximum rent applies – for a period of up to 12 months

When deciding if a rent increase is excessive, the Tribunal will consider:

- rents for similar premises in the same or a similar area ('general market level of rents')
- the landlord's outgoings under the tenancy agreement
- any fittings, appliances or other goods, services or facilities provided with the premises
- the state of repair of the premises
- the accommodation and amenities provided in the premises
- when the last increase was
- any work you have done to the premises
- any other matter it considers relevant

The Tribunal will not consider your income or whether you can afford the increase.

### Preparing an excessive rent case

Gather evidence to present at the Tribunal hearing:

- Look at similar properties in your area (at least 3), take photos, and gather evidence of the rent for the properties (through real estate agent listings or statutory declarations from current tenants – advertised listings may not be enough).
- Check out your area and dwelling type on our *Rent Tracker Postcode Tool*, or generate a personalised letter and data summary using our *Rent Increase Negotiation Kit*: <https://tenants.org.au/resource/rink>
- Refer to the latest *Rent and Sales Report* on the DCJ Housing website (<https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales>), which has the median rents in every local government area in NSW.
- Make a list of repairs done by the landlord (if any).
- Make a list of all rent increases since you lived at the premises.
- Gather receipts for any work you have had done to the premises with the landlord's consent.
- Take photos showing the condition of the premises.
- Find out if council and water rates have increased in recent years – get this in writing if possible (in case the landlord claims increased charges as a reason for the rent increase).

See Factsheet 11: *NSW Civil and Administrative Tribunal* and contact your local Tenants Advice and Advocacy Service for advice.

## Social housing has extra rules

If you live in social housing – public housing, community housing, or an Aboriginal Housing Office tenancy – you will likely have a rent rebate as well. The usual rules apply, plus your rebate can change. When the rebate is reduced, the rent you pay will increase.

You can apply to your landlord for review of a rebate change decision, and then appeal to the Housing Appeals Committee. The Tribunal cannot review a rebate change decision.

If your rebate is cancelled, you can apply for review and appeal plus apply to the Tribunal for an excessive rent order (see above).

Contact your local Tenants Advice and Advocacy Service if you have questions about rent or rebate changes.

## See also

- *Rent Increase Negotiation Kit*: [tenants.org.au/resource/rink](https://tenants.org.au/resource/rink)
- *Tips – Negotiation with the landlord*: [tenants.org.au/resource/negotiation-tips](https://tenants.org.au/resource/negotiation-tips)
- *Podcast episode: Negotiation for renters*: [tenants.org.au/resource/renting-matters#rb1](https://tenants.org.au/resource/renting-matters#rb1)
- Factsheet 5: *Rent arrears*
- Factsheet 11: *NSW Civil and Administrative Tribunal*

## Contacts

- NSW Civil and Administrative Tribunal: phone 1300 006 228, [ncat.nsw.gov.au](http://ncat.nsw.gov.au)
- Housing Appeals Committee: phone 02 8741 2555, free call 1800 629 794, [www.hac.nsw.gov.au](http://www.hac.nsw.gov.au)

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### For free advice, call your local Tenants Advice & Advocacy Service:

#### SYDNEY:

- Eastern 9386 9147
- Inner 9698 5975
- Inner West 9559 2899
- Northern 9559 2899
- Southern 9787 4679
- South West 4628 1678
- Western 8833 0933

#### REGIONAL:

- Blue Mountains 4704 0201
- Central Coast 4353 5515
- Hunter 4969 7666
- Illawarra Sth Coast 4274 3475
- Mid Coast 6583 9866
- Northern Rivers 6621 1022
- Northwest NSW 1800 836 268
- Southwest NSW 1300 483 786

#### ABORIGINAL:

- Sydney 9833 3314
- West NSW 6881 5700
- South NSW 1800 672 185
- North NSW 1800 248 913

WEBSITE: [tenants.org.au](https://tenants.org.au)

NSW FAIR TRADING: 13 32 20

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