

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.

From 31 October 2024 the *Residential Tenancies Act 2010* changed. The new rules restrict how often rent increases are allowed. There is now a **12 month cap on rent increases** for most tenancy agreements – the landlord/agent cannot increase your rent:

- within the first 12 months since the start of the tenancy, or
- more than once in any 12 month period

This new limit is in effect and applies to all periodic (ongoing) agreements, and most fixed-term agreements. There are a small number of '**excluded agreements**' (see 'How often can rent be increased' below). If you are unsure if you have an 'excluded agreement' or not, contact your [local Tenants' Advice and Advocacy Service](#).

The new 12 month limit on rent increases also applies to any **new agreement** for the same premises (including renewal), as long as the landlord and at least one tenant remains the same.

You are entitled to **proper written notice** for all rent increases.

If you are a tenant in public or community housing – social housing – see 'Public and community housing tenants' below.

Is the rent increase notice valid?

The landlord/agent can only increase the rent if they follow the legal requirements for correct notice below. These requirements apply to all residential tenancy agreements – both fixed-term and periodic (ongoing) – and including renewal of a fixed-term agreement.

Correct written notice

Correct notice of a rent increase must:

- Be in writing
- State the increased rent
- State the day from which the increased rent applies

Correct notice period

- The landlord/agent must give you at least **60 days notice** of a rent increase.
- If the landlord/agent posts the notice, they must allow an extra 7 working days for delivery.

There is now also a **12 month cap on rent increases** for most agreements (see below). This means that for most tenancies, a rent increase is **not valid** if it is:

- within the first 12 months since the start of the tenancy, or
- more than once in any 12 month period

How often can rent be increased?

There is now a **12 month cap on rent increases** for most agreements. This means that for most tenancies, the landlord/agent **cannot** increase your rent:

- within the first year of the start of the tenancy, or
- more than once in any 12 month period

This new limit on rent increases applies to all periodic agreements and most fixed-term agreements. There are a small number of '**excluded agreements**', which are fixed-term agreements of less than 2 years, signed before 13 December 2024, and with a built-in rent increase. When the fixed term expires, the tenancy will fall under the 12 month cap on rent increases like all other tenancies. If you are not sure if your agreement is excluded or not, contact your [local Tenants' Advice and Advocacy Service](#) for advice.

Additionally, for any **fixed-term agreement** (including the 'excluded agreements' described above) your rent can only be increased if it is a written term of the tenancy agreement. The amount of the rent increase (or method of calculating it) must be specified in the agreement.

The 12 month limit on rent increases also applies to any **new agreement** or renewal of a fixed-term agreement for the same premises – as long as the landlord and at least one tenant remains the same.

You must be given correct written notice of a rent increase (see above) under all residential tenancy agreements.

What if the rent increase notice is incorrect?

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

For most agreements, if the landlord/agent tries to increase the rent within the first 12 months since the start of the tenancy, or **more than once in any 12 month period** after the first year of the tenancy, you do not have to pay the increased rent.

Continue to pay your current rent. It is a good idea to write to

the landlord/agent explaining that the notice is invalid. See [Sample letter: Invalid rent increase](#).

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 NSW Civil and Administrative Tribunal (NCAT) for repayment, but you must apply within 12 months of the increase. It's a good idea to get advice from your [local Tenants' Advice and Advocacy Service](#) if you want to make an application.

What if the rent increase is excessive?

Under tenancy laws a rent increase may be considered "excessive" if it is **above market rent** – considering the size, condition, and features of the property. Other factors, such as your income or the increasing rents across NSW, **are not taken into account** by the law. However you can still appeal to these other factors in negotiations with the landlord/agent if you wish.

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.

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 seems interested, put a proposal in writing. See [Rent Increase Negotiation Kit](#).

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



Applying to the Tribunal for an excessive rent order

For an excessive rent application, you must apply **within 30 days** of getting a rent-increase notice. If the Tribunal finds that a rent increase is 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, NCAT 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 at the Tribunal

Gather evidence to present at the Tribunal hearing:

- 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](#).
- 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).
- Refer to the latest [Rent and Sales Report](#) on the DCJ Housing website, which has the average 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: NSW Civil & Administrative Tribunal](#) and your [local Tenants' Advice and Advocacy Service](#) for advice.

What happens to the bond if the rent is increased?

The landlord/agent cannot require you to pay more (or another) bond when the rent is increased.

See [Factsheet: Bond](#) for more information.

Public and community housing tenants

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 described above 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 NSW Civil and Administrative Tribunal (NCAT) 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](#) for advice.

Oral tenancy agreements, sub-tenants, boarders and lodgers

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.

Renting rules are different for boarders, lodgers, and sub-tenants without a tenancy agreement. For more information contact your [local Tenants' Advice and Advocacy Service](#). See also [Factsheet: Boarders and lodgers](#), and [Factsheet: Share housing](#)

See also

- Factsheets: [Rent payment](#), [Overdue rent](#), [NCAT](#).
- [Rent Increase Negotiation Kit](#).
- Tips: [Negotiating with the landlord](#)
- Podcast episode: [Negotiation for renters](#)
- NCAT: phone 1300 006 228, ncat.nsw.gov.au
- Housing Appeals Committee: 1800 629 794, nsw.gov.au/departments-and-agencies/housing-appeals-committee



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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	4276 1939
• 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

WEB: tenants.org.au

NSW FAIR TRADING: 13 32 20

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