

Paying your Rent

A tenant is required to pay rent on time and in full during the tenancy.

Failure to pay rent is a ground for terminating the tenancy.

The tenancy agreement may specify the mode of payment of rent, which the tenant should comply with. The lessor must provide at least one mode of rent payment that does not cost the tenant.

Unless the rent is paid by direct debit into a bank account nominated by the lessor, the lessor is required to provide a receipt.

The lessor is required to keep records of the payment of rent for at least 12 months after the tenancy ends.

When can my rent be increased?

Normally, the rent cannot be increased during a fixed term unless the tenancy agreement specifically sets out the amount of the increase or a method for working out the increase.

In a periodic tenancy, the rent can generally be increased once in every 12 months. To seek a rent increase the lessor has to give eight weeks' notice of the proposed rent increase.

What is an excessive rent increase?

A rent increase is considered excessive if it is more than the amount set under the RTA (the prescribed amount). There is a formula for calculating the prescribed amount. The formula uses the percentage increase in the rents component of the housing group of the Consumer price Index (CPI) for Canberra published by the Australian Bureau of Statistics (ABS). The CPI figures can be found at the ABS website: <https://www.abs.gov.au/Price-Indexes-and-Inflation>. The prescribed amount is 110% of the percentage increase for Canberra.

In other words, the lessor can increase the rent on a property by ten percent more than the increase in the Consumer Price Index.

It is possible for the lessor to increase the rent by more than the prescribed amount if:

- The tenancy agreement permits the increase; or
- The tenant agrees to the increase in writing after having been given 8 weeks written notice of the increase. The notice must also state that if the tenant doesn't agree the lessor can only make the increase with ACAT approval; or
- The lessor obtains ACAT approval.

Can I object to a rent increase?

ACAT has the power to review rent increases. ACAT will allow a rent increase if it is not excessive.

A rent increase is likely to be found excessive if it is more than the prescribed amount set under the RTA.

If the rent increase is less than the prescribed amount the tenant will need to satisfy ACAT the rent increase is excessive.

If the rent increase is greater than the prescribed amount the lessor will need to satisfy ACAT that the increase is not excessive.