

## Tenancy: Rent Increases

There are rules about how often, and by how much, your rent can be increased. Your landlord or real estate agent must also follow certain rules to give you proper notice of the proposed increase. Make sure you know your rights if your landlord or agent proposes to increase your rent.

The way the rent increase rules applied prior to 10 December 2024 depended on whether you were in a fixed term or periodic residential tenancy agreement. To an extent this difference has reduced when considering the rules applying to rent increases that came into effect on 10 December 2024.

### How often can my landlord increase my rent?

Prior to 10 December 2024 two minor loopholes existed that could allow a landlord to increase the rent more frequently than once every 12 months. These were where:

- the landlord and the tenant agreed to a special term allowing more frequent increases and the term was endorsed by ACAT; and
- the landlord and the tenant entered into a series of short-term fixed agreements over the same premises.

In a single fixed term or periodic tenancy a landlord can only increase rent if it has been 12 months or more since the most recent of:

- the beginning of the original tenancy agreement; or
- the date notice was given about the last rent increase

If a landlord and tenant enter consecutive tenancy agreements, ~~the landlord can only increase the rent~~

if it has been 12 months or more since the most recent of either:

- the beginning of the original tenancy agreement
- the date notice was given about the last rent increase

### How much can my rent increase in a fixed term tenancy entered into before 10 December 2024?

In fixed term agreements entered into before 10 December 2024, your rent cannot be increased during the fixed term, unless your agreement specifically provides for rent increases to occur.

**A rental rate increase for premises must not be more than the amount prescribed by the regulations unless the agreement allows the lessor to increase the rental rate by the higher amount.**

This is not common but check your agreement to make sure this does not apply to you. If your agreement does provide for rent increases, it **must** state the amount of the increase or the method for calculating the increase as part of the agreement.

If you are approaching the end of a fixed term agreement, remember that unless you end the tenancy, it will automatically become a periodic tenancy after the end of the fixed term. Your landlord cannot end your tenancy for no reason, or because you do not agree to a proposed rent increase.

If you are considering entering a new fixed term agreement (for example, for a further 12 months in the property), it will become what is known as a consecutive tenancy agreement and will be subject

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to the constraints mentioned above in relation to minimum 12 month intervals between rental increases and also be subject to constraints in relation to excessive rent increases.

### How much can your landlord increase the rent?

The rules in the Act aim to ensure that rent increases are 'not excessive' (unless exceptional circumstances apply). The Act permits landlords to increase rent by a certain amount.

You can use the [rent increase calculator](#) (link attached below) to find out if a proposed rent increase is allowed

[Rent increase calculator - Justice and Community Safety Directorate](#)

In effect, this amount acts as a limit on rent increases.

- Any increase above the limit is generally considered an excessive rent increase (unless your landlord can convince ACAT it is not excessive).
- Your landlord can **only** impose an excessive rent increase if you agree or if ACAT approves the increase (for pre 10 December 2024 leases).
- If your landlord or agent proposes a rent increase, they must tell you whether the increase is above the limit.
- You **do not** have to agree to an excessive rent increase.

If you do not agree to an excessive rent increase, you can inform your landlord or agent. If the landlord still wants to pursue the increase, it is their responsibility to apply to ACAT to obtain approval for it. The landlord will need to show ACAT that the rent increase should not be considered excessive in all the circumstances of the case.

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

For any rental increase to be effective, the landlord must give you 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
- 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 that you can have a right to have ACAT review the landlord's proposal.

If you think that you have not been given proper notice of the rent increase in accordance with these requirements, you should raise this as soon as possible with your landlord or real estate agent, and/or seek legal advice. The rent increase will not be valid under the Act unless it complies with the notification requirements (or it is otherwise approved by ACAT).

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

If your landlord wants to increase your rent by less than the rent increase limit amount, they are allowed to, provided the other rules around rental increases are being followed (e.g. you have been given proper notice and 12 months or more have passed since the last increase). However, if you disagree with the proposed increase (for example, if you think the property is in a poor state of repair and not worth the rent the landlord is asking), you can still make an application to ACAT to challenge the proposed increase.

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Be aware that if you challenge an increase that is less than the permitted amount, you will need to show ACAT that the increase should be considered excessive. You may wish to seek legal advice before taking the matter to ACAT.

### 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 outgoings or costs in relation to the property.
- The value of any services, or goods or fixtures the landlord provides to the tenant.
- The state of repair of the property.
- Rental rates for comparable properties.
- The value of any improvements to the property carried out lawfully by the tenant.

ACAT will consider any other relevant circumstances of the case and determine the matter taking into account the views of the tenant and of the landlord.

**However**, the ACAT will allow a rental rate to increase if:

- the increase is allowed under the agreement and is not excessive and the lessor has complied with the relevant provision of Residential Tenancies Act 1997 regarding rental increase; and/or
- in any other case – if 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 approved the 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.

### Useful Contacts

#### Legal Aid ACT

Monday to Thursday: 8:30am to 7:00pm

Friday: 8:30am to 5:00pm

[www.legalaidact.org.au](http://www.legalaidact.org.au)

Phone: **1300 654 314**

#### Tenancy Advice Service

[TAS@legalaidact.org.au](mailto:TAS@legalaidact.org.au)

Phone: **1300 402 512**