

RENT INCREASES AND RENT REDUCTIONS

How often a landlord can legally increase the rent for a rental premises depends on the type of tenancy agreement and the terms of that agreement.

Fixed term tenancy agreement

A fixed term tenancy agreement is for a set period of time, for example 12 months. Under a fixed term tenancy agreement, the rent cannot be increased unless the agreement contains a term setting out:

- the right to increase the rent; and
- the amount of the increase or the way an increase will be calculated.

The landlord must also give you at least 30 days written notice of a proposed rent increase, setting out details of the amount of the increase and the date you need to start paying the increased rent. If the landlord does not give such a notice, you are not required to pay the increased rent. In this factsheet, a reference to a landlord generally includes a real estate agent or another person acting on the instructions of the landlord.

Under a fixed term tenancy agreement, rent cannot be increased in the first six months of the tenancy, or within six months of the last rent increase.

Periodic tenancy agreement

A periodic tenancy agreement is where there is no fixed term or where the fixed term has expired. Under a periodic tenancy agreement, each rental period is treated as a separate tenancy agreement. A rental period will be one week if you pay your rent weekly, and a fortnight if you pay your rent fortnightly. This means that a landlord can give a new rent increase at the start of each rental period.

If you refuse to pay the proposed increase, the landlord can terminate the tenancy. See the DCLS 'Termination of tenancy by landlord' factsheet.

Negotiating a lesser increase

If you cannot afford to pay the increased rent, you can ask the landlord to reduce the increase. You should inform the landlord how much of an increase you can afford and your reasons for requesting a smaller increase. Any agreement you reach should be in writing and signed by you and the landlord.

Challenging a rent increase at the NTCAT

If you believe the rent payable under your tenancy agreement is excessive, you can apply to the Northern Territory Civil and Administrative Tribunal* ('NTCAT').

The NTCAT can decide whether the rent payable is excessive considering:

- the general level of rents for similar premises in your area (i.e. market rent); and
- the cost of any services provided by you or the landlord under your tenancy agreement (e.g. gardening or pool maintenance).

The NTCAT will not consider whether you can afford the increased rent. If the NTCAT finds that the rent payable is excessive, it can specify the rent payable under the tenancy agreement for a maximum period of 12 months. You should keep paying the increased rent unless the NTCAT orders otherwise.



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Department of Housing tenants

The law around rent increases applies to the Department of Housing, except where:

- your rent has increased because your rental rebate has been cancelled or adjusted; or
- your tenancy agreement contains a term that states your rent will change automatically at certain intervals as set out in the tenancy agreement or by a decision of the Minister for Housing.

Rent reduction for withdrawal of services If you are not able to fully use and enjoy the rented premises because the landlord has breached a term of the tenancy agreement, you are entitled to a rent reduction. For example, if the landlord does not repair a broken air conditioner, you can request a rent reduction from the date that the landlord fails to do the repair to the date it is repaired.

Any agreement you reach should be in writing, and be signed by both you and the landlord. If you do not reach an agreement, you may apply to the NTCAT for an order that the rent is excessive given the level of services that has been withdrawn.

Among other things, the NTCAT will consider whether the level of services provided under the tenancy agreement has been significantly reduced. You will need to provide evidence to show what was withdrawn, how long it was withdrawn for, and by how much your rent should be reduced. You should keep paying your usual rent unless the NTCAT orders otherwise.

Contact Darwin Community Legal Service for further information.

*If you make an application to the NTCAT prior to approximately June 2015, you will need to use a Commissioner of Tenancies application form. Prior to making an application, contact the NTCAT for up to date information.