



Fact Sheet 14: Rent Increases

The law in the ACT

A rent increase refers to the market rent for a property. Rent increases for tenancy agreements (leases) are covered by the Residential Tenancies Act 1997 (RTA).

The standard terms contained in the RTA specify that:

- Housing ACT is entitled to increase the market rent for your property provided an increase in rent has not occurred in the last 12 months.
- Housing ACT must give you 8 weeks notice in writing of their intention to increase the rent. The notice must include the amount of the increase and the date on which the increase will occur.
- If you believe the increase is excessive, you may apply to the ACT Civil and Administrative Tribunal (ACAT) for a rental rate review.
- If you decide to remain in the property without applying for review, the new market rent will take effect from the date specified in the notice.

Remember: if you are on a rebated rent, a rent increase will not change the amount of rent you pay, unless you lose your entitlement to a rebate.

Challenging Rental Increases

If you receive a notice of a rent increase and you believe that the increase is excessive, you can write to Housing ACT advising why the increase is excessive and asking that it be lowered or withdrawn (keep a copy of the letter).

If there is no satisfactory response, you may apply to the ACAT to have the increase reviewed. If you wish to retain this option, you must file an application with the ACAT at least 14 days before the rent increase is due to come into effect. There are some special circumstances where the ACAT will accept applications up until the day before the increase is due to come into effect, but don't count on this. The ACAT does not have the power to hear an application disputing a rent increase once the increase has come into effect.

If you wish to leave open the option of applying to the ACAT while you are also seeking internal review, apply to the ACAT within the time limit. If the ACAT hears the application before the internal appeal has been completed, you can ask for the hearing to be adjourned while you wait for the outcome of the internal review.

Are there any limits on the amount of a rent increase?

The ACAT may disallow part or all of the increase if they find it to be excessive, initially based on a formula provided by the RTA. If the increase is more than 20% greater than the relevant increase in the Consumer Price Index, as it relates to housing in the ACT, Housing ACT must satisfy the ACAT that the increase is justified. If the increase is less than 20% but you believe it is excessive, the onus is on you to satisfy the ACAT of this.

Under the RTA, in deciding whether an increase is excessive, the Tribunal will also consider:

- a) the rent before the proposed increase;
- b) whether it has been increased previously, the amount of that increase, and the period since that increase;
- c) Housing ACT's costs in relation to the premises;
- d) services provided by Housing ACT to you;
- e) the value of fixtures and goods supplied as part of the tenancy;
- f) the state of repair of the tenancy;
- g) rental rates for comparable premises;
- h) the value of any work performed or improvements made by you, with Housing ACT's consent; and
- i) any other matter the ACAT considers relevant.

In considering these matters, no one factor carries more weight than another. The weight to be attached to each factor may vary depending on the circumstances of each case.

Disclaimer

This fact sheet contains general information available at the time of printing. It does not constitute legal advice. If you have a specific legal problem, please contact Canberra Community Law's advice line on 02 6218 7977.

Canberra Community Law is entirely independent of Housing ACT. All assistance is free.

July 2016