

AUSTRALIA, ACT

Australian Capital Territory (Canberra, ACT)

Organisation: Tenants' Union ACT

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Tenure structure, census 2014

Owner occupied housing: 67.3%

Rental housing:

(i) social rental: 7.2%

(ii) private rental: 22.5%

(iii) others: 3%

Australia has no national rent control; tenancy law is administered by the states.

In ACT, the initial rent when a new tenant moves in, is not regulated, and there legally are no limitations on how much rent the landlord can ask for. No motive is necessary.

How often can the landlord increase the rent, for sitting tenants?

The rent cannot be increased during a fixed term unless the amount of the increase, or a method for working it out, is set out in the agreement.

During a periodic tenancy, the rent may not be increased at intervals of less than 12 months from either the beginning of the tenancy agreement for the first increase, or after that, from the date of the last increase.

The lessor must give the tenant 8 weeks' written notice of intention to increase the rent and include in the notice the amount of the increase, and the date when it is proposed to increase the rent.

How can a sitting tenant challenge rent increases?

To challenge the increase, the tenant must apply to the ACT Civil and Administrative Tribunal for review of an excessive increase in rent more than 2 weeks before the increase is due to take effect. If the increase is less than 20% greater than any increase in the consumer price index (CPI) since the last increase, the tenant must satisfy the Tribunal that the increase is excessive. If it is greater, the lessor must satisfy the Tribunal that the increase is not excessive.

The application fee is AU\$68.

The Tribunal must consider a number of reasons, like the rental rate before the proposed increase; if the lessor previously increased the rental rate while the relevant tenant was tenant; the amount of the last increase before the proposed increase; the state of repair of the premises, the value of any work performed or improvements carried out by the tenant with the lessor's consent, and rental rates for comparable premises.

Duration of leases

All tenancy agreements are what we call indefinite. Meaning that a **fixed term tenancy** agreement automatically becomes a **periodic tenancy** when the fixed term ends. A landlord cannot end a fixed term agreement merely because the fixed term is coming to an end.

In the private market people generally sign initially for a fixed term of usually 12, sometimes 6, months. Fixed terms can be for any length and are harder for either party to terminate.

At the end of a fixed term the tenant is the only party who can terminate because the term has ended.

If the tenant does not terminate, the term automatically moves to an ongoing periodic tenancy that is indefinite, which can last for years.

Notice periods, for periodic tenancies:

For landlords:

4 weeks' notice if lessor/family member/'interested person' genuinely intend to live in premise;

8 weeks' notice if the lessor intends to sell the premises;

12 weeks' notice if the lessor intends to reconstruct, renovate or make major repairs;

26 weeks' notice if no cause (no grounds termination).

For tenants:

Must give 3 weeks written notice to end a periodic tenancy.

Security deposit

4 weeks' rent.

The deposit, called a bond in Australia, must be deposited with the ACT Office of Rental Bonds.

Disputes about return of bond are referred to the ACT Civil and Administrative Tribunal.

Bond disputes are one of the most common issues the Tenants' Union advises on.