



# Rent Increases

College Chronicle  
Newsletter

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# Rent Increases

R E N T

A topic that is attracting a lot of attention at the moment is rent increases.

Due to post-Covid economic changes including increases to interest rates - agents and landlords are having more discussions around what a reasonable amount is for a rent increase and where there may be room for negotiation with existing tenants.

It is the agent's responsibility to advise the landlord if their property warrants an increase due to changes in the rental market. The agent must record the evidence that informed this estimate (that is, recent similar properties that have already been leased) and provide it to the landlord.

Regular rent reviews should be done by the agent, as increasing rents by lesser amounts helps to keep the rent at or near the market level. This in turn avoids the need for large increases that can cause the tenant to leave or encourage them to challenge the increase.

If the fixed term period of a lease has expired and the tenant is on a periodic (continuing) tenancy, the landlord may increase the rent (limited to once every 12 months) by giving the tenant at least 60 days' notice in writing before the date the increased rent becomes payable.

- During a fixed term agreement of less than 2 years, the rent cannot

be increased, unless a term has been added to the agreement. The term in the agreement must state the amount of the increase or the method of calculating the increase (e.g. a dollar amount or a percentage). It cannot be vague, such as 'in line with the market' or 'by the rate of inflation'. The landlord does not need to give the tenant written notice of the increase if it is included in the lease in this manner.

- During a fixed term agreement of 2 years or more, the rent can be increased at any time (providing that 60 days' notice is given) but cannot be increased more than once in any 12 month period. A landlord cannot avoid having to give 60 days' notice by signing a new agreement with the same tenant. The notice still has to be given 60 days before the rent increase can take effect.

Failure to provide the tenant with correct notice could result in fines being imposed as well as an order from the NSW Civil and Administrative Tribunal (NCAT) to pay back any unlawful increase to the tenant for the previous 12 months.

After a notice for a rent increase has been given, the tenant may request to have the increase reduced or withdrawn. If the landlord agrees on a lesser increase, you are not required to serve another notice, as the agreed rent becomes payable from the same day as the original notice. However, you should

put the agreed amount in writing to both the landlord and tenant.

The tenant can apply to the Tribunal (NCAT) if they believe that a rent increase is excessive. The Tribunal has the power to set the rent for the next 12 months. The Tribunal will look at evidence about whether the proposed rent is in line with the general market rent for similar premises in the area or a similar locality. It will also look at evidence of other factors, such as the state of repair of the premises, any improvements done by the tenant and when the last rent increase occurred. It is a matter for the tenant to prove their case if they apply to the Tribunal.

Rosy Sullivan  
Director | College Principal

## From the office

This past fortnight has been one of planning and development for the new training programs that will roll out in the next few weeks. With the changes to CPD, we have needed to make many changes to our internal systems for enrolment and record maintenance, so it's been testing and re-testing to make sure that we have a streamlined approach to the new 4 hour requirement, plus the add-ons for those agents with additional licence categories. It's never straightforward when these changes come into action.

With the Easter break, we have had two short weeks. A number of the team took the opportunity to have short holidays over this time, Megan off to the Sunshine Coast with her husband and son; Rosy and John ventured out west and Michelle and her family out to Mudgee. A number of the team also visited the Easter Show. Of great note is that one of our students, Michael Purtle was the winner of the NSW Young Auctioneer's Competition and his ACOP trainer Andy Madigan was there to watch and cheer him on. Very proud photos from Andy were up on the ACOP social media pages within minutes of Michael's win.

We are all looking forward to the Anzac Day weekend, as ACOP has made the decision to close on the Monday 24 April to give the team a 4 day weekend to rest, relax and then head into the new calendar of training with gusto and renewed excitement.

## Did you know???

Businesses with an aggregated turnover of less than \$50 million are entitled to claim a **120% deduction** for eligible expenditure, which includes external training courses delivered by a Registered Training Organisation (such as ACOP) in Australia.

This deduction is available until **30 June 2024**.

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