

Rent increases

 fairtrading.nsw.gov.au/housing-and-property/renting/during-a-tenancy/rent-increases

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When can rent be increased?

If the fixed term period of the agreement has ended and the tenant is on a continuing (periodic) tenancy you can increase the rent.

Rent can be increased during the fixed term of the agreement only in certain circumstances - see below.

Notice of a rent increase

Before any rent increase can take effect, you must give the tenant at least 60 days notice in writing.

The notice must:

- specify the proposed new amount of rent (not the amount of the increase)
- specify the date from which the increased rent is payable
- be signed, dated and properly addressed to the tenant.

You can either write your own notice or use the NSW Fair Trading [model rent increase notice](#).

If you are posting the notice, allow an extra four working days for delivery. Visit the [servicing notice page](#) for more information.

During a fixed-term agreement

During a fixed term agreement of **less than two years**, the rent cannot be increased unless a term has been added to the agreement. The term in the agreement must spell out the amount of the increase or the exact method of calculating the increase (eg. a dollar amount or %). It cannot be unclear, like 'in line with the market' or 'by the rate of inflation'.

You still have to provide the minimum 60 days written notice before the increase can take effect.

During a fixed term agreement of **two years or more** the rent can be increased at anytime, with 60 days notice, but cannot be increased more than once in any 12 month period. It is important to note that the tenant can give 21 days written notice and vacate before the

rent increase kicks in.

If you have entered into a tenancy without a written agreement, you cannot increase the rent during the first six months.

Negotiating with the tenant

After you have given notice, the tenant can negotiate the increase. If you agree on a smaller increase you do not have to serve another notice.

Disputes about rent increases

The tenant can apply to the Tribunal within 30 days of receiving the rent increase notice if they believe that a rent increase is excessive. The Tribunal has the power to set the rent for the next 12 months.

Frequency of rent increases

Regularly reviewing the rent and increasing it by small amounts helps to keep it at or near the market level. This helps to avoid large increases that can cause the tenant to leave.

Some landlords like to keep the rent below the market level in order to retain a long-term good tenant and avoid the costs associated with having the premises vacant and finding a new tenant.

Also, be wary of timings when you increase the rent.

At a glance

The table below lists the key differences between the old Act and the tenancy laws that began on 31 January 2011.

Old laws	New laws
Minimum 60 days notice of rent increase	Same
Rent could only increase during a fixed term agreement, however long, if stated in the agreement	Flexibility to increase the rent in fixed terms of 2 years or more without need to state in the agreement
Tribunal considers market rents and other relevant factors if tenant claims excessive increase	Similar factors considered with the addition of when the last increase occurred

[Prev](#) Non-payment of rent

[Next](#) Serving notice

