



RTA VIC RENTAL REFORMS
Frequently Asked Questions

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buxton



New rental laws which set minimum standards for rental properties in Victoria came into effect on 29 March 2021.

The new regulations see more than 130 reforms introduced covering everything from rules around commencing a rental agreement, living in the premises and repairs and modifications to the premises.

The purpose of this document is to address any questions you may have regarding the new reforms. Should you wish to discuss further, please don't hesitate to contact your Property Manager.

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Should you have any questions about how these changes may affect your property please don't hesitate to contact your property manager to find out more.

Who will these regulations affect?

Renters, rental providers and real estate agents for the below property types.

- private rental housing
- public and social housing
- rooming houses
- caravan parks
- residential parks.

What is the purpose of these reforms?

The main purpose of these reforms to ensure access to fairer, safer housing for Victorian renters but also to ensure that rental providers have the appropriate tools to deal with common issues arising during rental agreements (such as rental agreement terminations).

When do these new laws apply to my property?

The full set of new rental laws came into effect on 29 March 2021, however some laws will not apply to existing rental agreements until these agreements end.

If a rental agreement is:

- A fixed-term rental agreement starting on or after 29 March 2021, or
- A month-to-month rental agreement which the renter moved to on or after 29 March 2021, then all new rental laws will apply.

However, if a rental agreement is:

- A fixed-term rental agreement that started before the 29 March 2021, or
- A month-to-month rental agreement which the renter moved to before 29 March 2021
- then some amendments (such as Minimum Standards and Safety Related activities) will not apply until that agreement end or a fixed term rental agreement rolls over into a periodic rental agreement or where these are required to comply by a required date.

What do the laws include?

- New standard form rental agreements, to better inform renters and rental providers of their rights and responsibilities
- Prohibited terms that rental agreements must not include; for example, a term that states the renter is liable for the rental provider's VCAT application costs

- Information a rental provider must disclose to a renter before entering a rental agreement; for example, if the property is part of an embedded electricity network
- Information a rental provider must not require a rental applicant to disclose; for example, if the applicant's previous rental provider claimed part of the bond
- Rental minimum standards that all rented premises must meet
- A maximum bond amount of one month's rent for rental agreements if the weekly rent is \$900 or less
- Standard form condition reports tailored to reflect the different requirements of different types of rental accommodation
- Modifications renters can make to rented premises without asking the rental provider for consent; for example, adhesive child safety locks on drawers and doors
- Expansion of the definition of what an urgent repair is and an increase in the limit to \$2,500 for which the renter can authorise urgent repairs
- Safety-related activities of both renters and rental providers that must be included in the standard rental agreement; for example, rental providers would be responsible for arranging regular electrical safety tests.



The regulations have some new terms, what do they mean?

The terminology for residential tenancies has been updated to reflect a modern regulatory framework and include the following changes:

- tenants are now called renters
- landlords are now called rental providers
- tenancy agreements are now called rental agreements
- rooming house owners are now called rooming house operators.

While the terminology may have changed, the definitions for each term have remained unchanged.

Can I possibly increase the rent due to these reforms?

If the works conducted substantially increased the value and desirability of the property, renters would most likely be acceptable to pay a higher rent.

For rental properties with existing rental agreements in place, rent cannot be increased more than once every 12 months.

Under what circumstances can a renter break a rental agreement legally?

A renter can break an agreement at any time for example such as if the property does not meet the minimum standards. The reasons a renter may break a rental agreement are identified in Section 91Z of the Residential Tenancies Act 1987.

In some instances (for example were a renter provides notice to leave a property in a fixed term agreement before the end of the rental agreement for no reason) a rental provider is able to recover costs from the renter where the rental agreement has been broken for example fees relating to the remaining rent to re-advertise the property.

Do all properties need windows and door locks?

Yes - as part of the minimum standards, all properties will need to be safe and secure from unwanted entry. Windows may be secured from external entry with latches.



Do all bedrooms need windows?

All bedrooms need natural or borrowed light. That means, if the room has access to an internal light-well (for example, an apartment), this is permitted. If the bedroom has no natural or borrowed light but it has artificial light (for example, a standard light globe), this does not meet the minimum standards.

Are there any requirements with NBN connection?

Yes - rental providers are required to provide NBN connection. If the property has no NBN connection, the rental provider will be required to pay for this.

Do the minimum standards apply to current rental agreements?

No - they only apply to new agreements after 29 March 2021. However, we recommend that all properties should comply with minimum standards and safety-related activities as soon as possible in preparation.

What do I need to do to bring my property up to compliance?

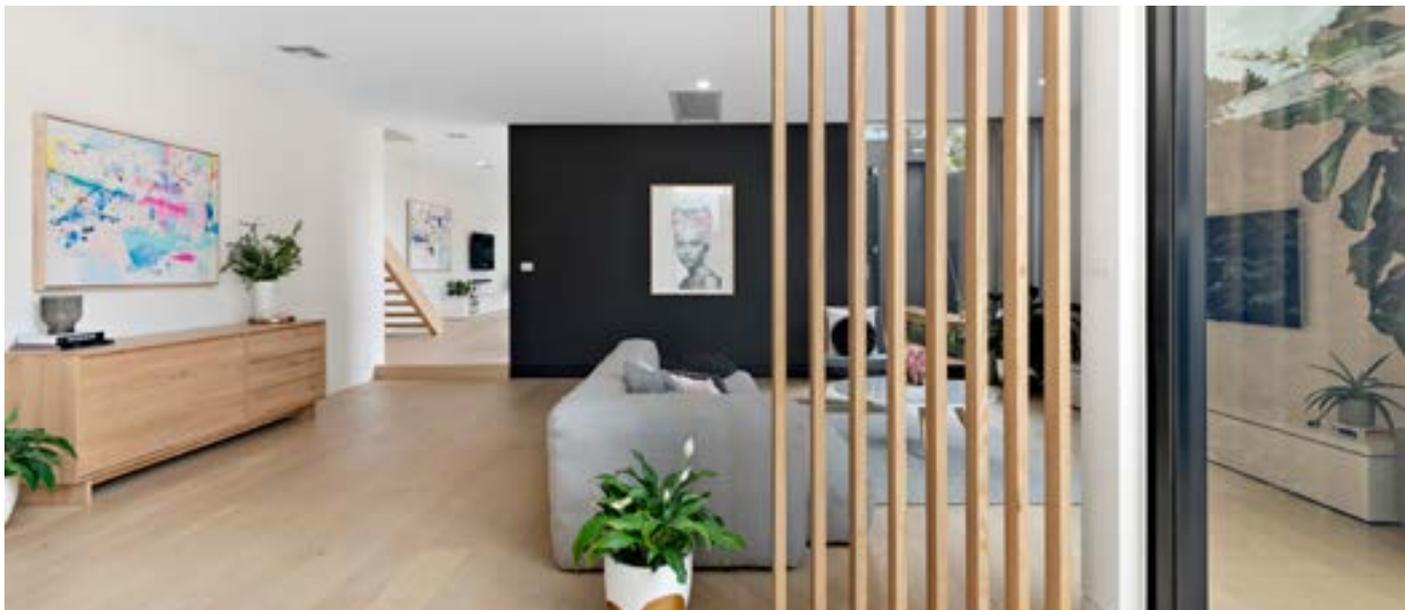
All properties where rental agreements have been entered into on or after 29 March 2021 or roll into a periodic agreement from a fixed term rental agreement must meet the 14 minimum standards relating to: locks, ventilation, vermin proof bins, toilets, bathroom facilities, kitchen facilities, laundry facilities, structural soundness, mould and dampness, electrical safety, window coverings, windows, lighting and heating.

In addition to meeting the minimum standards, all new rental agreements entered on or after 29 March 2021 or a fixed term agreements of more than five years roll over into a periodic tenancy on or after 29 March 2021, the rental provider must undertake gas and electricity safety checks. Smoke alarm, pool barrier and water tanks in bushfire prone area checks are also required from 29 March 2021.

All properties (including those with existing rental agreements in place – for example entered into prior to 29 March 2021) rental providers are required to ensure that their property is in good repair and that it is in a reasonable fit and suitable condition for occupation. This applies regardless of whether the renter was aware of any disrepair before they moved in or the amount of rent paid.

What if I don't become compliant?

If your rental property does not meet the minimum standards requirements (only for properties required – see response above) on or before a new renter moves in or it rolls over from a fixed term agreement to a periodic agreement then the renter may end the rental agreement without incurring any financial penalty ("lease break" costs) or request an urgent repair.



Additionally, non-compliance with the new laws may lead to enforcement action such as having the rental providers name, rental property address and nature of offence or compliance or compensation listed on the register publicly available on the Consumer Affairs Victoria website for three years, infringement notices or pecuniary penalties in excess of \$9,000 for an individual or \$49,000 for a body corporate.

Are there ways around the laws?

No. The new rental laws provide protections to renters and rental providers that are relevant to the modern and dynamic rental market we are in and, more specifically, meet current needs in the rental market around safety.

As not all of the laws will apply immediately from 29 March 2021, in some cases phased in during various stages, it is recommended that all rental providers and renters familiarise themselves with the transition periods.

Do I need a registered plumber to do plumbing works at the property?

Yes - all repairs and maintenance must be conducted by a suitable qualified tradesperson.

Can I organise my own trades for electrical and safety checks?

Yes – however there are evidentiary requirements and record keeping requirements that the rental provider must be aware of.

Gas and electrical safety checks must be completed by a registered or licensed tradesperson. Evidence of gas and electrical safety checks undertaken on a property (such as full details of the tradesperson, date of safety check and results of the safety check) are required to be retained by the rental provider until the next safety check. They also must be provided to the renter within seven days where the rental provider has received a written request from the renter.

May I personally tend to the garden and conduct my own maintenance as I am very both capable and familiar with my property?

Where a rental provider wants to conduct their own maintenance to the property you must provide the renter with the required notice and keep them informed. All maintenance carried out must be of an acceptable standard.

Rental providers however must ensure that certain repairs can only be conducted by licensed or registered tradespersons.

Why must I have a set emergency amount? Can I decide on my own figure for the urgent repairs?

Urgent repairs are defined by the law and must be completed immediately because they make the property unsafe or difficult to live in. Currently there is a process in place where renters are required to contact the property manager or rental provider to ask for an urgent repair to be made. Where the rental provider or property manager does not promptly respond to the request, the law permits the renter to organise and pay for the repair if it does not cost more than \$2,500.

Who pays for water usage?

If the property has its own meter, the renter must pay for the water they use, unless the rental provider agrees to pay. If the property doesn't have its own meter, the rental provider must pay.

Where a renter has received an excessive water bill attributable to a hidden fault (such as a leaking water pipe), and the renter has previously notified the rental provider of the fault, the rental provider will be liable to pay for the costs that exceed the renter's ordinary usage amounts.

If I wish to sell my property, am I allowed during a rental agreement term?

Yes – rental providers are required to disclose their intention to sell the property either prior to the renter entering into a rental agreement (where relevant) or during the term of the rental agreement. If a rental provider decides to sell the property during the term of a rental agreement, the renter must be notified in writing at least 14 days before holding any sales inspection.

Rental providers and agents must comply with the rules around rights of entry into the property around undertaking property appraisals/valuations, marketing activities and conducting sales inspections.

The rental provider must compensate the renter where the home is being sold and they are entering the property to hold an open inspection or show the house to a prospective buyer or lender.



What modifications can a renter make without the rental providers approval?

The following modifications can be undertaken on properties that are not heritage listed (as per the Heritage Act 2017) without the rental provider's consent:

- picture hooks or screws for wall mounts, shelves or brackets on surfaces other than brick walls
- wall anchoring devices on surfaces other than brick walls to secure items of furniture
- LED light globes which do not require new light fittings
- low flow shower heads if the original shower head is kept
- blind or cord anchors
- hardware mounted child safety gates on walls other than brick walls
- security lights, alarm systems or security cameras that do not impact on the privacy of neighbours, can easily be removed from the rented premises, and are not hardwired to the rented premises.

The following modifications can be undertaken on all properties without the rental provider's consent:

- non-permanent window film for insulation, reduced heat transfer or privacy
- a wireless doorbell
- replacement curtains if the original curtains are retained by the renter
- adhesive child safety locks on drawers and doors
- pressure mounted child safety gates
- lock on a letterbox.

Does the renter need to pay for any modifications they want to make?

Yes – all modifications made by the renter to the property are made at the renter’s cost, unless there is agreement between both parties stating otherwise.

Does the renter need to remove all modifications before leaving the property?

Yes - before the end of the rental agreement, the renter must reverse the modifications (fair wear or tear excepted) or pay the rental provider for the cost of reversing them. The only exception to this is when both parties have agreed otherwise in writing.

Can we state that no pets are allowed in the property?

Rental providers must have a good reason for refusing to permit pets in a property.

What happens if pets damage the property or yard?

The renter is responsible for repairing any damages prior to vacating the property, allowing for fair wear and tear. If the renter does not repair these damages, compensation may be payable to the rental provider.

Can we ask for an extra bond, especially if the renter has a pet?

Bonds are fixed at one month of rent if the weekly rental amount is less than \$900. Rental providers are permitted to seek additional bond if the rent is more than \$900 per week. Rental providers can ask for additional bonds for modifications in some circumstances, but not for pets.

Where can I find more information?

You can find more information via the following links:

<https://www.rea-webbooks.com.au/Buxton-Corporate/Changes-to-Residential-Tenancy-Laws-Rental-Providers>

<https://www.consumer.vic.gov.au/housing/renting/changes-to-renting-laws>

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