

GUIDE TO UNDERSTANDING RENTAL LEASE AGREEMENTS IN VICTORIA

Victoria | Australia



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Abstract

Understanding rental lease agreements is crucial for both tenants and landlords in Victoria. This guide offers a comprehensive overview of rental leases, covering key aspects such as different lease types, tenant and landlord responsibilities, and essential terms to review before signing. It also explains the legalities surrounding bond payments, lease-breaking conditions, and dispute resolution processes.

By familiarizing yourself with these details, you can ensure a smooth rental experience while safeguarding your rights and obligations. Whether you're a first-time renter or a seasoned landlord, this guide equips you with the knowledge to navigate lease agreements confidently. Additionally, it highlights tips for effective communication and compliance to avoid potential conflicts.

With this resource, you'll gain a clear understanding of Victoria's rental laws, empowering you to make informed decisions and maintain a harmonious rental relationship.

Getting Started

Embarking on a rental journey in Victoria starts with understanding the basics of lease agreements. These legally binding documents outline the rights and responsibilities of tenants and landlords, serving as the foundation for a harmonious rental relationship. Before signing a lease, familiarize yourself with key aspects such as lease types (fixed-term or periodic), bond requirements, and standard terms under the Residential Tenancies Act.

Take time to carefully review all clauses, ensuring clarity on rent payment schedules, maintenance obligations, and notice periods for lease termination. If you're unsure about any terms, seek clarification or professional advice to avoid misunderstandings later.

This guide will help you navigate the complexities of rental leases, empowering you to make informed decisions and safeguard your interests. With the right knowledge, you can ensure a smooth and hassle-free renting experience in Victoria.

1. What is a Rental Lease Agreement and Why is It Important in Victoria?

You can read about renting laws in Consumer Affairs Victoria's Renters guide. The person you rent from must give you a copy of this guide when you move in or before you move in. If you have agreed in writing to receive notices and other documents electronically (for example, to your email address) then the rental provider or agent can give you an electronic copy of this guide. Otherwise you must be given a printed copy.

You can also find most of this information on Consumer Affairs Victoria's website.

Tenants Victoria also has information and resources about renting a property. For more information, go to the Tenants Victoria website.

Rental agreements



Your rental agreement can be written or verbal (spoken). The agreement can be for a fixed-term (up to five years, but often six or 12 months) or periodic (from month to month). Long-term rental agreements of more than five years may also be an option if you and the person you rent from want better security and stability.

If the agreement is in writing, it is called a 'residential rental agreement' and it must be on a standard form. These forms are available on Consumer Affairs Victoria's website. It is important to read and understand your rental agreement before signing. If you do not understand the agreement, get legal advice before you sign.

Keep a copy of any agreement you sign.

Rental minimum standards

Residential rental providers must make sure that the rental property meets basic standards. These are known as 'rental minimum standards' and include things such as:

- door locks
- supply of hot and cold water
- oven or stovetops that work properly

- a working toilet
- window coverings
- heating.

The property must also be free from mould and damp, and be structurally sound and weatherproof.

Read more about minimum standards on the Consumer Affairs Victoria website.

If your rental property does not meet these minimum standards, you can end the rental agreement before you move in. If you have already moved in, you can request the property meet the minimum standards as an urgent repair. Read more about arranging repairs to a rental property.

Paying rent

When you pay rent to the real estate agent or your residential rental provider, always ask for a receipt. Keep your receipts as proof that you paid rent. This can help avoid disagreements about payment. If you ask for a receipt, the agent or rental provider must give you a receipt or a document called a 'rental ledger'.

If your rent is overdue

If your rent is overdue by 14 days or more, your residential rental provider or the agent can give you 14 days' notice to vacate the property. The notice must be in writing.

If you get a notice to vacate, you may not have to move out. Try to negotiate with the residential rental provider or agent to repay the money owing. Ask for any agreement you make to be put in writing. You can write down the agreement and ask them to sign it. Or you can ask them to write down the agreement and give you a copy. The agreement can be on paper or electronic (for example, by email).

If you pay the overdue rent by the termination date in the notice to vacate, the notice no longer applies. You do not need to do anything further.

If you have not paid the rent that you owe by the termination date, and the residential rental provider or agent wants you to move out, they must apply to the Victorian Civil and Administrative Tribunal (the tribunal) for a possession order. A possession order means that you must move out.

You will get a notice telling you when the hearing is. It is important to go to the hearing.

Currently most hearings are by telephone. You will be given a contact number to dial in to the hearing. At the hearing, you will be asked why you have not paid rent. The tribunal may decide:

- not to make a possession order. That means you can stay in your home. This might happen if you prove you can pay the overdue rent and you are not likely to miss rent payments again
- to adjourn (delay) your hearing and may refer you to a financial counselling service
- to put you on a payment plan so that you can pay the overdue rent bit-by-bit
- to make a possession order. That means you must leave your home.

Read more about eviction.

Rent increases



If you have a periodic (month-to-month) rental agreement, your rent must not increase more than once in 12 months.

If you have a fixed-term agreement, your rent must not increase before the end date, unless your agreement allows it.

Your residential rental provider or their agent must give you at least 60 days' notice of any rent increase. They must give you this notice in writing.

If you think the rent increase is too high, you can request a 'rent assessment' by Consumer Affairs Victoria. You can request this assessment if you believe:

- it is too much compared to current rental prices for similar properties
- the residential rental provider or agent has reduced or withdrawn services, facilities or other items that are part of the property.

To request a rent assessment, download the 'Request for repairs inspection or rent assessment' form from the Consumer Affairs Victoria website. You must make this request within 30 days of receiving notice that the rent is being increased.

If you disagree with Consumer Affairs Victoria's assessment, you have 30 days from receiving the report to apply to the tribunal for a hearing. The tribunal may set a maximum rent for the next 12 months.

Reasons for eviction

Before you can be evicted from a rental property, a residential rental provider or their agent must give you a notice to vacate. For this notice to be valid, it must be given for a lawful reason. For example, if you have done one or more of these things:

- not paid rent
- caused serious damage to the property, made neighbours unsafe or you have threatened or scared neighbours, the rental provider, agent or people doing work for them
- given someone else a lease over all or part of the property without your rental provider's agreement
- not followed an order by the tribunal about your tenancy. For example, you had a pet when the tribunal ordered you not to
- used the property to make, grow or sell drugs or do something else that is against the law.

Your rental provider can also give you a notice to vacate if:

- they are moving back in, or their immediate family or people they support financially are moving in
- they are selling the property, or
- the property is to be repaired, renovated or demolished and you cannot live there while this happens.

There may be other reasons for your rental provider or their agent to try to evict you. If you are not sure if the eviction is lawful, get legal advice.

If you do not move out by the termination date in the notice to vacate, your rental provider may apply for a possession order. A possession order ends your rental agreement and tells you when you must move out. The tribunal will first decide if the rental provider had a lawful reason for giving you the notice to vacate.

If the tribunal decides the reason was lawful, it can only make a possession order if that would be 'reasonable and proportionate'. The tribunal will consider things like:

- if the application is because you did something wrong, how serious it was, whether someone else caused it and whether you have tried to fix it
- whether there is another option to fix the problem
- your rental provider or real estate agent's behaviour
- if there is family violence or a personal safety intervention order
- any other matter, such as how long you have lived there and how eviction would affect you and your family.

If the tribunal makes a possession order, it will decide the date you must leave by.

If a possession order says you must move out, but you do not, your rental provider may get a warrant to evict you. Police can evict you if they have this warrant. Only police can evict you in these circumstances. Your rental provider or someone else cannot evict you.

If a possession order is made, and you are having trouble finding somewhere to live, there are housing assistance services that may be able to help you. You can get a referral to these services by contacting Opening Doors on 1800 825 955.

If your rental provider has applied to the tribunal for a possession order, you should get legal help.

Arranging repairs to a rental property

Your rental provider must keep your home in a safe and liveable condition. They must also make sure your home meets the rental minimum standards.



You are not responsible for fixing things that need repairing because of 'fair wear and tear' (things that are expected to wear out over time, like paintwork or carpets).

If your home needs repairs, write to your rental provider or agent asking for these to be fixed. You should use a 'Notice to rental provider of rented premises' form from the Consumer Affairs Victoria website to ask for repairs. Keep a copy of your notice.

Urgent repairs

Any fault or damage which makes your home unsafe or insecure needs an 'urgent repair'.

These may include:

- problems with water services, electricity, sewers and gas leaks
- broken air conditioner or safety device, such as a smoke alarm
- pest infestations, mould or damp caused by the structure of the building.

If your rental provider refuses to make urgent repairs, you can get them fixed if they do not cost more than \$2500. You must pay for these repairs. Make sure you keep the receipt. To get the money refunded from your rental provider or agent, send them a 'Notice to rental provider of rented premises' form on the Consumer Affairs Victoria website. They then have seven days to pay you.

If you cannot pay for urgent repairs, and your rental provider refuses to fix them, you can apply to the tribunal. The tribunal can order your rental provider to make the urgent repairs. Applications for urgent repairs must be heard by the tribunal within two days.

Non-urgent repairs

If your rental provider refuses to do non-urgent repairs after 14 days' notice, you can ask Consumer Affairs Victoria to inspect the property. If the inspector says repairs are needed, but your rental provider still refuses, you can ask the tribunal to order your rental provider to do the repairs.

Getting your bond back when you move

Usually when you move into a new place you will be asked to pay a bond of one month's rent. The bond is a guarantee that you will follow the rules in your rental agreement. Your rental provider must lodge your bond with the Residential Tenancies Bond Authority (the authority). You can check if your bond has been lodged by phoning them on 1300 137 164. If you pay all your rent and leave the property in good condition, your rental provider should refund all your bond when you move out.

You can apply to the authority to have all or part of your bond refunded to you. The authority will notify your rental provider of your claim. Your rental provider must tell the authority within 14 days if they applied to the tribunal asking to keep your bond. Otherwise, the authority will repay your bond money to you in the way you asked in your claim form.

Your rental provider or agent can ask to keep some or all of your bond if:

- you or your visitors damaged the property deliberately or because you were not careful enough
- they need to pay for cleaning because you did not leave the property in a reasonably clean condition
- you abandoned the premises (left without telling them)
- you did not pay bills that you should have paid
- you took goods belonging to your rental provider's goods (for example, curtains or a stove)
- you did not pay all of your rent.

Your rental provider cannot ask for your bond because of 'fair wear and tear', such as carpets wearing out over a long time.

If your rental provider asks to keep your bond, they must show that they have taken reasonable steps to keep their costs down.

If you have a disagreement about your bond, you can ask the tribunal to decide what happens. You must apply to the tribunal for a 'bond repayment order' within 14 days of your rental agreement ending. You can apply to the tribunal about your bond if you are a renter or previous co-renter. Applying to the tribunal for the return of your bond is free.

2. What Are the Different Types of Lease Agreements in Victoria?

The rental agreement between you and the rental provider (landlord) sets out what each of you will do, or not do, while you rent the property. There are laws about what can be included in a rental agreement (lease). We recommend you read this page and any rental agreement you are given carefully before signing or agreeing to anything.



Fixed-term or periodic agreements

A rental agreement, also often referred to as a lease, may be for a fixed term, for example for a period of 12 months, or periodic, for example month to month.

Fixed-term agreements are more secure because they make it harder for the landlord to evict you, but can be expensive if you want to move out before the end of the fixed term. Only commit yourself to a fixed-term agreement if you are reasonably sure that you want to stay for the full term of the agreement.

Verbal rental agreements

If you have a verbal agreement or an agreement that is only partly in writing, you can apply to the Victorian Civil and Administrative Tribunal (VCAT), which can make an order that the rental provider (landlord) must enter into a written rental agreement with you [section 29B].

A written rental agreement can help you protect your rights as there are laws about what can and cannot be in a written rental agreement.

Written rental agreements

If the rental agreement is in writing, it must be on a form prescribed by Consumer Affairs Victoria [section 26]. These template forms are for all properties rented out from 29 March 2021, when new rental laws started.

CAV has two versions of the rental agreement form: one for leases less than 5 years (Form 1) and another for leases more than 5 years (Form 2). If you are offered an agreement for more than 5 years, you may use either form; however, the rights and obligations under a Form 2 agreement are slightly different. We recommend seeking independent legal advice before agreeing to an agreement for longer than 5 years.

It is against the law for a rental provider or their agent to prepare a written rental agreement that is not on a Consumer Affairs Victoria form. You must be given a copy of the agreement to review before you are asked to sign it [section 29].

What must be in a written agreement

The rental agreement must include:

- When the agreement starts
- The address of the property
- The length and type of agreement (fixed term or periodic)
- Details, including contact details, for you and the rental provider, and their agent if they have one
- The amount of rent and how it is to be paid – for limits on rent in advance and ways to pay, see our page, [Starting a tenancy](#)
- The amount of the bond –for limits on bond amounts and other laws about bonds, see our page, [Bonds](#)
- Details of who to contact for urgent repairs
- An option for you and the rental provider to say how notices and documents can be delivered – for information on receiving and giving notices and documents, see our page, [Starting a tenancy](#)
- A summary of your and the rental provider's rights and obligations
- Other terms you or the rental provider need to follow

Prohibited terms



From 29 March 2021, when the new rental laws started, some terms are prohibited, or banned. They cannot be included in new rental agreements [section 27B, regulation 11].

It is against the law and an offence for a rental provider, or their agent, to include a prohibited term in a rental agreement [section 26A]. You can report offences to Consumer Affairs Victoria, which can issue an infringement notice on the rental provider or agent if they failed to follow the law.

If a prohibited term is included in the rental agreement it will be invalid and cannot be enforced by the rental provider [section 27].

If the rental provider refuses to remove any prohibited terms you can apply to the Victorian Civil and Administrative Tribunal (VCAT), which can order that a term is invalid [section 28, section 472].

The prohibited terms include any that:

- Stop you claiming compensation because the property was not available at the start of the rental agreement
- Require you to pay rent in a way that forces you to pay fees
- Require you to take out any form of insurance. However, we recommend you get home contents or renter's contents insurance, as the rental provider's insurance will not cover your personal belongings.
- Require you to indemnify the rental provider: for example, a term requiring you to protect or compensate the rental provider if something goes wrong

- Say the rental provider or their agent are not responsible for their actions or the actions of anyone acting on their behalf while you are renting the property
- Make you pay for an insurance excess paid by the rental provider for a landlord insurance policy
- Require you to use a third-party service provider, except for an 'embedded energy network provider' where power is supplied jointly, such as to all apartments in a building
- Make you responsible for, or make you pay for, any safety-related maintenance that is the rental provider's responsibility
- Make you responsible for, or make you pay for, professional cleaning at the end of your agreement, unless this can be requested under the standard terms of the agreement (see standard term 11 on professional cleaning in Consumer Affairs Victoria's prescribed written rental agreement form)
- Make you pay for the rental provider's costs of applying to the Victorian Civil and Administrative Tribunal (VCAT)
- Make you pay fixed fees to end your agreement, unless the way these are calculated are in the rental agreement
- Make you responsible for, or make you pay for, any fees, costs or charges for the preparation of the rental agreement
- Make you responsible for, or make you pay for, all or part of the remaining rent for the length of the agreement, or increased rent, or a penalty or damages if you breach the rental agreement
- Say that if you do not breach the rental agreement your rent will, or may, be reduced or that you will, or may, be paid a rebate or other benefit
- Bind you to something you did not agree to in writing before entering into a rental agreement

Additional terms

A rental agreement may also include additional terms if you and the rental provider agree [section 27A].

However, an additional term will be invalid, and cannot be enforced, if it:

- Removes, limits or changes any rights or responsibilities of you or the rental provider under the law, or attempts to do so
- Is a prohibited (banned) term under the law [section 27]

It is against the law to include a prohibited term in a rental agreement [section 26A].

You have a right to negotiate any additional terms and to ask for any you do not agree with, or that are unfair or invalid to be removed before you sign. You can cross out and initial any additional terms that you do not agree to before you sign.

If the rental provider refuses to remove any additional terms that are unfair or invalid, you can apply to the Victorian Civil and Administrative Tribunal (VCAT). It can order that a term is invalid

and is excluded, or needs to be altered, if it is harsh, unreasonable or otherwise invalid under the law [section 28, section 472].

You must be given a copy

You must be given a copy of the rental agreement, signed by you and the rental provider, within 14 days of the agreement being signed [section 29].

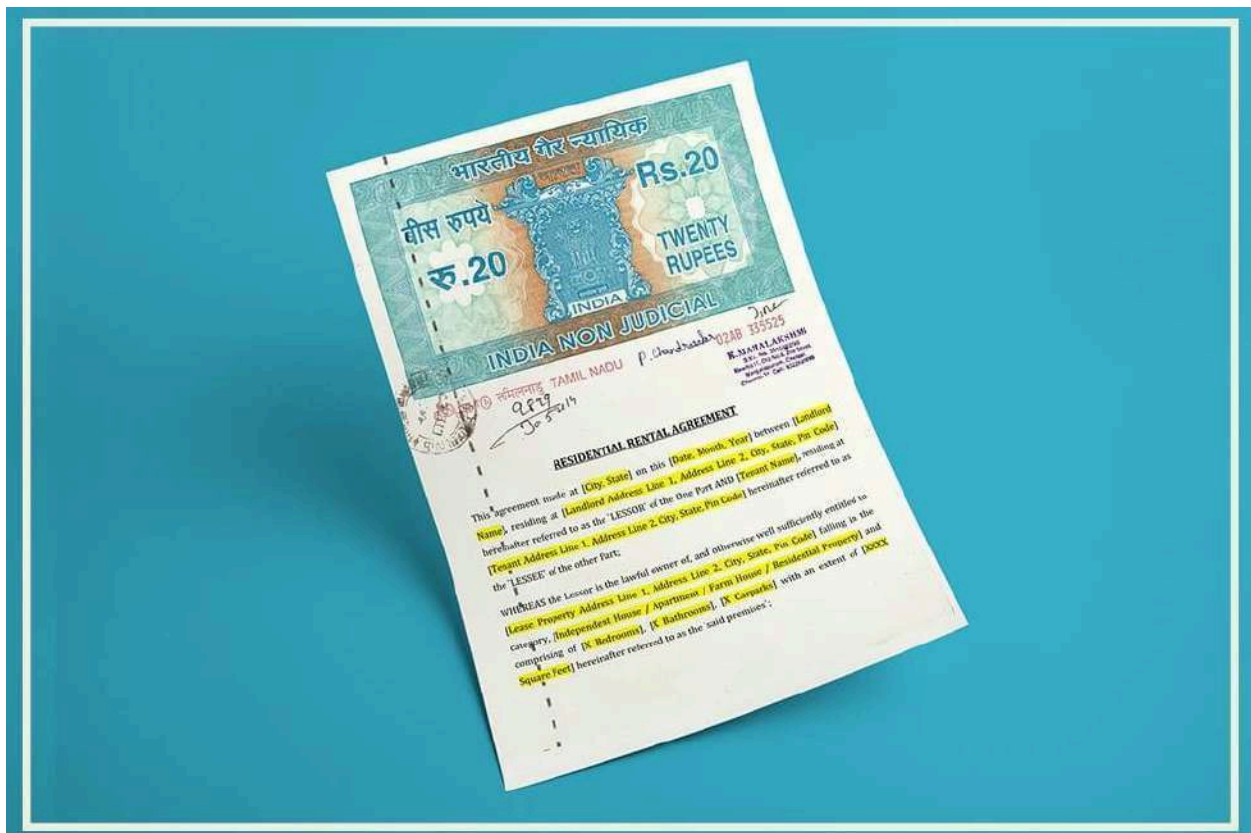
It is against the law and an offence to not give you a copy of the signed agreement. You can report offences to Consumer Affairs Victoria, which can issue an infringement notice on the rental provider or agent if they failed to follow the law.

Rental provider does not sign

If you sign a rental agreement and return it to the rental provider, or their agent, but the rental provider does not sign it, it will be valid even without that signature if the rental provider or agent:

- Accepts a rent payment from you
- Behaves as if the agreement has been signed: for example, they give you a condition report or keys for the property [section 29A]

Older rental agreements



If you entered into an agreement before the new rental laws started on 29 March 2021, and it contains any of the terms prohibited in rental agreements from that date, you can still take action.

You can apply to VCAT to ask for an order that declares invalid any term in your agreement that would affect your rights, or is harsh or unreasonable [section 28, section 472].

3. What Are the Key Terms to Look for in a Lease Agreement?

Someday, between the time you move out of your childhood home and when you buy your first residence, you'll probably find yourself staring at a lease. A lease is a contract between someone who owns real estate (the landlord) and another person who occupies that piece of real estate (the tenant), covering the conditions under which the tenant may possess, occupy, and use the property.

Reading a lease can be befuddling, and often the first impulse is to just go ahead and sign the thing, rather than try to wade through and decipher all the legal language. However, it's important to understand that a lease is a legally enforceable agreement, and you could find yourself in a predicament later on if you fail to abide by the terms—the very ones you agreed to by signing on the dotted line. Before you sign, take the time to read the entire document.

Here's what to look for in a lease to rent a dwelling, be it an apartment or a house.

Include Property Details

The lease should include basic facts and data about the property, including the physical address and the landlord's name and contact information. It should also state the date the lease was signed; the beginning and end dates of the rental period; and options for lease renewal, including policies for rent increases. If any appliances are in the unit (such as a range, refrigerator, or washing machine), or if the unit is furnished, that should be included, too.

Define Deposit, Rent, and Fee Amounts

People tend to pay close attention to how much rent will cost each month, but there may be other costs that should be noted as well, including various deposits and fees. Details about any deposits—such as an upfront security deposit or fees for parking or pets—should also be clearly stated, along with conditions for getting your money back.

The lease should state particulars about the rent:

- Monthly amount due
- When it is due
- Methods of acceptable payment

- Any allowable grace period for late payment
- Amount of any late fees³

Utility Inclusion



The lease should indicate policies regarding utility service and billing. Be sure to find out which, if any, utilities are included as part of your monthly rent, and whether you are expected to cover any of the costs.

Some landlords, for example, pay for electric, water, and sewer services, while the tenant pays for cable and Internet.

Repairs and Maintenance

This is something to pay close attention to since it can end up costing a lot of money, time, and headaches. In some rental arrangements, the landlord is responsible for taking care of all repairs and maintenance—whether it’s a leaky faucet or a broken air conditioner.

In other situations, the landlord might repair or replace only major appliances but leave the tenant responsible for everything else. And then there are agreements where the tenant is responsible for all the costs of repairs and maintenance. There may also be stipulations about the maintenance of the yard or outside areas.

As you can see, it’s imperative that you read the lease to determine your landlord’s responsibilities—as well as yours—when it comes to repairs and maintenance issues. Make

sure you're clear on who pays for what, who arranges service calls, and the amount of time you and your landlord have to address any issues.

Pet Policy

If you have a pet, read the lease to find out if animals are allowed, and if so, whether there are any size or breed-specific restrictions (some rental properties allow most dogs, but not pit bulls, for example).

You might be required to pay a “pet deposit” that may or may not be returned once you move out (assuming no pet damage). Sometimes the “pet fee” is nonrefundable because it is used for treating the space for fleas and deodorizing and shampooing the unit’s flooring and upholstery after you move out.

In some cases, you might also pay “pet rent,” a monthly or yearly fee tacked on to your rent to cover normal wear and tear from pets.

If the lease contains a no-pets clause and you violate it by bringing a furry friend into your unit, the landlord generally has the legal right to evict you. A no-pets clause cannot be added to a lease once it’s signed, however, so your landlord can’t change the pet policy in the middle of your lease.

House Rules

The lease should describe the acceptable use of the property (e.g., “The premises shall be used exclusively as a private residential dwelling for the tenant and his immediate family only”), plus any policies for things like:

- Maximum occupancy
- Quiet hours
- Overnight guests
- Parking and storage
- Smoking
- Landlord right of entry
- Granting access to maintenance workers
- Property alterations
- Long absences (on your part)
- Insurance requirements
- Eviction

Early Termination

The lease should explain what you need to do before moving out. How much advance notice is required? What type of cleaning are you responsible for? The lease should also state your options if you have to move out before the lease expires.

Can you sublet the property, for example? If so, are you required to find the sublet tenant, or is that the landlord's responsibility? What are the penalties for breaking the lease if you can't find someone to sublet?

The Bottom Line

To make sure you understand what you're getting into, take the time to read your lease. If there's something you don't understand, ask the landlord for clarification, or consult a local specialist in real estate law. Bear in mind that while many of these policies are at the landlord's discretion, others (such as the landlord's right of entry and eviction) may be regulated by state or city ordinances.

Once you and your landlord have signed the lease, it's a very good idea to save a copy. This document can become important if any disagreements arise regarding the property or anything related to your tenancy.

Also, plan on doing a thorough property examination before signing the lease. Check the general condition of the property and make sure items such as appliances, faucets, plumbing, windows, and window fixtures are in good working order. Note and document any existing damage in the lease or in a provided damage assessment form, and keep a copy of this with your contract—just in case.

4. What Are the Rent Payment Rules and Increases in Victoria?



Understanding the rent payment rules and policies regarding rent increases is essential for both tenants and landlords in Victoria. Governed by the Residential Tenancies Act 1997, these rules ensure a fair and transparent process for all parties. Below is a comprehensive explanation of rent payment regulations and increases in Victoria:

1. Rent Payment Methods

Rent payment in Victoria must be easy and accessible for tenants. Acceptable payment methods include:

- **Bank Transfer or Direct Debit:** The most common method for rent payments, ensuring timely transactions.
- **BPAY:** An electronic method suitable for many tenants.
- **Cash or Cheque:** Less common but still acceptable, provided proper receipts are issued.

Landlords cannot demand specific payment methods or impose fees for particular options. Tenants must always receive a receipt if the rent is paid in cash or via a cheque.

2. Rent Payment Frequency

The frequency of rent payments depends on the lease agreement:

- **Weekly:** For many tenants, weekly payments are convenient and budget-friendly.
- **Monthly:** Often the default option for longer tenancies or higher rental amounts.
- **Fortnightly:** A middle ground that aligns with many tenants' pay cycles. Tenants and landlords must agree on the frequency before signing the lease, and it must be clearly outlined in the rental agreement.

3. Rent Records and Receipts

Landlords are legally obligated to maintain accurate rent records. Receipts for all payments must include:

- Date of payment
- Amount paid
- Rental property address
- Tenant's name

Period covered by the payment These records ensure transparency and help resolve disputes if they arise. Digital records are also acceptable, provided they are accurate and accessible.

4. Rules for Rent Increases

Rent increases in Victoria are strictly regulated to protect tenants from unfair financial burdens. The key rules include:

- **Notification Period:** Landlords must provide tenants with a minimum of 60 days' written notice before increasing rent.
- **Frequency:** Rent increases can only occur once every 12 months for fixed-term agreements, even if the agreement is renewed or extended.

- **Fair Market Value:** Rent increases must reflect the market rate. If a tenant believes the increase is excessive, they can challenge it with Consumer Affairs Victoria or the Victorian Civil and Administrative Tribunal (VCAT).
- **Form of Notification:** Rent increase notices must be provided in writing and delivered either by post or email, ensuring tenants have ample time to review the changes.

5. Rights of Tenants Regarding Rent Increases



Tenants have specific rights when it comes to rent increases:

- **Challenging Rent Increases:** If a tenant feels the increase is unfair or unjustified, they can apply to VCAT for a review. This must be done within 30 days of receiving the notice.
- **Ending the Lease:** If a tenant cannot afford the increased rent, they may choose to terminate the agreement. In such cases, they must follow proper lease termination procedures to avoid penalties.

6. Prohibited Practices

The Residential Tenancies Act prohibits landlords from:

- Increasing rent more frequently than allowed.
- Implementing rent increases without proper notice.
- Using coercive or unfair practices to enforce payment. Such actions are considered breaches of the Act and can lead to penalties or legal actions.

7. Rent Payment Challenges

Both tenants and landlords should be prepared for common challenges, such as:

- **Late Payments:** Tenants must notify landlords promptly if they anticipate delays. Landlords cannot penalize tenants excessively for late payments.
- **Disputes Over Rent Increases:** Open communication and mediation through Consumer Affairs Victoria can help resolve disagreements amicably.

Conclusion

Understanding rent payment rules and rent increases in Victoria is crucial for maintaining a positive tenant-landlord relationship. By adhering to the Residential Tenancies Act, tenants can safeguard their rights, while landlords can ensure compliance and fair practices.

Clear communication, accurate records, and respect for legal obligations are key to a successful renting experience in Victoria.

5. What Are the Rights and Responsibilities of Tenants Under a Lease in Victoria?

The Victorian Small Business Commission (VSBC) provides comprehensive guidance on the rights and responsibilities of tenants and landlords under the Retail Leases Act 2003. This legislation governs retail lease agreements in Victoria, outlining the obligations of both parties to ensure fair and transparent leasing practices.

Key Rights and Responsibilities:

Understanding Lease Terms:

Both tenants and landlords should familiarize themselves with the specific terms and conditions outlined in their lease agreements. This includes clauses related to rent, duration, renewal options, and permitted use of the premises. Clear comprehension of these terms helps prevent disputes and ensures mutual agreement.

Maintenance and Repairs:

Tenant's Responsibilities: Tenants are obligated to keep the premises clean and in good order, accounting for 'fair wear and tear' over the lease term. In cases of loss or damage, tenants must notify the landlord in writing as soon as practicable. If the landlord fails to address the repairs within a reasonable time after written notification, tenants have the right to terminate the lease with at least seven days' written notice.

Landlord's Responsibilities: Landlords are responsible for ensuring the premises are in a condition fit for the tenant's intended use at the commencement of the lease. They must also address any structural repairs and maintain essential services unless otherwise agreed upon in the lease.

Outgoings and Other Charges:

The lease should clearly specify any outgoings (e.g., council rates, utilities) that the tenant is responsible for. Landlords must provide a detailed estimate of these outgoings and reconcile them annually to ensure transparency.

Security Deposits (Bonds):



Security deposits serve as financial protection for landlords against potential breaches of the lease by tenants. The terms regarding the amount, holding, and return of the security deposit should be clearly outlined in the lease agreement.

Lease Assignment and Transfer:

Tenants wishing to transfer their lease to another party must obtain the landlord's consent, which should not be unreasonably withheld. The process and conditions for assignment should be detailed in the lease to avoid misunderstandings.

Dispute Resolution:

In the event of a dispute, the VSBC offers dispute resolution services, including free preliminary assistance and low-cost mediation. Both parties are encouraged to utilize these services to resolve issues amicably and maintain a positive working relationship.

For a more detailed understanding, tenants and landlords are advised to consult the resources available on the VSBC website and seek professional advice when necessary. Staying informed

and proactive in understanding lease obligations can prevent potential disputes and foster a fair leasing environment.

6. How Can You Break a Lease Agreement Legally in Victoria?

Uncertainty and unforeseen circumstances can make people take drastic measures. It includes leaving their secure jobs for a new career or moving to another city or suburb without completing their lease terms. These sudden and alarming changes can affect many people, especially when you decide to move unexpectedly. Since rental agreements are binding contracts, ending them midway can be challenging. However, it can be planned carefully and made to work in the tenant's favour.

Breaking a fixed-term lease before the end of the term incurs a lease-break cost, which the tenant pays to compensate for the landlord's loss. In some cases, this cost can be waived or reduced if both parties agree to the arrangement. However, no lease-break cost is involved if the tenant ends a periodic lease after completing a fixed-term lease.

Let us help you understand how to break a rental lease in Melbourne, VIC. This information will help tenants understand their rights and responsibilities when they plan to end the lease before its term.

1. Breaking A Rental Lease in Melbourne

When the tenant intends to end the lease before its term, they must be prepared to pay the lease-break costs. As per the Residential Tenancies Act 1997, the lease can be ended when the landlord and the tenant mutually agree to the arrangement. In this case the tenant can move out without serving a notice to vacate the property and paying the lease-break cost. The tenant must get the consent of the rental provider in writing, and they should sign it.

When the move is not mutually agreed upon, the tenant must provide a notice of intention to vacate. This notice must be written and provided to the rental provider with the date of moving out. It must clearly inform about the notice period, and the tenant is obligated to complete it. If the tenant moves out before the end of the notice period, they will still have to pay the rent for the entire period.

2. Breaking the Rental Lease With Costs

When the rental provider insists on paying the lease-break costs, the tenants have to bear the compensation. The cost includes a reletting fee, which is two weeks' rent, an advertising fee for finding new tenants, and rent until the end of the fixed term or until a new tenant moves into the property, whichever comes first. The reletting and advertising costs are based on the amount of time left on the fixed-term agreement. For example, if six months are left of a 12-month lease, the cost will be 50% of the reletting and advertising fee.

Tenants should also bear in mind the cost of hiring end of lease cleaning in Melbourne professionals to leave the property reasonably clean. Otherwise, the rental provider can claim the bond, which can add to the expense of breaking the lease. Remember that the rent has to be paid only until the end date of the fixed-term lease. The tenant and the rental provider must make efforts to minimise these costs.

3. Breaking the Rental Lease Without Costs



Tenants can break the fixed-term lease without paying the lease-break costs in some situations, such as when both parties mutually agree to the termination of the lease and the landlord waives the costs. The agreement can be ended immediately by the tenant if they are facing domestic violence by applying to the Victorian Civil and Administrative Tribunal (VCAT).

They can also apply to the tribunal if they are facing unexpected hardships. They can ask for a waiver of the lease-break cost because of the problem at hand. Tenants can evade the costs if they transfer the lease to a new tenant. However, this requires the consent of the landlord or an order from the VCAT. The outgoing tenant will bear the cost of finding the new tenant and transferring the lease. In addition, the rental provider can ask for compensation for costs incurred due to the transfer.

4. Breaking the Lease because of the Landlord

The tenant has the right to break the rental lease if the landlord intends to sell the property and sends a notice of intention to sell without informing about this plan before signing the lease. In this case, the tenant does not have to pay the lease-break costs. The tenant can also provide a

notice of intention to vacate even before moving into the rental property if it appears to be unfit for habitation.

Usually, these properties are damaged or dirty and need professional end of lease cleaning Melbourne to make them ready for living. The notice can also be sent after moving into the property and realising it is unfit for living because of structural damage or any other problem. The landlord can apply to the VCAT in this case and the tribunal will then decide if it is fit for living or not and if the tenant has to be paid back overpaid rent.

5. Landlord Breaches the Agreement

The tenant is entitled to break the lease if the landlord breaches the agreement and does not rectify even after the tenant sends breach notices. The lease can also be ended if the rental provider does not comply with the VCAT orders. An example of a breach can be not getting the property cleaned by professional end of lease cleaning Melbourne experts before the tenants move in or not repairing damage.



For most issues, the time allowed to fix the breach is 14 days, except for the breach of quiet enjoyment, which the landlord must fix within 7 days. The tenant can apply to VCAT or send breach notices to the landlord. They can break the lease if the problem is not fixed even after sending three notices.

Wrapping Up

Breaking the lease is usually the last resort when things do not work out as planned by the tenants. They must know their rights and duties and comply with the obligations to ensure a hassle-free move before the end of the lease term.

7. How can tenants resolve disputes related to their rental lease agreements?

Once you become a landlord, you need to be prepared for disputes and disagreements that will inevitably arise with your new tenants. Being prepared will help you avoid being caught unaware by a landlord/tenant dispute.

Instead of immediately going to court, there are many other options in resolving tenant disputes. It's a good idea to state in your rental agreement what steps you will take to remedy a dispute. Tips for helping resolve disputes between landlords and tenants

1. Avoid disputes by knowing the law

The best way to resolve disputes is by avoiding them before they even begin. Many problems arise because one party does not know that they have broken the lease agreement, or they're unaware of their rights under the law. Taking the time to learn the law—and staying up-to-date on changes to housing laws—will help you avoid problems and make you a better landlord.

2. Keep your cool at all times

When a situation arises, never lose your temper, even if your tenant does. Try to stay as calm as possible, and do your best to take care of the situation on your own. If you're having difficulty, or if your tenant is not cooperating, you may need to seek assistance in court. However, by keeping your cool, you are representing yourself in the best possible light.

3. Talk it out with tenants

Many problems with tenants can be solved if the issue is discussed thoroughly on both sides. Do not let your temper flare, even if you are justifiably angry. There may be an honest answer to a problem, and both of you may be blowing it out of proportion. Working it out between the two parties is almost always cheaper and easier in the long term.

4. Meet face-to-face with your tenant

If you have only traded angry words with your tenant over the phone or by email, a face-to-face meeting may help. Hold the meeting in neutral territory, where both of you will feel safe.

5. Hire a professional mediator



If you have tried without success to resolve the dispute, a professional mediator may be able to assist you. Many states now provide property-dispute mediators who are trained to deal with situations that can arise with rental properties.

6. Submit to arbitration

Arbitration is similar to mediation, but arbitration is binding. An arbitrator will hear both sides of the case and issue a binding ruling to which you must adhere. If you are worried that you're in the wrong, you probably won't want to take this step. Instead, own up to the problem and try to settle with your tenant.

7. Document everything about your landlord/tenant dispute

A paper trail is your best defense. If your tenant has repeatedly broken the rules of your building or lease agreement, or if they have made unreasonable demands, your documentation can help prove your case. Keep a file on each tenant, and record all that transpires. Presenting this documentation to your tenant may even dissuade him or her from taking you to court.

8. Let the lawyers decide

Many cases can be resolved before they go to court, once lawyers are involved. If you and your tenant are currently represented by lawyers, they may be able to help you settle the case out of court.

9. Consider small claims court

In most cases, disputes arising from rental property fall under the jurisdiction of small claims court. This option is usually cheaper than going to civil or criminal court, and may lead to a quicker resolution.

10. Take your landlord/tenant dispute to litigation

If you have exhausted all other avenues in your landlord/tenant dispute, you may have to take your tenant to civil or criminal court. The actions of your tenant will dictate the manner in which the case should be tried. Make sure that your lawyer is well versed in landlord/tenant law, and capable of prosecuting the case successfully. Be prepared to supply all necessary documentation of what has transpired.



Bottom Line

Navigating rental lease agreements in Victoria requires a clear understanding of the legal framework and mutual obligations of both tenants and landlords. These agreements, governed by the Residential Tenancies Act 1997, set the foundation for a harmonious rental relationship. For tenants, knowing their rights—including secure tenancy, clear communication regarding rent increases, and proper maintenance of the property—is crucial. Similarly, landlords must uphold their responsibilities, such as providing habitable premises, addressing necessary repairs, and ensuring transparent lease terms.

Tenants have a duty to pay rent on time, respect the property, and communicate any issues or damages promptly. On the other hand, landlords are required to respect tenants' privacy, provide advance notice for inspections, and adhere to laws regarding bond handling and lease termination.

This guide empowers individuals to navigate their rental journeys effectively, making it easier to comply with legal obligations and maintain a positive tenant-landlord relationship. Informed decisions pave the way for secure and satisfactory leasing in Victoria.

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