



6 Renting

Renting is when an owner of a residential property (lessor) grants a tenant the right to occupy the property in exchange for money (rent). The *Residential Tenancies Act 1987* is the law that applies to renting.

You may rent a home because you cannot afford to own a property, because it suits your lifestyle or while you are waiting for another form of housing. You may wish to rent out your home as a way of funding a move to a new locale. Renting also gives the opportunity to try a new locale before buying, with the option of returning to your own home.

When looking for a property to rent, shop around and avoid rash decisions. Think carefully about whether the property meets your needs. These needs might include your capacity to pay the rent, proximity to shops or public transport, even how safe you might feel in the home.

Information provided here is specific to tenants. However, it is equally relevant if you wish to rent your home to another person. The Department of Mines, Industry Regulation and Safety provides information and publications for both tenants and lessors.

Cost of renting

To move into a rental property, you will need to have money to pay for:

- rent in advance (two weeks);
- security bond (maximum of four weeks rent);
- a bond for a pet to cover fumigation costs (if applicable); and
- other costs associated with changing house, such as moving furniture, electricity connection etc.

The amount of rent you pay depends upon location, amenity and whom you are renting from. There are three main types of rentals:

- Private rental is when you rent from the lessor or their real estate agent.

- Public housing is when you rent from the Housing Authority.
- Community housing is when you rent from a community housing provider.

Private market rents are determined by the market place. Public and community housing (social housing) can be cheaper than private rental because it is often subsidised and based on about 25 to 30 per cent of your income.

Applications for public and community housing are subject to both income and assets eligibility criteria. There can be a long wait to be offered a property, even if you are eligible. To find out more, contact your Housing Authority office.

National Rental Affordability Scheme (NRAS) properties are owned and managed by community housing or the private rental sector. Rents are set at least 20 per cent less than the normal market rent and applications are subject to income eligibility. Some properties have been set aside for tenants over 55. NRAS properties are usually identified as such in real estate advertisements.

Assistance

If you are on a pension, you may be eligible for Commonwealth Rent Assistance to help with the cost of rent. To find out more, contact Centrelink on 13 2300.

The Housing Authority offers bond assistance and two weeks rent in advance as an interest-free loan to help people on lower incomes to obtain accommodation in the private rental market. Limits apply to the amount you can borrow. The rent must not be more than 60 per cent of your income. To obtain this assistance, visit any Housing Authority office (no appointment is necessary). You will need to supply documents to show proof of your income, identity and rent.

Types of agreements

Rental agreements are either periodic or fixed term. A **periodic tenancy** has no pre-determined finish date but continues on with the same terms and conditions until either the lessor or the tenant terminates the tenancy agreement by giving the other party the appropriate notice.

A **fixed term tenancy** is an agreement in which a tenant rents the premises for a set period with a specific start and finish date. It provides more certainty and security for both parties.

The tenancy agreement is in writing, it must be in the prescribed form. It will show details and the details of the lessor and any other tenants. The agreement should include relevant dates, rent requirements, responsibilities and special conditions.

Don't leave any blank spaces on the rental agreement and make sure all parties sign it.

At the start of your tenancy, you should be given:

- an information statement;
- two copies of the property condition report (seven days after you move in);
- a bond lodgement form if you are paying a bond so it can be lodged with the Bond Administrator; and
- keys to your new home.

Application forms and option fees

You may be asked to complete an application form, to assess whether or not to accept you as a tenant. The lessor may also ask for an option fee. The most the lessor can charge for an option fee is \$50 or \$100 per tenancy application as specified in the Residential Tenancy Regulations 1989 (the Regulations).

If an agreement is signed, this fee can be put towards the rent. If a tenancy is not offered, the fee must be refunded in cash or by EFT within seven days of the decision not to offer you the tenancy. If you decide not to rent the property

after being offered the tenancy, the option fee may not be returned. Check if this is stated on the application form.

Bonds

A lessor can ask for a security bond. In most circumstances, the bond can be no more than four weeks rent. If you are permitted to keep a pet that may carry parasites that can affect humans, an additional amount of no more than \$260 can be charged. The bond is your money and must be held by the Bond Administrator (a section of the Department of Mines, Industry Regulation and Safety). When you pay the bond, the lessor must give a receipt on the spot, showing your name, the amount, date and address of the rental premises.

Within 14 days of you paying the bond, the lessor must deposit the bond with the Bond Administrator.

At the end of a tenancy, bond money will only be paid out if you and the lessor agree, or if a court order states what should be done with the bond. If a dispute arises over the bond, you can resolve it by negotiation or by taking action in the Magistrates Court.

Property condition report

The lessor must prepare a property condition report (PCR) describing the condition of the property at the start and the end of the tenancy.

Within seven days of moving in, the lessor must provide you with two copies of the PCR. You will have seven days to mark anything you disagree with on both copies and return one copy to the lessor. If you don't return it to the lessor, it is taken that you agree with the PCR. Keep your copy in a safe place as it will be needed if a dispute arises.

At the end of the tenancy, the lessor must prepare a PCR describing the condition of the property and give you a reasonable opportunity to attend the inspection. You must be provided with the final PCR within 14 days.

Paying rent

A lessor must not ask for more than two weeks' rent in advance. If convenient, a tenant can choose to pay more eg monthly or any other period that is agreed but this cannot be a term of the tenancy agreement. The lessor must not ask for rent until the period covered by the previous payment is finished.

Receipts for rent paid must be issued within three days, unless you pay rent electronically, in which case a receipt will not be issued. You should keep receipts or records of your rent payments in case there is a dispute in the future about rent.

Rent increases

The laws relating to rent increases vary, depending on what type of tenancy you have:

- Rent in a periodic tenancy may be increased only at six-monthly intervals and you must be given at least 60 days notice in writing. You only have to pay the increase if proper notice has been given in a form approved by the Minister.
- In fixed term tenancy, rent can only be increased if the tenancy agreement stipulates the amount of the increase or the method of calculating the increase. The lessor doesn't have to give you notice of an increase if your fixed term agreement is being renewed, however, the rent cannot be increased for the first 30 days after the new agreement begins.

If you believe the rent is too high you can apply to the Magistrates Court for a reduction, or to argue against a proposed increase. The grounds for applying to the court are that:

- since the tenancy began, there has been a significant reduction in the contents or facilities provided; or
- the owner is putting up the rent by big amounts to force you out.

If your rent is overdue

Your tenancy may be terminated if you fall behind in paying rent. If a problem arises in making the payments, you should contact the lessor immediately and arrange to pay the arrears. A lessor cannot seize your belongings in return for rent owed.

If you reasonably believe you are not behind in rent payments, you can remain in the premises while the matter is sorted out by negotiation, or until the lessor applies for an eviction hearing in court, where both parties can put their case.

A lessor cannot end a tenancy without a court order, even if you are behind in rent.

Urgent repairs

You must inform the lessor about any urgent repairs required as soon as possible. If you did not cause the damage, the lessor is required to arrange (not complete) repairs to essential services within 24 hours and urgent repairs within 48 hours.

Examples of urgent repairs are:

- a burst water pipe or broken hot water system;
- a gas leak or electrical fault likely to endanger people or damage property;
- a sewerage system blockage or broken sewerage fitting;
- damage from flooding, storms or fire; or
- a broken major appliance such as a stove (if included in the tenancy).

If you can't contact the lessor/property manager after making reasonable attempts, or you contact them and they take no action, you can then have the minimum repairs carried out by a qualified tradesperson and claim back the costs. You should get at least two quotes. As soon as practicable after the repairs are carried out the lessor must reimburse you for any reasonable expenses incurred in relation to arranging and paying for the repairs.

Ending a tenancy

How to deal with the end of a tenancy depends on whether the agreement is a fixed term tenancy or a periodic tenancy.

You want to end a tenancy

You may end a periodic tenancy agreement without providing a reason, but you must give a minimum of 21 days' notice in writing. You are committed to a fixed term tenancy agreement for the duration of that term, unless:

- it is ended by written agreement signed by the two parties; or
- you seek an order from the Magistrates Court to end the agreement because the lessor has not kept to the terms of the agreement and refuses to fix the problem.

If you leave a fixed term tenancy before the end of the fixed term, and without written agreement or a court order, you may be liable for rent and expenses until the lessor finds a new tenant or the original tenancy expires.

Although fixed term tenancy agreements have expiry dates, they will not automatically terminate on the end date unless either you or the lessor gives 30 days notice of intention not to renew the agreement.

You can give two days notice to end an agreement if the premises are destroyed, or become uninhabitable. This applies to both periodic and fixed term tenancies.

The owner wants to end a tenancy

An lessor may give notice to end a periodic or fixed term agreement if:

- you are behind in rent payments;
- you fail to keep to the provisions of the tenancy agreement (seven days notice after being given 14 days notice in writing to put matters right); or
- the premises are destroyed or become uninhabitable (seven days notice).

In the case of periodic tenancies, notice can also be given by the owner if:

- the property is to be sold and the contract requires handing over vacant premises (minimum of 30 days notice); or
- the tenancy is to be ended without giving any reasons (minimum of 60 days notice).

The lessor may seek to end a fixed term tenancy through the Magistrates Court if you have recklessly injured the lessor, agent or a neighbour; or caused serious damage to the premises. A fixed term tenancy may also be ended:

- at its natural conclusion, ie at the end of a fixed term by either party giving 30 days notice;
- by written agreement signed by the two parties; or
- if a magistrate is convinced a lessor would suffer undue hardship if the agreement were not ended.

Eviction

You cannot be forced out of a property without a court order. Any other method of eviction is unlawful.

If you receive proper notice to end an agreement but refuse to leave, the lessor can seek a court order to end the agreement and take possession of the premises. The order can be enforced with a warrant authorising a bailiff to evict you.

Where can I get more information?

The Department of Mines, Industry Regulation and Safety has the following guides:

- Renting a home in Western Australia: a tenant's guide
- Renting out your property: a lessor's guide

To obtain a copy please visit:

www.dmirs.wa.gov.au/consumer-protection

Tenancy WA (08) 9221 0088 or 1800 621 888 (country): www.tenancywa.org.au

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