



Changes to residential tenancy law

Frequently asked questions

Rent increases

On 1 July 2013, changes to Western Australia’s residential tenancy laws will commence. Some of these changes affect the way in which rents can be increased. These frequently asked questions will assist you to understand how the new laws may apply to your tenancy agreement.

Note: In the table below, a fixed term agreement refers to a tenancy agreement with a start date and an end date. A periodic agreement does not have a specific end date. Tenancy agreements may also be in writing or non-written (oral) agreements.

Increasing rent during a periodic tenancy agreement	
Question	Answer
I want to increase the rent under an existing periodic tenancy agreement. What do I have to do?	<p>After 1 July 2013, written notice of an increase must be given to the tenant in an approved form*. You must give the tenant the notice at least 60 days before the increased rent becomes payable. You cannot increase the rent within the first six months of a tenancy agreement or within six months of the last rent increase.</p> <p>*The form (Form 10) that has to be used can be downloaded from the Department’s website at no cost.</p>
Increasing rent during a fixed term tenancy agreement	
What if I don’t know how much I am going to increase the rent by at the time I am entering into an agreement?	The purpose of the law is to ensure that tenants can make an informed decision about their ability to be able to afford the rent for the full fixed term of the tenancy agreement. You will therefore need to consider this question prior to entering into a fixed term agreement.
I want to be able to increase the rent during a fixed term tenancy agreement. What do I have to do?	<p>After 1 July 2013, you cannot increase the rent during a fixed term tenancy agreement unless the agreement sets out either the amount of the increase or the method by which the increase will be calculated. If a method is stated, it should be able to be easily understood by the tenant.</p> <p>As per above, at the time when you want to increase the rent, you must give the tenant written notice of the increase in an approved form*. You must give the tenant this form at least 60 days before the increased rent becomes payable. You cannot increase the rent within the first six months of a tenancy or within six months of the last rent increase.</p> <p>*The form (Form 10) that has to be used can be downloaded from the Department’s website at no cost.</p>

Question	Answer
What does 'method of calculating' the increase mean?	This means that you can put in an equation, for example, "rent will increase by CPI" or "rent will increase by 5% of the current rent." The equation must be objective and be something that the tenant can measure and understand. For example, you could not use "market rate" as a method of calculating the increase as there is no objective measure of what the market rate of rent will be.
What if I have a fixed term agreement already in place and it doesn't include this information. Can I increase the rent after 1 July 2013?	Yes, provided the fixed term agreement states that the rent may increase or be increased, then for the term of the existing fixed term agreement you may increase the rent provided that the tenant receives at least 60 days notice of the proposed increase and that the increase does not occur more frequently than at six monthly intervals.
Increasing the rent when re-negotiating a new agreement	
I am coming to the end of a fixed term agreement and I want to negotiate a new agreement with the same tenants. Can I increase the rent in the new tenancy agreement?	Yes, you can increase the rent in the new residential tenancy agreement. However, the increased rent cannot be charged for the first 30 days of the new agreement. During this 30 days, the tenant can only be required to pay the amount of rent that was payable under the previous agreement.
When I am filling in a new tenancy agreement, how do I record the new rent and the old rent?	You should state the new rent and the date from which it shall apply in Part A of the new prescribed tenancy agreement (page 1) and in Part C of the agreement state that for the first 30 days the old rent will apply.
Can I give my tenant 30 days notice of the rent increase before the end of the current agreement and then start charging the increased rate of rent from the first day of the new agreement?	No - under the law, the tenant cannot be required to pay the increased amount of rent for the first 30 days of the new agreement.
The rent is payable weekly, and 30 days is more than 4 weeks. How do I calculate how much rent should be paid immediately after the 30 days has expired?	<p>Use the same process that you would currently use to calculate the rent that a tenant owes when a tenancy agreement ends part way through a rent payment cycle.</p> <p>The previous rent will be payable for 4 weeks and 2 days. To calculate the rent payable in the 5th week you will need to calculate 2 days at the previous rent and five days at the new rent.</p> <p>Example:</p> <ul style="list-style-type: none"> • Previous weekly rent is \$350 therefore $350 \div 7 = \\$50$ daily rate $\times 2 = \\$100$ • New rent is \$420 per week therefore $420 \div 7 = \\$60$ daily rate $\times 5 = \\$300$ • Therefore the rent owing in the 5th week (after the 30 days has expired) $= \\$100$ (for 2 days) $+ \\$300$ (for 5 days) $= \\$400$

Question	Answer
The tenant and I agree to roll the fixed term lease over into a periodic tenancy agreement. Can I increase the rent when the periodic lease commences?	Yes. The periodic lease can provide for a higher rent however the tenant cannot be required to pay the higher rent for the first 30 days of the new periodic agreement.
What if I allow the fixed term agreement to 'roll over' into a periodic tenancy agreement without increasing the rent at that time. If I decide at a later date that I want to increase the rent, what do I have to do?	You cannot increase the rent within the first 6 months of the new periodic agreement. You must provide the tenant with 60 days' written notice of any increase in rent (Form 10*). *Form 10 can be downloaded from the Department's website at no cost.
Once I have waited the 30 days to increase the rent under a new agreement, how long do I have to wait to increase the rent again?	Rent can be increased again six months after the commencement of the new agreement provided that the tenant has been given at least 60 days notice of the proposed rent increase (Form 10*). *Form 10 can be downloaded from the Department's website at no cost.
Increasing the rent when re-negotiating a new agreement	
I have increased the rent for my property. Can I increase the security bond as well?	Yes, provided there has been an increase in rent in accordance with the Act and it has been at least six months since the previous increase in security bond, you may increase the security bond. You must give the tenant 60 days notice in writing of the increased security bond payable. The increase in security bond cannot exceed the equivalent of four weeks rent plus a pet bond (if applicable). For example, if the rent is increased by \$25 per week, the security bond can increase by \$100 (4 x \$25). All increases in security bond must be deposited with the Bond Administrator.

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