

Fact sheet

Rent payments and holding deposits

The *Residential Tenancies and Rooming Accommodation Act 2008* (the Act) is the law that governs renting a place to live in Queensland. The Act is administered by the Residential Tenancies Authority and covers the charging of rent, deposits and other fees.

RENT PAYMENTS

Rent in advance

Tenants can be asked to pay their rent in advance. For a fixed term tenancy, the maximum amount a tenant can be required to pay is one months rent in advance.

A maximum of two weeks rent in advance may be charged for a periodic tenancy or for moveable dwelling premises. A lessor/agent cannot ask the tenant for more rent until the rent in advance has been used up.

Paying the rent

Tenants must pay their rent on time and use the method written in their agreement. The Act lists ways of paying rent. If a lessor/agent wants rent to be paid in a way that is not listed in the Act (such as rent card or money order), they must give the tenant the option of at least two other ways that are listed, such as cash, cheque, direct deposit, or deduction from the tenant's pay or pension.

They must also tell the tenant of any extra charges, such as a joining or service fee that is not the rent that may be payable by the tenant.

A lessor/agent may request a change to the method of rent payment during an existing tenancy, but the tenant has to agree in writing to the change. If they don't agree, the current payment method will continue.

Rent receipts and records

Lessors/agents must give tenants receipts for all rent payments made in cash. Receipts must be given on request for payments made by cheque. Lessors/agents must keep records of rent payments and if a tenant requests a copy, they must provide the tenant with a copy within seven days. Records must be kept for one year after the tenancy has ended. Penalties apply for false, misleading or incomplete rent records.

Rent increases and decreases

Rent may only be increased if there has been at least six months since the current amount of rent became payable by the tenant. This applies to both fixed term and periodic agreements, and between agreements.

The lessor/agent must give two months notice in writing before increasing rent in both periodic and fixed term tenancy agreements. There is no set format for the notice, but it should include the amount the rent will increase and the day from when the increased rent is payable.

During a fixed term agreement, the rent can only be increased if the agreement contains a special term stating when the rent will be increased, and how it will be worked out.

If the lessor/agent prepares a new *General tenancy agreement* (Form 18a) or *Moveable dwelling tenancy agreement* (Form 18b) to renew an existing tenancy, provision for an increase in rent at the

beginning of the agreement may be made. In this circumstance, there is no need to give two months notice as the rent increase is part of a new agreement, not an alteration of the existing one.

During an agreement, tenants may dispute a rent increase if they believe it is excessive. Tenants can also dispute a significant rent increase between subsequent agreements for the same property after they have signed the new agreement by lodging a *Dispute resolution request* (Form 16) with the RTA. The *Dispute resolution request* must be lodged within 30 days after the tenant enters into the new agreement. If dispute resolution is unsuccessful, they can apply to the Tribunal for a review of the increase. However, if the Tribunal decides the rent increase is reasonable, the tenant must pay the new amount for the duration of the agreement.

In certain circumstances, rent may be decreased. Contact the RTA for more information.

Rent arrears

If a tenant is seven days overdue in rent payments, the lessor/agent can serve a *Notice to remedy breach* (Form 11). The tenant then has seven days to pay the outstanding rent for a general dwelling (house or unit) and five days for a moveable dwelling. The tenancy may be ended if the tenant has not paid the outstanding rent in accordance with the *Notice to remedy breach*.

DEPOSITS AND OTHER PAYMENTS

Key deposits

A lessor/agent may ask a prospective tenant to pay a key deposit to enable them to enter and inspect premises. When taking a key deposit, the lessor/agent must give a receipt, and ensure the deposit is fully refunded upon return of the key.

Holding deposits

Prospective tenants may be asked for a deposit to reserve or hold premises they intend to rent. However, the lessor/agent can only accept a deposit from a prospective tenant if a copy of the proposed agreement and any bylaws or park rules have been given to the tenant. Under the Act, the only deposit that can be taken from tenants at this stage is a holding deposit (application deposits are not allowed).

The time period for which a holding deposit will apply is negotiated between the prospective tenants and the lessor/agent. When a period is agreed, it should be written on the receipt for the deposit. If no holding period is stated on the receipt, the Act states that the period is 48 hours.

The lessor/agent can only take one holding deposit at any one time for the property. On accepting a holding deposit, the lessor/agent must give a signed receipt and ensure the property is available if the person proceeds with the tenancy.

If the prospective tenant does not proceed with the tenancy and advises the lessor/agent within the holding period, the entire holding deposit must be refunded within three days.

The lessor/agent can keep the holding deposit if the prospective tenant fails to notify the lessor/agent of their decision not to go ahead with the tenancy within the agreed holding period. If the prospective tenant indicates that they will proceed with the tenancy but then fails to enter into the tenancy agreement, they will forfeit the holding deposits.

When a tenant signs a tenancy agreement after paying a holding deposit, the holding deposit becomes part of the rental bond. Any surplus amounts then become rent in advance.

Service charges

The lessor/agent must pay all charges, levies, premiums, rates and taxes for the premises. The lessor can only require payment of fees and charges allowed by the Act and cannot ask the tenant to pay more than the supply authority would charge, or pay late fees. If the premises are not separately metered, the tenant may be charged only for items specified in the tenancy agreement, showing the method of calculating the tenant's share and how this is to be paid.

Lessors are allowed to pass on the full water consumption costs to tenants provided the criteria for water charging have been met. See the *Water charging* fact sheet for more information.

Lessor/agents cannot charge a fee to cover the costs of complying with the *Residential Tenancies and Rooming Accommodation Act 2008*.

Dispute resolution

Tenants and lessors/agents can usually resolve disputes by talking to each other and finding out about their rights and responsibilities under the Act. If this is unsuccessful, the RTA's dispute resolution service may be able to help. If the matter is still unresolved, an application may be made to the Tribunal for an order about the dispute.

Further information

For more information contact the Residential Tenancies Authority on 1300 366 311.

Accessing RTA forms

The RTA's forms can be obtained electronically or in person by:

- rta.qld.gov.au
- 1300 366 311
- Level 23, 179 Turbot St Brisbane



If you need interpreting assistance to help you understand this information, contact TIS on 13 14 50 (for the cost of a local call) and ask to speak to the Residential Tenancies Authority (RTA).

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