

RayWhite

Victorian Rental Reform Changes 2025

RAY WHITE GUIDE BOOK





The Consumer and Planning Legislation Amendment (Housing Reform) Act 2025

The Housing Reform Bill introduces significant changes for Victorian property managers, taking effect from 25 November 2025 (unless proclaimed earlier). The Act amends the *Residential Tenancies Act 1997* to streamline rental practices and compliance obligations.

KEY UPDATES INCLUDE:

- Extended notice periods for rent increases and notices to vacate in certain circumstances
- VCAT process improvements aimed at faster dispute resolution
- Clarity around tenancy terminations, especially relating to fixed-term agreements and owner occupancy
- Enhanced transparency obligations before entering rental agreements
- These reforms aim to improve compliance clarity, and strengthen renter protections while preserving rental providers rights. Property managers should begin reviewing current practices to ensure alignment before commencement.



Scan QR code
or visit [link to Act here](https://consumer.vic.gov.au/housing/renting/know-the-fundamentals)

As part of the upcoming rental reforms, it's important to note that penalty amounts for breaches of the *Residential Tenancies Act 1997* have increased. In Victoria, many offences under the Act are expressed in penalty units rather than fixed dollar amounts. From 1 July 2025, the value of a single penalty unit is \$203.51. This means the financial impact of non-compliance is now significantly higher.



For more information
Please scan the QR code or visit:
consumer.vic.gov.au/housing/renting/know-the-fundamentals



Key changes

Click to navigate to the section

REFORM	DESCRIPTION
Amendment of the Residential Tenancies Act 1997	
<u>Repeal of 'end of initial fixed-term rental agreement' as a valid ground for notice to vacate</u>	Rental providers can no longer issue a notice to vacate at the end of the initial fixed-term rental agreement.
<u>Transitional provisions - 'end of initial fixed-term rental agreement'</u>	Current 90-day 'end of fixed-term' notices will still be valid if issued before the commencement of the reforms.
<u>Ban on rental bidding</u>	Rental providers and agents must not accept rent offers above the advertised price, even if unsolicited.
<u>Limits of rent in advance</u>	Rental providers must not solicit or accept more than one month's rent in advance, including unsolicited offers.
<u>Rent increase notice periods</u>	Notice periods increased from 60 to 90 days for rent increases.
<u>Reviews of excessive rent</u>	Where a renter believes that a proposed rent increase is excessive, they may apply to the Director of Consumer Affairs Victoria for an investigation.
<u>Extended notice periods for certain notices</u>	Notice periods for ending rental agreements have increased from 60 to 90 days for certain notices.
<u>Standard rental application form</u>	Requirement to use a prescribed application form for residential rental agreements.
<u>Permitted requests for application information</u>	Rental providers may request prescribed identity, financial, and employment information from applicants.
<u>Protection of renter's personal information</u>	Rental providers must protect renter data from misuse or unauthorised disclosure.
<u>Destruction and de-identification of renter's information</u>	Rental providers must destroy or permanently de-identify renter's information.
<u>Disclosure of renter's information</u>	Rental providers must not disclose the renter's information.
<u>Relationship with other privacy laws</u>	Clarifies how the new renter privacy obligations interact with existing privacy legislation.
<u>Ban on rental application fees</u>	Rent payment and application fees prohibited for third-party platforms.
<u>Minimum standards at the time of advertising</u>	Cannot advertise a property unless the rental provider believes it complies with minimum standards.
<u>Smoke alarm compliance</u>	Rental providers must test and ensure smoke alarms are working annually.

Repeal of 'End of Initial Fixed-Term Agreement' as a Valid Ground for Notice to Vacate

OVERVIEW

There are significant changes to how and when a rental agreement can be terminated. One of the most important changes is the removal of a rental provider's ability to end a tenancy at the end of the initial fixed-term rental agreement.

WHAT'S CHANGED

Sections 91ZZD and 91ZZDA of the *Residential Tenancies Act 1997 (Vic)* have been removed.

These sections previously allowed rental providers to issue a notice to vacate at the end of an initial fixed-term rental agreement.

- Section 91ZZD applied to fixed-term agreements less than 5 years
- Section 91ZZDA applied to agreements more than 5 years

As of the reform's commencement, these notice types are no longer valid. Rental providers cannot terminate a rental agreement simply because the fixed-term has ended.



Transitional Provisions - 'End of initial fixed- term rental agreement'

OVERVIEW

While the ability to issue an end of initial fixed-term notice has been removed under the new reforms, there are transitional provisions in place to ensure fairness and legal continuity for notices already issued.

WHAT'S CHANGED

Sections 91ZZD and 91ZZDA of the *Residential Tenancies Act 1997 (Vic)* have been removed. These sections previously allowed rental providers to end a fixed-term rental agreement.

However, if a notice to vacate under either of these sections is given before the commencement of the reforms (currently scheduled for 25 November 2025, subject to an earlier commencement date being proclaimed), that notice remains valid and may be acted upon up to the termination date specified in the notice.

- Section 91ZZD applied to fixed-term agreements less than 5 years
- Section 91ZZDA applied to agreements more than 5 years

Ban on rental bidding

OVERVIEW

The reforms have strengthened the rules around how rental properties are advertised and leased by closing a key loophole in the rental bidding process. Rental providers and agents are now clearly prohibited from accepting higher offers than the advertised rent, even if unsolicited.

WHAT'S CHANGED

Under Section 30F(4) of the *Residential Tenancies Act 1997 (Vic)*, rented premises must be offered at a fixed rental amount, and:

- Rental providers and their agents must not accept any offer of rent above the advertised price, even if that offer is made voluntarily by a prospective renter.

Previously, the law prohibited inviting or encouraging higher offers, but still allowed agents to accept them. That loophole has now been removed.

Accepting any rental offer that exceeds the advertised amount is now an offence, regardless of how the offer is made.



Limits on advanced rent payments

OVERVIEW

New reforms have tightened the rules around rent payments to prevent financial pressure on renters and ensure fairness in leasing practices. These changes ban the solicitation or acceptance of rent payments beyond the legal limits, even if such payments are offered voluntarily.

WHAT'S CHANGED

The amendments to Sections 40, 41, and 42 of the *Residential Tenancies Act 1997 (Vic)* now place clear limits on when and how much rent can be paid in advance.

KEY CHANGES INCLUDE:

- **Section 40(1)** - It is now prohibited to solicit or invite a renter to pay more than one month's rent in advance under a residential rental agreement.
- **Section 40(3)** - Rental providers and agents must not accept an unsolicited or uninvited offer of payment of rent.
- **Section 41** - For weekly rental agreements, rental providers and agents cannot solicit, invite, or accept more than two weeks' rent in advance.
- **Section 42(4)** - Rental providers and their agents must ensure at least one rent payment method is available that does not incur extra charges, aside from any standard bank or account fees payable by the renter.

Rent increases – extended notice period

OVERVIEW

Rent increase rules have been updated to give renters more time to adjust to changing housing costs. This change aims to improve transparency and provide greater financial security for renters.

WHAT'S CHANGED

Amendments to Section 44 of the Residential Tenancies Act 1997 (Vic) have extended the minimum notice period for rent increases from 60 days to 90 days.

From the commencement of the reform, rental providers and agents must now give renters at least 90 days' written notice before a rent increase takes effect.

The notice must:

- Be issued in writing
- Provide the method of calculation
- Use the prescribed form in accordance with the Residential Tenancies Regulations 2021
- Clearly state:
 - The amount of the proposed increase
 - The date the increase will take effect

This ensures that renters have sufficient time to assess their options and adjust their budgets accordingly.



Excessive rent complaints – director investigations and VCAT Orders

OVERVIEW

Renters who believe a proposed rent increase is excessive can challenge it through Consumer Affairs Victoria (CAV). These protections aim to prevent unfair or unreasonable rent hikes and provide a process for independent review.

WHAT'S CHANGED

Amendments to Sections 45 and 47(3) of the *Residential Tenancies Act 1997 (Vic)* expand the criteria for assessing whether a rent increase is excessive and clarify how complaints are handled by CAV and VCAT.

RENTER RIGHTS TO CHALLENGE INCREASES

- Renters can apply to CAV for an investigation into a proposed rent increase if they believe it is excessive.
- The application must be made within 30 days of receiving the rent increase notice.

CAV MUST CONSIDER THE FOLLOWING (SECTION 47(3)):

When assessing whether a rent increase is excessive, CAV will consider:

- Rent charged for comparable properties in the area (excluding public housing)
- The condition and state of repair of the premises
- Goods, services or facilities provided with the tenancy

- Any charges the rental provider or renter must pay under the law or agreement
- Work completed by the renter with the provider's consent
- Changes in rent and property condition since the start of the tenancy or last increase
- The number and size of rent increases in the last 24 months
- Any available property valuation
- Any additional prescribed matters outlined in the *Residential Tenancies Regulations 2021*

VCAT POWERS EXPANDED (SECTION 47(3))

If the matter proceeds to VCAT under Section 46, VCAT must consider the same list of factors when deciding whether the rent is excessive.

WHAT CAN VCAT ORDER?

If VCAT finds the rent is excessive, it can make an order setting a revised rent amount. Once that order is made:

- The rental provider cannot charge more than the set amount for 12 months from the order's start date.

Extended notice period for certain notices

OVERVIEW

Rental providers must now give renters more time when ending a tenancy for specific reasons such as repairs, demolition, sale, or moving in themselves. The minimum notice period for these types of terminations has been increased to improve housing stability and give renters additional time to secure alternative accommodation.

WHAT'S CHANGED

Amendments to the *Residential Tenancies Act 1997 (Vic)* have extended the minimum notice period from 60 days to 90 days for the following termination grounds:

- **Repairs, Renovation, or Reconstruction** – Section **91ZY**
- **Demolition of the premises** – Section **91ZY**
- **Change of use of the premises (e.g., business use)** – Section **91ZZ**
- **Occupation by rental provider or their family** – Section **91ZZA**
- **Premises are being sold** – Section **91ZZB**
- **Premises required for public purposes** – Section **91ZZC**

These changes apply to notices to vacate issued on or after the commencement of the reforms.



Rental application process – prescribed format required

OVERVIEW

Rental applications must now follow a standardised format to ensure fairness, consistency, and privacy. Rental providers and agents are prohibited from using their own versions of application forms that go beyond what is legally required.

WHAT'S CHANGED

Under Section 30AC of the *Residential Tenancies Act 1997 (Vic)*, residential rental providers and their agents must not prepare, use, or authorise any rental application form unless it complies with the prescribed format set out in the *Residential Tenancies Regulations 2021*.

This reform is designed to:

- Limit the type of personal information that can be collected from applicants
- Ensure only relevant and necessary details are requested, such as identity verification and ability to pay rent

The use of a standardised form promotes transparency, protects applicant privacy, and helps reduce discrimination during the rental process.

[Prescribed residential rental application](#)



Residential rental providers may request prescribed information from applicants

OVERVIEW

Rental providers and their agents may now request only specific, prescribed information from prospective renters when processing applications. This reform aims to ensure that application processes are fair, privacy-conscious, and consistent across the industry.

WHAT'S CHANGED

Under Section 30BA of the *Residential Tenancies Act 1997 (Vic)*, a residential rental provider or their agent may request the following information from a person applying for a rental agreement:

- (a) Prescribed identity information
- (b) Prescribed financial information
- (c) Prescribed employment information
- (d) Any other prescribed matter

The types of information that can be requested will be defined in the upcoming prescribed rental application to be released under the *Residential Tenancies Regulations 2021*.

RESTRICTIONS STILL APPLY (SECTION 30C)

While Section 30BA permits requests for specific information, Section 30C still makes it an offence to request certain prohibited information, such as:

- Details of past or current disputes or legal action with a former rental provider
- Information about an applicant's rental bond history, including whether a bond claim has ever been made
- Bank or credit account statements showing daily transactions – renters may redact transaction details if they voluntarily provide a statement

Protection of renter's information from misuse, interference or loss

OVERVIEW

Rental providers and agents now have a legal duty to take reasonable steps to safeguard renter information. This applies to all personal information collected and stored during the rental process, both physical and digital.

WHAT'S CHANGED

Section 505BB of the *Residential Tenancies Act 1997 (Vic)* introduces a new obligation to protect renter information from:

- Misuse or loss; and
- Unauthorised access, modification, or disclosure

THIS APPLIES TO ALL RENTER DATA, INCLUDING:

- Application forms
- ID documents
- Financial and employment details
- Contact information
- Tenancy history

Whether held in hard copy or electronically, this information must be securely managed and handled in line with privacy standards

WHAT ARE "REASONABLE STEPS"?

Examples of actions that may meet your legal obligation include:

- Using secure property management software and password-protected systems
- Limiting access to renter files to authorised personnel only
- Shredding or permanently deleting documents when they are no longer needed
- Avoiding use of personal or unsecured email accounts for sharing renter documents
- Ensuring any third-party platforms (like rent payment or application services) comply with Australian privacy standards

Deconstruction and de-identification of renter's information

OVERVIEW

Rental providers and agents are now subject to strict rules about how long renter information can be kept. You are required to destroy or permanently de-identify renter data once it's no longer needed, unless an exception applies.

WHAT'S CHANGED

Section 505BC of the *Residential Tenancies Act 1997 (Vic)* sets out mandatory timeframes for how long renter information can be retained.

WHEN MUST INFORMATION BE DESTROYED OR DE-IDENTIFIED?

For former renters:

- Within 3 years of the end of the residential rental agreement.

For unsuccessful applicants:

- Within 30 days of a lease being signed for the property they applied for, or
- Within 6 months if the applicant has provided written consent to reuse their information for other rental applications.

EXCEPTIONS - WHEN CAN YOU KEEP THE INFORMATION?

You are not required to destroy or de-identify renter information if:

- It is needed for legal, insurance, compliance, or dispute resolution purposes under Section 505BD(1)(b-g)
- You have valid written consent from the renter for a specific, permitted use
- A law, court order, or tribunal order requires you to retain the information

WHAT COUNTS AS VALID CONSENT?

Consent must be:

- Given by someone with legal capacity
- Voluntary, informed, specific, and current

THIS OBLIGATION DOES NOT OVERRIDE:

- The Public Records Act 1973
- Section 254 of the *Crimes Act 1958* (which relates to records kept in connection with criminal investigations)

Disclosure of renter's information

OVERVIEW

Rental providers and agents are only permitted to disclose renter or applicant information in specific, legally approved situations. This restriction is designed to uphold renter privacy and prevent misuse of sensitive data.

WHAT'S CHANGED

Section 505BD of the *Residential Tenancies Act 1997* (Vic) now clearly defines when renter information can be disclosed. Unless an exception applies, disclosing renter or applicant details is not permitted.

WHEN DISCLOSURE IS ALLOWED

You may disclose renter information only if one of the following conditions is met:

- The renter or applicant has provided written consent
- A court or tribunal orders the disclosure
- The disclosure is authorised by law, including any Victorian or Commonwealth legislation

- You reasonably believe disclosure is necessary to prevent a serious threat to:
 - A person's life, health, safety, or welfare
 - Public health, safety, or welfare
- The disclosure is required for law enforcement purposes, such as:
 - Preventing, investigating, or prosecuting a crime
 - Preparing for or participating in court or tribunal proceedings
 - Enforcing an order from a court or the Tribunal
- A national security request from ASIO or ASIS
- The disclosure is necessary as part of Tribunal or court proceedings
- Disclosure is required under prescribed circumstances, as set out in the *Residential Tenancies Regulations 2021*

Relationship with other privacy laws

OVERVIEW

Rental providers and agents are expected to comply with new privacy obligations under the *Residential Tenancies Act 1997* (Vic). However, if you're already meeting equivalent privacy standards under existing Commonwealth or Victorian legislation, you are not required to duplicate your efforts under the RTA.

WHAT'S CHANGED

Section 505BE clarifies how sections 505BB (protection), 505BC (destruction), and 505BD (disclosure) of the *Residential Tenancies Act 1997* interact with existing privacy laws.

If you're already complying with, or are legally exempt from, similar obligations under another law, you don't need to separately comply with the same requirement in the RTA.

OVERLAPPING PRIVACY LAWS INCLUDE:

- *Privacy Act 1988* (Cth)
- *Privacy and Data Protection Act 2014* (Vic)
- *Public Records Act 1973* (Vic)
- *Health Records Act 2001* (Vic)
- *Section 254 of the Crimes Act 1958* (Vic)

WHAT THIS MEANS FOR PROPERTY MANAGERS

You must comply with the renter privacy obligations in sections 505BB, 505BC, and 505BD unless:

- You're already complying with equivalent obligations under one of the above laws, or
- You are exempt from those obligations under that other legislation

This provision prevents unnecessary duplication and ensures that privacy compliance remains consistent across your business practices.

Ban on rental application fees

OVERVIEW

Renters must not be charged fees to apply for a property or to pay rent. This reform aims to reduce upfront costs and protect renters from unfair charges, especially from third-party platforms or service providers.

WHAT'S CHANGED

Section 51A of the *Residential Tenancies Act 1997 (Vic)* prohibits any person or business from charging:

- Fees to apply for a rental property
- Fees to make a rent payment

Rental providers and agents must also ensure that renters have access to at least one fee-free rent payment method, except for standard fees charged by the renter's own bank or financial institution (e.g. account or transaction fees).



Advertising of premises for rent that do not comply with rental minimum standards

OVERVIEW

Properties must not be advertised for rent unless the rental provider or agent reasonably believes the premises meet the minimum rental standards. This change reinforces the importance of ensuring properties are safe, functional, and legally compliant before they are listed.

WHAT'S CHANGED

Under Section 65B of the *Residential Tenancies Act 1997 (Vic)*, a rental provider or agent must not advertise or offer a property for rent unless they reasonably believe that the premises comply with the rental minimum standards at the time of advertising.

Advertising a property that does not meet these standards will be considered a breach.

WHAT ARE THE STANDARDS?

Smoke alarms

OVERVIEW

Residential rental providers and their agents now have a clear and enforceable duty to ensure that smoke alarms in rental properties are correctly installed, maintained, and tested regularly. This applies regardless of when the rental agreement commenced, including agreements entered into before, on, or after 29 March 2021.

WHAT'S CHANGED

Under Section 68AA of the *Residential Tenancies Act 1997 (Vic)*, rental providers and their agents must ensure that all smoke alarms installed in rental premises meet the following conditions:

- (a) Correctly installed and in working condition
- (b) Fitted with batteries or replacement batteries, as needed
- (c) Tested at least once every 12 months in accordance with the manufacturer's instructions

URGENT REPAIRS – RENTER RIGHTS

If a smoke alarm does not meet these requirements, the renter may issue an urgent repair request. The residential rental provider or their agent must then:

- Immediately arrange for the smoke alarm to be repaired
- Treat this issue as an urgent repair under the Act

QUALIFIED PERSON REQUIREMENT

If the smoke alarm is powered by mains electricity, then testing, repair, or replacement must be carried out by a suitably qualified person.

A suitably qualified person is defined as:

- A tradesperson who is registered or licensed to perform the relevant work, where required by law

This ensures that work involving electrical safety is performed only by appropriately accredited professionals.



The logo consists of a solid yellow square. In the center, the words "RayWhite" are written in a bold, black, sans-serif font. "Ray" is in a smaller font size above "White".

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