

RayWhite.

2021 VICTORIAN RENTAL REFORMS

FAQ Guide



OVERVIEW

The Residential Tenancies Amendments Act contains supporting details about changes to the Residential Tenancies Act 1997. The Victorian Government will implement those changes by April 2021.

The regulations will affect rental providers (landlords) and the 1.5 million Victorians living in rental housing. This includes:

- General
 - Minimum standards
 - Modifications
 - Pets
 - Safety-related activities
-

This document provides you with the most common questions our team are receiving in relation to the changes to rental laws.

GENERAL

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Question

What are the timelines for compliance checks, minimum standards and efficiency ratings to be compliant?

Answer

For all new rental agreements signed on or after 29 March 2021, or any fixed rental agreements which roll over into a periodic (month to month) agreement on or after the 29 March 2021, the rental property must meet minimum standards. For all new rental agreements signed on or after 29 March 2021 rental providers will need to conduct regular gas and electrical safety checks.

What's the process to recover costs from renters if they damage the property?

The legislation has a very detailed and strict process to recover costs for damages. Typically this involves escalating the matter to the Victorian Civil and Administrative Tribunal to seek mediation and determine what is fair and reasonable.

Can we ask for an extra bond?

Bonds are fixed at one month of rent if the weekly rental amount is less than \$900. Rental providers are permitted to seek additional bond if the rent is more than \$900 per week. Rental providers can ask for additional bonds for modifications in some circumstances, but not for pets.

What are the key changes we need to know?

Please see our Rental Reforms Overview booklet, or visit consumer.vic.gov.au

Where do we find a complete list of all the reforms?

You can find more information about all the changes by visiting consumer.vic.gov.au

Where can we find more information about government rebates?

You can find more information about all the changes by visiting energy.gov.au/rebates

Would you all consider increasing rent due to these reforms?

If the works conducted substantially increased the value and desirability of the property, renters would most likely be acceptable to pay a higher rent.

Question

Answer

Any changes to NBN connection?

Yes - rental providers are required to provide NBN connection. If the property has no NBN connection, the rental provider will be required to pay for this.

What input did Ray White have on these changes?

When submissions were open, Ray White put forward submissions stating their position as the largest provider of property management services in Victoria.

Did property owners get a chance to provide opinions in the lead up to these changes?

Yes - consultation processes were open in 2018, seeking feedback from the industry.

How will Ray White support rental providers after 29 March?

Ray White will continue to manage rental properties in accordance with all legislation and regulations in order to protect our clients. Our team has undertaken over two years of training to ensure they can assist you during the transition.

Are there any penalty units for breaches?

Yes - both the renter and the rental provider may be fined for non-performance of the rental agreement and the Residential Tenancies Act.

Can we still issue a 120-day notice to vacate?

No - the 120-day notice to vacate for no specific reason has been removed from this legislation.

Under what circumstances can a renter break a rental agreement legally?

A renter can break an agreement at any time; however, there are penalties for doing so. These are listed in the prescribed Form 1 (Rental agreement of less than five years).

MINIMUM
STANDARDS

MINIMUM STANDARDS

Question

Answer

Do all properties need windows and door locks?

Yes - as part of the minimum standards, all properties will need to be safe and secure from unwanted entry.

Do all bedrooms need windows?

All bedrooms need natural or borrowed light. That means, if the room has access to an internal light-well (for example, an apartment), this is permitted. If the bedroom has no natural or borrowed light but it has artificial light (for example, a standard light globe), this does not meet the minimum standards.

How do I find out if my property meets the minimum standards?

You can review the minimum standards on [consumer.vic.gov.au](https://www.consumer.vic.gov.au) and you can then determine if your property meets those standards. Alternatively, you may obtain a building inspection from a registered builder who can provide further information.

Do I need a registered plumber to do plumbing works at the property?

Yes - all repairs and maintenance must be conducted by a suitable qualified tradesperson.

Do the minimum standards apply to current lease agreements?

No - they only apply to new agreements after 29 March 2021. However, we recommend that all properties should comply with minimum standards and safety-related activities as soon as possible in preparation.

What happens if there is mould in the property?

Any mould caused by the building structure is the responsibility of the rental provider, and any mould caused by the renter is the responsibility of the renter. In the event of any mould, an investigation should be conducted to determine the cause of the mould, and then rectification works should be taken.

MODIFICATIONS

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Question

What modifications can be made by renters without the permission of rental providers?

Answer

Please see our Rental Reforms Overview booklet, or visit consumer.vic.gov.au

A security system of up to what value can be installed without the rental provider's consent?

There is no value included with this permitted modification. However, it must not impact the privacy of neighbours, it must be easily removed from the rented premises, and it can't be hardwired to the rented premises.

What painting can be done without the rental provider's consent?

The regulations on specifying that painting is permitted with no guidelines. We recommend that this is discussed with the renter prior to the works being completed.

Do the renters pay for these modifications or rental provider?

The renter is required to pay for these modifications. They are also required to remove any alterations at the end of the rental agreement and return the property to the rental provider in the same state as provided to them (allowing for fair wear and tear).

Do renters need to remove all modifications?

If modifications improve the property, the rental provider can choose to allow the renter to leave the improvement and not remove it before leaving.

If modifications aren't re-instated, how will bond cover this?

The rental provider can request an additional bond as a condition of accepting the modifications proposed by the renter.

Can renters paint an entire home without approval?

No - the renter needs the approval to paint the property; however, it is unlikely that a renter will want to paint an entire house unless the paintwork is in poor condition.

PETS

P E T S

Question

Answer

Can we ban a renter with a pet?

A rental provider can not ask a renter if they have a pet when leasing the property. A rental provider may be able to ban a pet by applying to VCAT, but a rental provider cannot refuse consent for a renter to keep a pet. Your Ray White property manager will be able to provide further information on the VCAT process.

Can we take an extra bond for pets?

No - additional bonds for pets are not permitted.

What happens when the pets have damaged the property, i.e., floorboards due to their nails, i.e., decking? Who is responsible for the damage?

The renter is responsible for damages caused during the tenancy, with the exception of fair wear and tear.

What happens if a renter's pet digs up holes in the garden? Can you get them to use their bond for rectification works?

The renter is responsible for repairing any damages prior to vacating the property, allowing for fair wear and tear. If the renter does not repair these damages, compensation may be payable to the rental provider.

What is an acceptable definition of a 'pet'?

Local councils guide what pets and how many are permitted to reside in their local areas.

Can we issue a notice to vacate if a tenant breaches the pet agreement?

Only specific notice to vacates can be issued in relation to pets. Under the new legislation, a rental provider may only give notice to vacate when a pet is kept without consent. That means the Victorian Civil and Administrative Tribunal has made an order under section 71E excluding a pet from the rented premises and the renter still has a pet.

SAFETY-RELATED ACTIVITIES

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Question

Tradies will be booked up with these jobs - is there any leniency awarded if there is a delay?

Yes, we expect that the wording of the legislation and regulations allows for a 'practicable' period to have works completed. Consumer Affairs Victoria will provide more definition. You should, however, factor this in and commence working with tradespeople as soon as possible.

I've already paid for safety-related checks - this isn't new?

It's been recommended to ensure all properties are safe - now the law says these checks must be done (previously, they were optional).

My property only has an external gas hot water service - do I need to get this checked?

This gas safety-related requirement only applies if the rented premises contains any appliances, fixtures or fittings which use or supply gas. In this case, you would need to ensure your gas appliance is tested.

What if your property has a caretaker and owners corporation that looks after the buildings in the complex?

Owners corporations will look after the common areas, but not inside the rental property. As a property owner, you are responsible for ensuring the safety of the occupants inside your property.

Does "every two years" for a check commence from now? If I have never had one, do I need to do one immediately?

If your property is required by law to have a safety compliance check, the renter can request to see the safety certificates at any time with seven days notice, and the owner must do so as soon as possible. This means the property owner needs to demonstrate that all steps have been taken to arrange these checks as soon as possible.

Will Ray White work with their electricians and plumbers to provide an annual package for:- smoke alarm safety checks at least once every 12 months- gas and electrical safety checks every two years?

Yes - please speak with your local Ray White office about their preferred local tradespeople.



For more information, please visit
<https://www.consumer.vic.gov.au>

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