

ISSUE

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# RENTAL NEWS

## WHAT IS CHANGING?

On 24 October 2024 the NSW Parliament passed the Residential Tenancies Amendment Bill 2024. The legislation is now the Residential Tenancies Amendment Act 2024. Changes to end no grounds terminations and making it easier to keep pets are part of the Residential Tenancies Amendment Regulations 2025.

The changes:

- require landlords to provide reasons to end a lease - ending 'no grounds' terminations for renters
- make it easier to keep a pet in your rental home
- limit rent increases to once per year for all lease types
- prevent extra fees at the start of a tenancy, including fees for background checks and for preparing a tenancy agreement
- ensure renters can pay rent by bank transfer.

## WHEN WILL THE CHANGES START?

Reforms, including changes to require a reason to end a lease (ending no grounds terminations), making it easier for renters to keep pets, and ensuring renters can pay rent by bank transfer, will start on **19 May 2025**.

**NSW Fair Trading will enforce the changes.** A new Rental Taskforce has been created within Fair Trading with dedicated inspectors and compliance officers who will focus on preventing and responding to breaches of rental laws.



## CHANGES TO RENTAL LAWS - Learn about recent and upcoming changes to rental laws.

### Fees at the start of a tenancy (including background checks)

Changes that started on 31 October 2024 make it clear that a renter or rental applicant cannot be charged for extra costs while searching, applying for, or starting a tenancy. This includes fees for background checks and fees for preparing a tenancy agreement.

### Rent increases

Rent increases can only be made once per year for all leases from 31 October 2024.

Previously, only periodic leases and fixed-term leases of two years or more had this rule. It now applies to all leases.

Different rules apply for fixed-term leases of 2 years or less that were entered into before 13 December 2024.

### Notice periods for ending a lease

Renters must be given enough notice before the termination date to leave the property. The amount of notice a renter must be given before their lease ends will increase for renters in a fixed-term lease.

The amount of notice generally required will be:

- for a **periodic lease**: at least 90 days' notice.
- for a **fixed term lease of 6 months or less**: at least 60 days' notice, and the termination date cannot be before the end of the fixed term
- for a **fixed term lease of more than 6 months**: at least 90 days' notice, and the termination date cannot be before the end of the fixed term.

There are some grounds (such as a breach of the agreement) that have a shorter notice period.

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## Ending a tenancy

Landlords will need a reason to end a tenancy for both periodic and fixed term leases.

This will include reasons such as:

- the existing reasons where the renter is at fault, because of a breach of lease, damage to the property, or non-payment of rent
- the property is being sold or offered for sale with vacant possession
- the property needs to be empty for significant repairs or renovations, or the property will be demolished
- the property will no longer be used as a rental home – for example, it will instead be used for a business
- the landlord or their family intend to move into the property
- the renter lives in the property as part of their employment and their employment has ended
- the renter is no longer eligible for an affordable or transitional housing program, or the property is purpose-built student accommodation, and the renter is no longer a student
- the property is part of a key worker housing program and needs to be used by a key worker, like a teacher, health worker or police.

Landlords who want to end a lease will need to give renters a termination notice with an information statement explaining the landlord's responsibilities and the renter's rights when ending a lease. NSW Fair Trading will provide an information statement for landlords and agents to use.

The landlord will also have to provide supporting documents where they are ending the tenancy because the property:

- is sold or offered for sale
- will have significant renovations or repairs
- will be demolished
- will no longer be used as a rental home, or
- will be occupied by the landlord or their family member.

Heavy penalties apply to landlords or agents who provide a termination notice on a non-genuine ground or give supporting documentation that is false or misleading.

## Re-letting restriction

Where a landlord or agent ends a lease for certain reasons, there will be a period where a new tenancy agreement cannot start. This is known as a re-letting restriction. The reason for ending the tenancy will determine the length of the re-letting restriction.

## Keeping a pet

The new laws will make it easier for renters to keep pets in their home. A landlord will only be able to refuse a pet for certain reasons.

Landlords will need to provide a written response to a pet request within 21 days. If they do not respond, the request will be automatically approved.

Landlords will be able to refuse the request if:

- there would be too many animals at the property
- the property is unsuitable for the animal because of the fencing, or lack of open space, or because it would harm the animal's welfare
- the animal is likely to cause more damage than the bond could repair
- the landlord lives at the property
- keeping the animal would break other laws, local council rules, strata or community scheme by-laws, or a residential community rule
- the renter did not agree to a reasonable condition for keeping the animal.

There will be limits on the kinds of conditions a landlord may ask for. For example, a landlord will not be able to ask a renter to increase the bond or the rent as a condition for allowing the pet.

If a renter disagrees with a decision, they will be able to apply to the NSW Civil and Administrative Tribunal.

Once consent to keep a pet has been given, consent continues at that property for the life of the animal, even if the landlord or agent changes.

Landlords and agents will also not be able to state in an advertisement that no pets are allowed at a rental property.

## PLEASE REACH OUT

We are working to ensure a smooth positive experience for our landlords... but with change comes uncertainty. We are here to help you.

*Experience the excellence...*