

March 2020

Tenant information statement

What you must know before you start renting

Starting a tenancy

Landlords or agents must give all tenants a copy of this **Tenant information statement** before signing a residential tenancy agreement.

Make sure you read this information statement thoroughly before you sign a residential tenancy agreement. Ask questions if there is anything in the agreement that you do not understand.

Remember, you are committing to a legally binding contract with no cooling-off period. You want to be certain you understand and agree to what you are signing.

The landlord or agent must:

- ensure the property is vacant, reasonably clean, fit to live in and in good repair at the start of the tenancy
- provide and maintain the property in a reasonable state of repair
- meet health and safety laws (e.g. pool fencing, electrical installations, smoke alarms, window and balcony safety)
- · ensure the property is reasonably secure
- respect your privacy and follow entry and notice requirements.

When renting, you must:

- · pay the rent on time
- keep the property reasonably clean and undamaged and leave it in the same condition it was in when you moved in (fair wear and tear excepted)
- not use the property for anything illegal
- follow the terms of the tenancy agreement
- respect your neighbours' right to peace, comfort and privacy

What you must be told before you sign an agreement

Sometimes a rental property has something in its history that you should know before you sign an agreement.

The landlord or agent **must tell** you if the property is:

- planned to be sold
- subject to court proceedings where the mortgagee is trying to take possession of the property
- in a strata scheme and a strata renewal committee is currently established for the strata scheme.

The landlord or agent **must tell** you if they are aware of any of the following facts. If the property:

- has been subject to flooding from a natural weather event or bushfire in the last 5 years
- has significant health or safety risks (unless obvious to a reasonable person when the property is inspected)
- has been the scene of a serious violent crime (e.g. murder or aggravated assault) in the last 5 years
- is listed on the loose-fill asbestos insulation register
- has been used to manufacture or cultivate a prohibited drug or prohibited plant in the last 2 years
- is part of a building where a fire safety or building product rectification order (or a notice of intention to issue one of these orders) has been issued regarding external combustible cladding
- is part of a building where a development or complying development certificate application for rectification has been lodged regarding external combustible cladding
- is in a strata scheme where scheduled rectification work or major repairs will be carried out to common property during the fixed term of the agreement
- is affected by zoning or laws that will not allow you to obtain a parking permit, and only paid parking is available in the area
- is provided with any council waste services that are different to other properties in the council area
- has a driveway or walkway that others can legally use.

Penalties apply to landlords or agents if any of the above is not done.

What you must be given before you sign an agreement

Before you sign an agreement or move into the property, the landlord or agent **must give** you:

- · a copy of this Tenant information statement
- a copy of the proposed tenancy agreement, filled out in the spaces provided
- 2 hard copies, or 1 electronic copy, of the condition report for the property completed by the landlord or agent
- a copy of the by-laws, if the property is in a strata scheme.

What you must be given at the time you sign an agreement

At the time you sign the agreement, the landlord or agent **must give** you:

 for any swimming or spa pools on the property, a valid certificate of compliance or occupation certificate (issued within the last 3 years). This does not apply if you are renting a property in a strata or community scheme that has more than 2 lots.

Before or at the start of the tenancy

The landlord or agent must give you:

 a copy of the key (or other opening device or information) to open any lock or security device for the rented property or common property, at no cost to you or any tenant named in the agreement

The property must be fit to live in

The property must be reasonably clean, fit to live in and in a reasonable state of repair.

To be fit to live in, the property must (at a minimum):

- 1. be structurally sound
- 2. have adequate natural or artificial lighting in each room, except storage rooms or garages
- 3. have adequate ventilation
- 4. be supplied with electricity or gas, and have enough electricity or gas sockets for lighting, heating and other appliances
- 5. have adequate plumbing and drainage
- have a water connection that can supply hot and cold water for drinking, washing and cleaning
- 7. have bathroom facilities, including toilet and washing facilities, that allow users' privacy.

The property could have other issues that may make it unfit for you to live in, even if it meets the

above 7 minimum standards. Before you rent the property, you should tell the landlord or agent to take steps (such as make repairs) to make sure the property is fit to live in.

Residential tenancy agreement

The tenancy agreement is a legal agreement. It must include certain standard terms that cannot be changed or deleted. It may also include additional terms. Verbal agreements are still binding on you and the landlord.

Condition report

You should have already received a copy of the condition report, completed by the landlord or agent, before you signed the agreement. This is an important piece of evidence and you should take the time to check the condition of the property at the start of the tenancy. If you do not complete the report accurately, money could be taken out of your bond (after you move out) to pay for damage that was already there when you moved in.

You must complete and give a copy of the condition report to your landlord or agent within 7 days after moving into the property. You must also keep a copy of the completed report.

Rent, receipts and records

Rent is a regular payment you make to the landlord to be able to live in the property. You cannot be asked to pay more than 2 weeks' rent in advance. Your landlord or agent cannot demand more rent until it is due.

Your landlord or agent can serve you with 14 days' termination notice if you are more than 14 days behind with the rent.

Your landlord or agent must:

- give you rent receipts (unless rent is paid into a nominated bank account)
- · keep a record of rent you pay
- provide you with a copy of the rent record within 7 days of your written request for it.

Rental bonds

The bond is money you may have to pay at the start of the tenancy as security. It must be in the form of money and not as a guarantee. Your landlord or agent can only ask for 1 bond for a tenancy agreement. The bond payable cannot be more than 4 weeks rent. If the landlord agrees, you can pay the bond in instalments.

Your landlord or agent cannot make you pay a bond before the tenancy agreement is signed. If you pay the bond directly to Fair Trading using Rental Bonds Online (RBO) the landlord or agent will receive confirmation of this before they finalise the tenancy agreement.

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Your landlord or agent must give you the option to use RBO to pay your bond. You can use RBO to securely pay your bond direct to NSW Fair Trading using a credit card or BPAY, without the need to fill out and sign a bond lodgement form. Once registered, you can continue to use your RBO account for future tenancies.

If you decide not to use RBO, you can ask your agent or landlord for a paper bond lodgement form for you to sign, so that it can be lodged with Fair Trading. The landlord must deposit any bond you pay them with Fair Trading within 10 working days. If the bond is paid to the agent, the agent must deposit the bond with Fair Trading within 10 working days after the end of the month in which the bond was paid.

Discrimination when applying for rental property

It is against the law for a landlord or agent to discriminate on the grounds of your race, age, disability, gender, sexual orientation, marital status or pregnancy.

If you feel that a landlord or agent has declined your tenancy application or has treated you less favourably because of the above, you can contact the NSW Anti-Discrimination Board on 1800 670 812 or the Australian Human Rights Commission on 1300 656 419.

It is not against the law if a landlord or agent chooses not to have a tenant who smokes, or has a poor tenancy history or issues with rent payments.

Communicating with your landlord or agent

Your landlord must provide you with their name and a way for you to contact them directly, even if your landlord has an agent.

This information must be given to you in writing before or when you sign the tenancy agreement, or it can be included in the agreement you sign. Your landlord must also let you know, in writing, within 14 days of any changes to their details.

Some formal communication between you and the landlord or agent must be in writing to be valid, for example, termination notices. You can use email to serve notices or other documents but only if the landlord or agent has given you permission to use their nominated email address for this purpose.

During the tenancy

Can rent be increased during the tenancy?

For a fixed-term of less than 2 years, rent can only be increased during the fixed-term if the agreement sets out the increased amount or how the increase will be calculated. No written notice of the increase is required.

For a fixed-term of 2 years or more, or for a periodic agreement (i.e. where the fixed-term has expired or no fixed-term is specified), the rent can only be increased once in a 12-month period. You must get at least 60 days written notice.

Paying for electricity, gas and water usage

You may have to pay the cost for certain utilities as set out in the agreement. For example, you will pay for all:

- electricity, non-bottled gas or oil supply charges if the property is separately metered. Some exceptions apply for electricity or gas
- charges for the supply of bottled gas during the tenancy.

There are limits on when you need to pay for water usage charges. You can only be asked to pay for water usage if the property is separately metered (or water is delivered by vehicle) and meets the following water efficiency measures:

- all showerheads have a maximum flow rate of 9 litres per minute
- all internal cold-water taps and single mixer taps for kitchen sinks or bathroom hand basins have a maximum flow rate of 9 litres per minute
- any leaking taps or toilets on the property are fixed at the start of the agreement and whenever other water efficiency measures are installed, repaired or upgraded
- from 23 March 2025, toilets are dual flush and have a minimum 3-star WELS rating.

Repairs and maintenance

The property must always be fit for you to live in. The landlord is responsible for any repairs or maintenance, so the property is in a reasonable state of repair. They must also ensure the property meets health and safety laws.

You are responsible for looking after the property and keeping it clean and undamaged. If the property includes a yard, lawns and gardens, you must also keep these areas neat and tidy.

You need to tell your landlord or the agent of any necessary repairs or damage as soon as possible. They are responsible for arranging and paying for the repair costs unless you caused or allowed the damage. You are not responsible for any damage caused by a perpetrator of domestic violence during a domestic violence offence.

If the repair is an **urgent repair** e.g. where there is a burst water service, a blocked or broken toilet, a gas leak or dangerous electrical fault, your landlord or agent should organise these repairs as soon as reasonably possible, after being notified. If they do not respond to an urgent repair, you may be able to organise the work yourself and be reimbursed

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a maximum amount of \$1,000 within 14 days from requesting payment in writing. A list of **urgent repairs** is available on the <u>Fair Trading website</u>.

You can apply to Fair Trading for a rectification order if your landlord refuses or does not provide and maintain the property in a reasonable state of repair. Similarly, your landlord can apply to Fair Trading for a rectification order if you refuse or do not repair damage you have caused or allowed. You can also apply to the NSW Civil and Administrative Tribunal (the Tribunal) if your landlord does not carry out repairs.

Smoke alarms must be working

Landlords must ensure that smoke alarms are installed on all levels of the property. Your landlord must maintain the smoke alarms in your property to ensure they are working.

You should notify your landlord or agent if a smoke alarm is not working. They are responsible for repairing (including replacing a battery) or replacing a smoke alarm within 2 business days after they become aware that it is not working. You can choose to replace a removable battery if it needs replacing, but you must notify the landlord if and when you do this. You are not responsible for

maintaining, repairing or replacing a smoke alarm.

However, there are some circumstances where you can

arrange for a smoke alarm to be repaired or replaced.

Privacy and access

You have the right to reasonable peace, comfort and privacy when renting. Tenancy laws restrict when and how often your landlord, agent or other authorised person can enter the property during the tenancy. Your landlord, agent or authorised person can enter the property without your consent in certain circumstances if proper notice (if applicable) is provided.

For example:

- in an emergency, no notice is necessary
- · if the Tribunal orders that access is allowed
- to carry out, or assess the need for, necessary repairs or maintenance of the property, if you have been given at least 2 days' notice
- to carry out urgent repairs, no notice is necessary
- to carry out repairs or replacement of a smoke alarm, if you have been given at least 1 hours' notice
- to inspect or assess the need for repair or replacement of a smoke alarm, if you have been given at least 2 business days' notice
- to carry out a general inspection of the property if you have been given at least 7 days' written notice (no more than 4 inspections during a 12-month period).

How to make 'minor' changes to the property

You can only make minor changes to the property with your landlord's written consent, or if the agreement allows it. Your landlord can only refuse your request if it is reasonable to do so e.g. if the work involves structural changes or is inconsistent with the nature of the property.

There are certain types of 'minor' changes where it would be unreasonable for your landlord to refuse consent. For example:

- secure furniture to a non-tiled wall for safety reasons
- fit a childproof latch to an outdoor gate in a single dwelling
- · insert fly screens on windows
- install or replace internal window covering (e.g. curtains)
- install cleats or cord guides to secure blind or curtain cords
- · install child safety gates inside the property
- install window safety devices for child safety (non-strata only)
- install hand-held shower heads or lever-style taps to assist elderly or disabled occupants
- install or replace hooks, nails or screws for hanging pictures etc.
- · install a phone line or internet connection
- plant vegetables, flowers, herbs or shrubs in the garden
- install wireless removable outdoor security camera
- apply shatter-resistant film to window or glass doors
- make changes that don't penetrate a surface, or permanently modify a surface, fixture or structure of the property.

Some exceptions apply. The landlord can also require that certain minor changes be carried out by a qualified person.

You will be responsible for paying for the changes and for any damage you cause to the property. Certain rules apply for removing any modifications at the end of the tenancy.

Your rights in circumstances of domestic violence

Every person has the right to feel safe and live free from domestic violence. If you or your dependent child are experiencing domestic violence in a rental property, there are options available to you to improve your safety.

If you or your dependent child need to escape violence, you can end your tenancy immediately,

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without penalty. To do this you must give your landlord a termination notice with the relevant evidence and give a termination notice to any cotenants.

Or, if you wish to stay in your home, you can apply to the Tribunal for an order to end the tenancy of the perpetrator (if they are another co-tenant).

A tenant or any innocent co-tenant is not liable for property damage caused by the perpetrator of violence during a domestic violence offence.

Ending the tenancy

Termination notice must be given

A tenancy agreement is a legally binding agreement that can only be ended in certain ways. A tenancy will usually be ended by you or your landlord giving notice to the other party and you vacating on or after the date specified in the notice.

To end a tenancy, you need to give the landlord or agent a written termination notice with the applicable notice period. In some cases, you can apply directly to the Tribunal for a termination order without issuing a termination notice (for example if you are experiencing hardship).

If you do not leave by the date specified in the termination notice, the landlord or agent can apply to the Tribunal for termination and possession orders. If you do not comply with the Tribunal order, only a Sheriff's Officer can legally remove you from the property under a warrant for possession.

You cannot be locked out of your home under any circumstances unless a Sheriff's Officer is enforcing a warrant for possession issued by the Tribunal or a court.

Break fee for ending a fixed term agreement early

If you end a fixed term agreement early that is for 3 years or less, mandatory break fees may apply based on the stage of the agreement. If it applies, the set fee payable will be:

- 4 weeks rent if less than 25% of the lease had expired
- 3 weeks rent if 25% or more but less than
 50% of the lease had expired
- 2 weeks rent if 50% or more but less than
 75% of the lease had expired
- 1 week's rent if 75% or more of the lease had expired.

The break fee does not apply if you end the agreement early for a reason allowed under the Act.

Getting the rental bond returned

You should receive the bond in full at the end of the tenancy unless there is a reason for the landlord to make a claim against the bond. For example if:

- rent or other charges (e.g. unpaid water usage bills, break fee) are owing
- copies of the keys were not given back and the locks needed to be changed
- you caused damage or did not leave the property in a reasonably clean condition compared to the original condition report, apart from 'fair wear and tear'.

You are not liable for fair wear and tear to the property that occurs over time with the use of the property, even when the property receives reasonable care and maintenance.

Checklist

You should only sign the agreement when you can answer **Yes** to the following.

The tenancy agreement

I have read the agreement and asked questions if there were things I did not understand.
I understand the fixed-term of the agreement is negotiated before I sign, which means it can be for 6 months, 12 months, or some other period.
I understand that I must be offered at least one way to pay the rent that does not involve paying a fee to a third party.
I understand that any additional terms to the agreement can be negotiated before I sign.
☐ I have checked that all additional terms to the agreement are allowed. For example, the agreement does not include a term requiring me to have the carpet professionally cleaned when I leave, unless it is required because the landlord has allowed me to keep a pet on the property.
Promised repairs
For any promises the landlord or agent makes to fix anything (e.g. replace the oven, etc.) or do other work (e.g. paint a room, clean up the backyard, etc.):
☐ I have made sure these have already been done or
 I have an undertaking in writing (before signing the agreement) that they will be done.

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Upfront costs

- I am **not** required to pay:
 - more than 2 weeks rent in advance
 - more than 4 weeks rent as a rental bond.
- ☐ I am **not** being charged for:
 - the cost of preparing the tenancy agreement
 - the initial supply of keys and other opening devices to each tenant named in the agreement
 - being allowed to keep a pet on the property.

Top tips for problem-free renting

Some useful tips to help avoid problems when renting:

- Keep a copy of your agreement, condition report, rent receipts, Rental Bond Number and copies of letters/emails you send or receive in a safe place where you can easily find them later.
- Photos are a great way to record the condition of the property when you first move in.
 Take date-stamped photos of the property, especially areas that are damaged or unclean.
 Keep these photos in case the landlord objects to returning your bond at the end of your tenancy.
- Comply with the terms of your agreement and never stop paying your rent, even if you don't think the landlord is complying with their side of the agreement (e.g. by failing to do repairs). You could end up being evicted if you do.
- Never make any changes to the property, or let other people move in without asking the landlord or agent for permission first.
- Keep a written record of your dealings with the landlord or agent (for example by keeping copies of emails or a diary record of your conversations, including the times and dates, who you spoke to and what they agreed to do).
 It is helpful to have any agreements in writing, for example requests for repairs. This is a useful record and can also assist if there is a dispute.

- Consider taking out home contents insurance to cover your belongings in case of theft, fires and natural disasters. The landlord's building insurance, if they have it, will not cover your belongings.
- If the property has a pool or garden, be clear about what the landlord or agent expects you to do to maintain them.
- Be careful with what you sign relating to your tenancy and do not let anybody rush you. Never sign a blank form, such as a 'Claim for refund of bond' form.
- If you are happy in the property and your agreement is going to end, consider asking for the agreement to be renewed for another fixedterm. This will remove any worry about being unexpectedly asked to leave and can help to lock in the rent for the next period.

More information

Visit the Fair Trading website or call 13 32 20 for more information about your renting rights and responsibilities. The NSW Government funds a range of community-based Tenants Advice and Advocacy Services across NSW to provide advice, information and advocacy to tenants. Visit the Tenants' Union website at tenants.org.au

fairtrading.nsw.gov.au

13 32 20

Language assistance 13 14 50 (ask for an interpreter in your language)

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For more information about this topic, refer to the appropriate legislation.

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