

CONSUMER AFFAIRS - TENANCY

What Tenants Should Know About Renting

Before renting a property, you should shop around, keeping in mind important factors such as location, price, transport, shops, number of bedrooms, furnished or unfurnished etc. Consider your requirements carefully. This guide provides a general outline of what you need to know.

WHO IS A LANDLORD?

A landlord is the person who grants the right of occupancy to premises under a tenancy agreement and includes an agent of the landlord. An agent might be a real estate agent, a friend, a family member or a live-in caretaker. It doesn't make any difference whether you deal with a landlord or an agent; the law is exactly the same, and your rights and responsibilities are the same.

WHO IS A TENANT?

A tenant is the person who is granted the right of occupancy to premises in return for the payment of rent.

TYPES OF AGREEMENT

Although the Residential Tenancies Act does not require tenancy agreements to be in writing it is preferable that they are. There are 2 types of tenancy agreement:

- Fixed term
- Periodic

The most important thing to do once your tenancy agreement is prepared is to read and understand it. Take particular note of any special conditions added to the agreement and make sure you are happy with them BEFORE you sign. If you don't understand any of the clauses, take the agreement to someone who can help you.

FIXED TERM

A fixed term tenancy agreement is where you agree to rent a property for a fixed amount of time (such as 6 or 12 months). If you remain in the property after the expiry date has passed and a new tenancy agreement is not entered into by you and the landlord, and you are not asked to leave, the tenancy agreement becomes periodic.

PERIODIC

This type of agreement is usually on a weekly, fortnightly or monthly basis for an indefinite period.

INSPECT THE PREMISES

The landlord should fill out and sign a condition report within 3 days of the tenancy commencing and give it to you to sign and make any amendments. It is important that you check the contents of the condition report carefully before accepting it by signing.

PAYMENT AND RECEIPT OF RENT

Generally, rent is payable in advance, usually either fortnightly or monthly. Rent is not payable again until it falls due at the end of the nominated period. How and where the rent is payable should be noted in the tenancy agreement.

SECURITY DEPOSIT

A security deposit is the amount of money a tenant is required to pay under a bond. It is security against damage caused by the tenant, unpaid rent, paying to clean the place if it is left unreasonably dirty or paying other costs that are prescribed by law.

The security deposit must be held by the landlord in trust on behalf of the tenant.

PAYMENTS

It is almost certain that at the beginning of a lease you will be asked to pay a security deposit equivalent to 4 weeks rent and pay rent 2 weeks in advance.

In addition you may also have to pay other costs such as connection of electricity and telephone.

WHAT YOU SHOULD KNOW WHEN RENTING

Before entering into an agreement, be sure you understand your rights, duties and responsibilities as a tenant and the rights, duties and responsibilities of the landlord.

TENANTS MUST:

- Pay the rent on time and in the way outlined in the tenancy agreement.
- Keep the property clean.
- Notify the landlord of any maintenance or repairs required.
- Comply with the tenancy agreement.

LANDLORDS MUST:

- Ensure the property is safe to live in and is in a good state of repair.
- Ensure the property is reasonably secure.
- Maintain all fixtures and fittings.
- Observe the tenant's right to 'quiet enjoyment' of the property.
- The landlord/agent may need to enter the premises for maintenance or inspection purposes. The landlord must make sure that they give you the required amount of notice.

ENDING A TENANCY

When a tenant wishes to end a tenancy, the period of notice depends on the type of agreement. You should give notice to the landlord/agent in writing of your intention to end the tenancy and leave the property.

A fixed term tenancy ends on the expiration of the term, however, you must give at least 14 days notice of your intention to leave ending on the last day of the tenancy agreement.

To end a periodic tenancy the landlord must give the tenant 42 days notice and a tenant must give 14 days notice to the landlord/agent of their intention to terminate.

Security deposit to be refunded

Following the termination of a tenancy, the tenant is entitled to the recovery of the security deposit.

UNDER NO CIRCUMSTANCES IS A SECURITY DEPOSIT AUTOMATICALLY FORFEITED

The landlord/agent may retain the security deposit for the following purposes:

- To make good any damage which the tenant is responsible for.
- To replace any item that is included in the premises and the tenant was responsible for its loss or destruction.
- To clean premises left unreasonably dirty.
- To replace locks that were altered, removed or added by the tenant without the consent of the landlord/agent.
- To pay for any unpaid rent or for any unpaid electricity, gas or water charges payable by the tenant.
- To pay compensation to the landlord if the tenant remains in the property after they were required to give possession to the landlord.
- To pay money that the tenant was ordered to pay by the Commissioner of Tenancies or a court but didn't do so.

The security deposit should be returned to the tenant within 7 business days of the tenancy ending.

For further information contact Consumer Affairs to obtain a copy of the booklet "**A GUIDE TO RENTING IN THE NORTHERN TERRITORY**" or access the website consumeraffairs.nt.gov.au

IMPORTANT POINTS

- A tenancy agreement must be in writing. You must read the lease and be sure you understand it. If you don't, take the agreement to someone who can help you before you sign it.
- Inspect the premises thoroughly. If you negotiate any improvements to the property, ensure that the agent or landlord commits themselves in writing, including dates for completion.
- A security deposit must not be greater than an amount equivalent to four weeks rent and must be held in trust by the landlord on behalf of the tenant.
- Both landlords and tenants have rights and responsibilities during the tenancy and you should be aware of them.
- A tenancy can only be ended in writing when the appropriate amount of notice has been given, so be sure you give the right amount of notice for the reason you are leaving.

Security deposits must be refunded to the tenant or a notice given to the tenant telling them why the security deposit is being retained.

For further information contact Consumer Affairs

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