

# FINANCIAL COUNSELLING FACT SHEET #20

## THREATENED WITH EVICTION OR RENT INCREASE

**New laws help to protect you from eviction and allow you to negotiate a rent reduction with your landlord if you're suffering financial hardship due to coronavirus (COVID-19).**

The Victorian Government has temporarily banned most evictions until 31 December 2020. This means **you can't be evicted** if you are served a notice to vacate on or after 29 March 2020 **because you can't pay your rent due to coronavirus** (COVID-19).

These laws apply if you're a tenant or sub-tenant:

- in a residential property
- living in a rooming house
- in social housing
- under a site agreement at a caravan park
- in specialist disability accommodation.

You can still be evicted under the new laws in certain circumstances, for example where:

- the landlord is selling or moving into the property
- a renter sub-lets the property without the landlord's consent
- a renter does not pay their ordinary rent, and they are not financially affected by COVID-19
- a renter does not comply with their obligations under their rental agreement or the rental laws, and it is not because of COVID-19.

**If you are not financially affected by COVID-19, you are still required to pay your ordinary rent.**

These laws also protect you from rent increases during this time. Your landlord can increase the rent after this time, but only within the terms of your lease agreement and the Residential Tenancies Act. If your landlord issues you with a Notice of rent increase after this time and you think that an increase is not reasonable, you can apply to Consumer Affairs Victoria for a rent assessment.

### **Negotiating a rent reduction**

Speak with your landlord or estate agent if you are financially affected by COVID-19 to negotiate a rent reduction. Consider offering to pay no more than 30 per cent of your current income – if rent is costing you more than 30 per cent of your income, this is widely considered to be housing stress. Make sure you get any agreement in writing and [register it with Consumer Affairs Victoria](#). You can use the template letter below.

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### **My landlord won't negotiate!**

If you and your landlord can't come to an agreement, register your dispute with Consumer Affairs Victoria and they will help mediate an agreement. If the landlord still refuses to participate in negotiation, a binding order can be issued by the Chief Dispute Resolution Office for Residential Tenancies.

### **I got a rent reduction – but I still can't afford it**

You may be eligible for a [COVID-19 Rent Relief Grant](#) of up to \$2,000 paid directly to your landlord or estate agent.

**If you have been served a notice to vacate, call [your local tenants' union](#) for advice. They may be able to find a grant or concession that you're eligible for.**

**You may be able to negotiate an agreement with your landlord to temporarily reduce your rent due to the impacts of COVID-19. Below is a template that you can cut and paste into a separate document if you are able to agree on the terms of this arrangement.**

### **Temporary rent reduction agreement (template)**

This Agreement may be used by a landlord and a tenant to record an agreement made between them to reduce the amount of rent otherwise payable for the occupation of the rented premises because of the impact of the COVID-19 pandemic.

This Agreement cannot be used to vary or change any other term of the tenancy agreement between the landlord and tenant.

#### **1. This AGREEMENT applies to both fixed term tenancies and to periodic tenancies**

- a) This AGREEMENT forms part of and modifies the written tenancy agreement between the landlord and tenant(s) for the rented premises. In this AGREEMENT, the written tenancy agreement is referred to as the **Primary Tenancy Agreement**.
- b) If there is no written tenancy agreement, this AGREEMENT forms part of and modifies the existing arrangements between the landlord and tenant(s) regarding the amount of rent payable under the tenancy. In this AGREEMENT, the existing arrangements between the landlord and tenant are referred to as the **Primary Tenancy Agreement**.

#### **2. Parties and date of agreement**

This AGREEMENT is made on            /            /            (insert date)

BETWEEN:

..... (LANDLORD)

(insert name and ACN if landlord is a company)

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..... (AGENT)

*(insert name and address of the agent if landlord has an agent)*

..... (TENANT 1)

*(insert name and ACN if tenant is a company) and address of tenant*

..... (TENANT 2)

*(add more tenants as necessary, or cross out Tenant 2 if there is only one tenant)*

### 3. Rented premises

The address of the rented premises is:

.....

*(insert address)*

### 4. Rent reduction agreement

The parties agree that this AGREEMENT—

- c) forms part of and modifies the Primary Tenancy Agreement between the parties; and
- d) reduces the rent otherwise payable under the Primary Tenancy Agreement to the amount specified in Clause 5 of this AGREEMENT for the period specified in Clause 7 of this AGREEMENT.

### 5. Rent

The current rent payable by the tenant for the occupation of the rented premises in the Primary Tenancy Agreement is: *(insert the amount of rent paid by the tenant before this AGREEMENT commences)*

\$                      weekly / fortnightly / monthly *(cross out whichever does not apply)*

The parties agree that on and from the date of this AGREEMENT, the rent payable by the tenant for the occupation of the rented premises will be:

*(insert the amount of rent that the tenant and landlord agree for the occupation of the rented premises – this should be less than the amount of rent currently being paid by the tenant)*

\$                      weekly / fortnightly / monthly *(cross out whichever does not apply)*

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### 6. Ongoing obligations in relation to rent

The parties agree that—

- e) after the expiry of this AGREEMENT, the tenant(s) have paid the full amount of the rent owing under the Primary Tenancy Agreement during the period that this AGREEMENT applies to reduce that amount;
- f) the expiry of this AGREEMENT does not revive any obligation to pay any amount of rent under the Primary Tenancy Agreement that exceeds the amount payable under this AGREEMENT for the duration of this AGREEMENT; and
- g) rent payable after the expiry of this AGREEMENT (if any) is subject to the terms of the Primary Tenancy Agreement.

### 7. Period of this agreement

This AGREEMENT commences on:                    /            /            (insert start date)

*(This is either the date that the parties agree that a reduced amount of rent is payable, or the date that the reduced amount must first be paid)*

This AGREEMENT will end on:                    /            /            (insert end date)

*(This is the date that the reduced rent agreed in clause 5 will cease. This can be the end of the fixed term tenancy, or for the period agreed between the parties)*