## Detailed Reference Guide 10: Maximum bond amount and rent in advance

This reform starts on 29 March 2021.

## New requirements

A rental provider must not require a renter to pay rent that is more than one month’s rent, unless:

* the weekly rent payable for the property is greater than the prescribed amount, or
* VCAT has set a higher maximum bond for the property.

A rental provider must not require a renter to pay rent more than one month in advance, unless the weekly rent payable for the property is greater than the prescribed amount (the ‘high value’ exemption).

The prescribed amount will be increased from the previous applicable amount. The prescribed amount for the maximum bond ‘high value’ exemption will also be increased for site agreements in residential parks.

## Previous requirement

Previously the maximum bond amount of one month’s rent also did not apply where the property was the rental provider’s principal place of residence and the rental provider intended to resume occupancy of the property after the end of the rental agreement. This exemption to the maximum bond amount has been removed.

Previously the ‘high value’ exemption to the maximum bond amount and maximum rent in advance was set at a weekly rent of greater than $350. The new provision allows this amount to be adjusted in the Regulations to take into account changes such as inflation.

## Requiring further specification

The amount of weekly rent above which the maximum bond rule and maximum rent in advance rule do not apply (the ‘high value’ exemption) will be prescribed in the Regulations.

## Relevant legislation in the *Residential Tenancies Act 1997*

|  |  |
| --- | --- |
| 31 | What is the maximum bond? |
| 40 | Limit on rent in advance |
| 206K | What is the maximum bond? (Part 4A) |

Note: This was Reform 27 in the Fairer Safer Housing review.