# Fact Sheet 7: Bond top-ups for long-term rental agreements

Rental providers (landlords) can now ask renters to top up the bond for long-term rental agreements (more than five years).

A bond top-up can only be requested under a fixed term rental agreement of more than five years if:

* the renter has lived continuously at the property for at least five years, and
* there are at least five more years left on the lease, or the lease is extended so there are at least five more years left.

Rental providers can only request an additional bond once in any five-year period.

For example:

* in a 10-year lease, the rental provider can ask the renter to top up the bond after five years as there are still five years left on the lease
* in a seven-year lease, the rental provider cannot ask the renter to top up the bond after five years, as there will only be two years left on the lease.

If the renter agrees, the rental provider can extend the rental agreement so that there are five or more years remaining, to allow for the bond to be topped up.

## How can a rental provider request an additional bond?

Rental providers must give renters 120 days’ written notice of an additional bond payment request.

Renters must pay the additional bond on or before the end of the 120-day notice period.

## What happens if the renter does not pay the additional bond?

If the renter does not pay the additional bond by the date specified in the notice, it will be treated as overdue rent. When 14 days’ rent or more is owed, a rental provider can give the renter a notice to vacate. Please refer to the fact sheet on **New process for late or non-payment of rent** for more information.

## How is the additional bond calculated?

The additional bond amount is calculated as follows:

* Total bond amount for the next five-year rental agreement, less what the renter has already paid to the Residential Tenancies Bond Authority.

**Example:**

Claire has been living at the rental property for the last five years and has recently renewed her rental agreement for a fixed term of another seven years. Her current weekly rent is $320. This means her total bond amount for the next five-year rental agreement is $1390. Claire previously already lodged a bond of $1300. Therefore, the additional bond amount that can be requested by the rental provider is equal to $1390 less $1300, or $90.

## What can a renter do if a rental provider seeks an additional bond?

A renter can apply to VCAT to change:

* any term in the rental agreement that allows the rental provider to request additional bonds
* the amount of additional bond to be paid.