Long-term leasing

Information for tenants

# How to use this kit

Consumer Affairs Victoria has developed this kit for tenant advocacy groups; social housing bodies; real estate agencies; and other related bodies to raise awareness of a new lease agreement option in the Victorian housing market. We invite you to share this content on your communication channels, as is or adjusted to meet your audiences’ needs.

For more information, visit the Long-term leases page on the Consumer Affairs Victoria website: [consumer.vic.gov.au/LTL](http://www.consumer.vic.gov.au/LTL).

This kit contains:

* **Long article** – example, for use in printed and online newsletters
* **Short article** – example, for use in your email newsletter or website
* **Social media posts** – for posting on your social accounts
* **Fact sheet** – to help you understand and explain key points of this reform with your stakeholders.

## LTL tenants’ stakeholder kit – Long article

### Love where you are renting? Tenants can now sign up for tailored long-term leases.

Moving house can be a lot of work, especially when you have grown to love where you are staying. Attending inspections, putting in applications, packing and moving, impact on your time and the household budget are things to consider when planning a move to a new rental.

An Australian Bureau of Statistics survey found that Victorians spent 20 per cent of their household income on rent and associated housing costs in 2015-2016.

If you love where you are renting and prefer to stay where you are for the next five years or more – this could be because your home is close to work, school or leisure activities - a long-term lease might be right for you.

Long-term leasing can offer many benefits, such as:

* security of tenancy
* agreement in advance between you and the landlord on the rent amount and frequency of rent increases
* allowing you to make minor modifications to the property.
* Long-term leases can help you keep the rental budget in check and plan the future with more certainty.

#### What is different about a long-term lease?

Long-term leases allow you to tailor the lease to suit you and your landlord’s circumstances for a rental period of more than five years. You can use the existing agreement (Form 1) (which can now be used for both short and long-term leases) or the new Form 2 for long-term leases.

Note: Form 2 offers additional benefits, some of which are listed below. Find out more on the Long-term leases page on the Consumer Affairs Victoria website: [consumer.vic.gov.au/LTL](http://www.consumer.vic.gov.au/LTL).

#### Rental bonds

The landlord can ask you to top-up the bond amount after five years, if there are at least five years remaining on the lease.

#### Rent increases

The landlord can increase the rent every 12 months and you both can agree on how the increase will be calculated – this may be by a fixed dollar amount or percentage, the Consumer Price Index (CPI) or State-wide Rent Index (SRI).

### Property modifications and inspections

You must get your landlord’s written permission before you make any changes to the property. The landlord can also state in the lease agreement certain modifications that they are happy for you to make during the lease period. This allows you to make these changes without getting your landlord’s written permission, as it is already written into the lease.

Your landlord or property manager can inspect the property every 12 months.

#### Breach of Duty

In a long-term lease, the landlord or tenant can apply to the Victorian Civil and Administrative Tribunal (VCAT) for a compliance order after serving one Breach of Duty notice. In a short-term lease, the landlord or tenant can only do this after giving the other party three Breach of Duty notices.

#### Ending a long-term lease agreement

The landlord cannot shorten the term of the lease agreement unless you agree, or unless you break one of the rules that allows the landlord to give you a notice to vacate. You or the landlord can still apply to the Victorian Civil and Administrative Tribunal (VCAT) if either of you needs to end the lease early due to hardship reasons.

#### Find out if a long-term lease is right for you

Consumer Affairs Victoria’s new [navigation tool](http://bit.ly/LTLDecision) can help you decide whether a long-term lease is right for you.

#### How to get a long-term lease

If you are happy with your current tenancy arrangement and would like to continue it for more than five years, speak with your landlord about switching to a long-term lease. Make sure you negotiate the terms of the long-term lease agreement before ending the existing lease.

If you are looking to rent a property for the first time, it is a good idea to start with a short-term lease – for example, 12 months – to see if the arrangement is right for you. If you decide you are happy with the arrangement, discuss with your landlord towards the end of the 12-month lease about whether they would be willing to sign a long-term lease.

If you are looking for a landlord who is interested in signing a long-term lease, you can create a ‘renter resume’ on [rent.com.au](https://www.rent.com.au/resume) and select the ‘long-term lease’ option to show you are interested in renting a home for more than five years.

For more information, visit the Long-term leases page on the Consumer Affairs Victoria website: [consumer.vic.gov.au/LTL](http://www.consumer.vic.gov.au/LTL).

## LTL tenants’ stakeholder kit – Short article

### Love where you are renting? Tenants can now sign up for long-term leases.

If you love where you are renting and prefer to stay long-term where you are - it may be handy for work, school or leisure activities - a long-term lease might be right for you.

#### What is different about a long-term lease?

You can use the existing agreement (Form 1, which can now be used for both short and long-term leases) or the new Form 2 for long-term leases.

Note: Form 2 offers additional benefits, some of which are listed below. Find out more on the Long-term leases page on the Consumer Affairs Victoria website: [consumer.vic.gov.au/LTL](http://www.consumer.vic.gov.au/LTL).

### Rental bonds

The landlord can ask you to top-up the bond amount after five years, if there are at least five years remaining on the lease.

#### Rent increases

The landlord can increase the rent every 12 months and you both can agree on how the increase will be calculated - this may be by a fixed dollar amount or percentage, the Consumer Price Index (CPI) or State-wide Rent Index (SRI).

#### Property modifications and inspections

The landlord cannot unreasonably refuse your written request to make minor modifications to the property (these are listed in the lease agreement).

Your landlord or property manager can inspect the property every 12 months.

#### Breach of Duty

In a long-term lease, the landlord or tenant can apply to the Victorian Civil and Administrative Tribunal (VCAT) for a compliance order after serving one Breach of Duty notice. In a short-term lease, the landlord or tenant can only do this after giving the other party three Breach of Duty notices.

#### Ending a long-term lease agreement

The landlord cannot shorten the term of the lease agreement unless you agree, or you break one of the rules that allows the landlord to give you a notice to vacate. You or the landlord can still apply to the Victorian Civil and Administrative Tribunal (VCAT) if either of you needs to end the lease early due to hardship reasons.

#### Find out if a long-term lease is right for you

Consumer Affairs Victoria’s new [navigation tool](http://bit.ly/LTLDecision) can help you decide whether a long-term lease is right for you.

#### How to get a long-term lease

If you are happy with your current tenancy arrangement and would like to continue it for more than five years, speak with your landlord about switching to a long-term lease. Negotiate the terms of the long-term lease agreement before ending the existing lease.

If you are looking for a landlord who is interested in signing a long-term lease, you can create a ‘renter resume’ on [rent.com.au](https://www.rent.com.au/resume) and select the ‘long-term lease’ option to show you are interested in renting a home for more than five years.

For more information, visit the Long-term leases page on the Consumer Affairs Victoria website: [consumer.vic.gov.au/LTL](http://www.consumer.vic.gov.au/LTL).

## Sample social media posts

Here are some suggested posts you can use through your social media channels.

| Topic | Facebook | Twitter |
| --- | --- | --- |
| General – under the *Residential Tenancies Act*, long-term lease is a new option in the Victorian housing market. | Love where you are renting because it is handy for work, school or leisure activities? A long-term lease might be suitable for tenants who want to stay in their local community for the next five years or more. Visit the @ConsumerAffairsVictoria website to find out if long-term leasing is right for you: (link to [consumer.vic.gov.au/LTL](file:///\\internal.vic.gov.au\DJR\HomeDirs2\EBChan\Desktop\LTL%20Stakeholder%20Groups\consumer.vic.gov.au\LTL) ) | Tenants: stay in your local community for the next five years or more. Find out if long term leasing is right for you on more on the @consumervic website: (link to [consumer.vic.gov.au/LTL](file:///C:\Users\fcreedy\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\T3F89AJ2\consumer.vic.gov.au\LTL) ) |
| Long-term lease – is it right for me? | For tenants who are happy with their current rental and want to stay settled in one location for a longer period, a long-term lease might be a good option. Find out if it is right for you on the @ConsumerAffairsVictoria website: (Link to decision tree: http://bit.ly/LTLDecision ) | For tenants who are happy with their current rental and want to stay settled in one location for a longer period, a long-term lease might be a good option. Find out if it is right for you on the @consumervic website: (Link to decision tree: http://bit.ly/LTLDecision ) |
| How to start a long-term lease | Tenants who are keen to stay settled in one location for a longer period can consider a long-term lease. Find out more on @ConsumerAffairsVictoria’s website: (Link to How to start a LTL: http://bit.ly/LTLHowTo ) | Tenants who are keen to stay settled in one location for a longer period can consider a long-term lease. Find out more on the @consumervic website: (Link to How to start a LTL: http://bit.ly/LTLHowTo) |

## Facts about long-term leases (LTL)

* Long term leases (LTL) are a new option under the Residential Tenancies Act in addition to current lease agreements of fewer than five years (also known as ‘short-term leases’) in Victoria.
* In Australia, more than one in five tenants have been renting the same property for more than five years. The new LTL agreement formalises this arrangement so that landlords and tenants can tailor it to suit the circumstances of a rental period of five years or more.
* Landlords and tenants can decide if an LTL is suitable for their circumstances – LTL is an **option** and not compulsory. Consumer Affairs Victoria’s navigation tool can help both parties to work out if it is right for them: http://bit.ly/LTLDecision.
* LTLs must be in writing and can be made on Consumer Affairs Victoria’s existing agreement Form 1, or the new prescribed Form 2**.** Note that Form 2 includes additional benefits, such as the option for landlords to request rental bond top-ups, if there are five or more years left on the lease. Download the forms from the Consumer Affairs Victoria website: http://bit.ly/LTLHowTo.
* LTLs can create security, stability and certainty for both tenants and landlords. Long-term leases can benefit landlords who want a steady source of income and the security of knowing they do not have to worry about having to find new tenants every few years. A long-term lease can benefit tenants looking to rent the same property for a longer period. Older Victorians and many families with young children are interested in a long-term lease because it lets them find a local job, have their kids go to the same school for the duration of their schooling years, and establish themselves in a community.
* Landlords who are happy with their tenant and are looking to offer a long-term lease, should discuss with their tenant about switching from a short-term lease to a long-term lease. Landlords can also list their property on the [rent.com.au](http://www.rent.com.au) website and select the ‘long-term lease’ option to show they are interested in leasing their home for more than five years.
* The tenant can make minor modifications to the rental property, with the written permission of the landlord on the agreement.
* The landlord can only increase the rent once every 12 months and both tenant and landlord can agree on how the increase will be calculated – this may be by a fixed dollar amount or percentage, the Consumer Price Index (CPI) or State-wide Rent Index (SRI).
* Both landlord and tenant can end or shorten the lease agreement by mutual agreement.
* A tenant can break the lease before the long-term lease period is up. If the landlord is unwilling, they can ask the tenant to pay one month’s rent for every full year left on the lease (capped at six months) or until the landlord finds a new tenant, whichever comes first. The tenant may also need to pay reletting or re-advertising fees if required.
* As with a short-term lease, if the tenant does not meet their obligations, the landlord can give them a Breach of Duty notice, giving them 14 days to rectify the breach. In a long-term lease, the landlord can apply to the Victorian Civil and Administrative Tribunal (VCAT) for a compliance order after serving one breach of duty notice. In a short-term lease, the landlord can only do this after giving the tenant three breach of duty notices.
* The landlord can only end the lease early by giving the tenant a notice to vacate for reasons such as causing malicious damage to the property, using the property for illegal purposes, or owing more than 14 days’ rent. If none of these apply, the landlord must wait until the end of the fixed-term agreement to end the lease. The landlord can also end the lease early or reduce the number of years on the agreement, if the tenant agrees.
* If the landlord wants to end the lease due to hardship reasons, such as financial or medical, they can apply VCAT for a ruling.
* Tenants experiencing family violence can apply to VCAT to end the lease agreement early.
* Tenants and landlords can also apply to VCAT for a compliance order if they feel the other party is not following a term agreed to in the long-term lease. Most of the reasons and timeframes for giving tenants a notice to vacate still apply in a long-term lease. More information: <http://bit.ly/LandlordNTV>

For more information on long-term leases and whether they are right for you, visit the Long-term leases page on the Consumer Affairs Victoria website: [consumer.vic.gov.au/LTL](http://www.consumer.vic.gov.au/LTL).