

NEW TENANCY LAWS TOOLKIT

VOLUME 2: 2024 – 2025 RENTAL REFORMS

V2-05.25

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About this document

This document provides Queensland property managers with best practice guidance in relation to reforms to the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) (the **RTRA Act**), which governs residential tenancies in Queensland.

Volume 1 includes information in relation to the Stage 1 Rental Reforms:

- domestic and family violence reforms which commenced 21 October 2021;
- reforms to how tenancies can be ended, emergency repairs, nominated repairers and pet approvals which commenced on 1 October 2022; and
- minimum housing standards which commenced on 1 September 2023 for new and renewed tenancies, and will commence on 1 September 2024 for all tenancies.

Volume 2 includes information about the Stage 2 Rental Reforms, which were passed on 23 May 2024. These reforms include:

- provisions commencing on **6 June 2024** in relation to rent, rent in advance, rent increases, confidentiality and establishing heads of powers;
- provisions commencing on **30 September 2024** in relation to bonds, bond claims, rent payment methods, general service charges, water consumption charges and reletting costs; and
- provisions commencing on **1 May 2025** in relation to tenancy agreements, collection and storage of information, verification of identity, entry notice periods and frequency and modifications for structural changes or the attachment of fixtures.

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New Tenancy Laws

2025

Tenancy Applications

COMMENCED ON 1 MAY 2025

Property managers will be required to use a **prescribed tenancy application form**.

A penalty of 20 units will apply for non-compliance.

The prescribed form **can only** require the following information:

- the **name** and **contact details** of the prospective tenant;
- details of any **previous residential tenancy agreements** or rooming accommodation agreements the prospective tenant has been a party to;
- the prospective tenant's **current employment**;
- details about the prospective tenant's **income**;
- **referees** for the prospective tenant;
- the intended **term** of the tenancy;
- applicant's **date of birth**
- **occupants** – the total number and number of occupants under 18
- **pets** – the number and type
- **vehicles** – the number of each of the following types of vehicles that will be parked on the premises—
 - (i) boats;
 - (ii) caravans;
 - (iii) heavy vehicles;
 - (iv) trailers; and
 - (v) other motor vehicles; and
- if the applicant **cannot** provide details about their **current employment or income** — details about their financial ability to pay rent, other than statements of credit accounts or bank accounts belonging to the prospective tenant detailing transactions.

A lessor or property manager **may only** request information that comprises no more than 2 documents for:

- verifying the identity of the prospective tenant;
- showing the prospective tenant's financial ability to pay rent; and
- should the suitability of the prospective tenant for the tenancy.

The RTA Form 22 Rental Application and RTA Form R22 Rental Application (Rooming Accommodation) can be viewed on the RTA website or in Realworks.

See the REIQ's best practice completed versions here: [Member Resources](#) and [Best Practice for Using the RTA Form 22](#).

Limitations

A lessor or property manager **must not request** information **about** a prospective tenant in relation to:

- legal action taken by the prospective tenant, including dispute resolution or matters considered by the tribunal;
- a notice to remedy breach given to the prospective tenant by a lessor or provider;
- a notice to remedy breach given by the prospective tenant to a lessor or provider;
- the prospective tenant's history in relation to rental bonds, including any claim on a rental bond; and
- statements of credit accounts or bank accounts belonging to the prospective tenant detailing transactions.

Emergency Contact Details

Property managers cannot request an applicant to provide their emergency contact as part of their application.

There will be two options for obtaining this information from the successful applicant:

1. The emergency contact details can be requested and included in the Form 18a General Tenancy Agreement (or rooming accommodation agreement); or
2. Property managers can provide the REIQ Emergency Contact Details Form to a tenant to obtain this information for their records, if they don't feel comfortable putting it in the relevant tenancy agreement.

Can property managers still request this information from the applicant's current property manager or lessor by way of a reference?

Yes. Although the legislation says, 'about a prospective tenant', RTA has confirmed that the restrictions only apply to information 'from a prospective tenant, about a prospective tenant' in accordance with the explanatory notes for the legislation.

This means the property manager can ask a current/former property manager or lessor for any information they may require to assess the applicant's suitability.

What are examples of supporting documents that a property manager can request?

Property managers can request no more than 2 documents to verify information under the following categories:

- **the identity of the prospective tenant:** e.g. driver's licence, passport, medicare card, birth certificate
- **the prospective tenant's financial ability to pay rent:** e.g. payslip, current employment agreement, Government statements (Centrelink, pension etc), copy of tax assessment, bank statement (without transactions listed)
- **should the suitability of the prospective tenant for the tenancy:** e.g. existing rental reference, rental ledger (without bond details shown)

For example, if property managers request 2 payslips, then no other documents to verify income can be requested from the applicant.

Can an applicant volunteer additional information to the property manager in their application?

Yes. It is not an offence for the property manager to accept additional information if volunteered by the applicant. Property managers must not ask for this information however, which means it may not be possible to communicate this with the applicant.

METHOD OF GIVING APPLICATION

The lessor or property manager **must** nominate at least two (2) ways for the prospective tenant to submit the application.

At least one (1) of the nominated ways must not be a 'restricted way' meaning:

- an online platform requiring the applicant to give personal information to a person other than the lessor who collects the information and is not a real estate agent (a third-party platform)
- a way that requires the applicant to pay an amount in relation to submitting the application

EXEMPTIONS

A 'relevant lessor' does not need to use the prescribed application form nor are they limited with what information can be obtained. This includes a lessor:

- a) who receives funding for the premises under the *Housing Act 2003*, including funding for the provision of social housing services; or
- b) who receives funding for the premises that is the subject of a funding declaration under the *Community Services Act 2007*; or
- c) who is the chief executive of the housing department, acting on behalf of the State; or
- d) who is the State, if the tenant is an officer or employee of the State; or
- e) who is the replacement lessor under a community housing provider tenancy agreement; or
- f) prescribed by regulation to be a relevant lessor.

TRANSITIONAL PERIOD

These requirements do not apply to an application for a residential tenancy or rooming accommodation made **but not decided** before the commencement of the requirements.

When do they start using the form? We can say as best practice to start using it as soon as possible.

Any applications given in the month before, tell them they have to get it back before 30 April otherwise, they will need to redo the application.

VERIFICATION OF IDENTITY

A prospective tenant will have the option to give identity documents to a lessor or property manager to verify their identity by:

- giving a copy of the original identity document; or
- allowing the lessor or property manager to access or sight the original identity document.

If the lessor or property manager accesses or sights the prospective tenant's identification, they must not keep a copy without the prospective tenant's consent.

If an applicant does not qualify for a tenancy based on the information provided in their application, can they volunteer further information?

The applicant can volunteer additional information, however, the property manager cannot ask for this.

If the applicant does not have an awareness of why their application was not successful, then it may not be possible to communicate this with the applicant. Property managers must ensure their conduct does not imply or infer that the applicant should volunteer additional information.

Can property managers request the permitted information about each applicant?

Yes, the requirements apply per 'prospective tenant'. If a person is named on the application as the proposed tenant, property managers can seek the relevant information about that person.

Can property managers ask for a rental ledger that includes details of the applicant's bond including if the bond was refunded to the applicant?

No, property managers cannot request any information about the tenant's rental bond history, from an applicant. Property managers are permitted to ask for this information from the applicant's current or former property manager.

Can property managers still use third-party platforms for tenancy applications?

Property managers can still use third party platforms, provided they have also given the tenant another option to submit their application.

The other option must be a method that the tenant can submit the application without using a third-party platform. For example, they could submit their application via email directly to the agency or by submitting a hard copy.

How can property managers undertake TICA searches without a copy of the applicant's licence?

From 1 May 2025, property managers will not be able to keep a copy of the applicant's licence (including details of their licence) without the applicant's consent.

This means that property managers will not be able to undertake searches relying on the driver's licence for an applicant that won't consent to providing a copy of their licence.

Currently, an applicant's date of birth is not included as information the property manager is allowed to ask for. The REIQ is advocating for this information to be included in the tenancy application so that property managers can still undertake TICA searches using a date of birth, for those applicant's that refuse to provide a copy of their licence.

Will there be a standard form for agency referrals?

There won't be a standard RTA form. The REIQ will update our Agency Referral form from 1 May 2025, to support property managers to be able to obtain information they need to assess the applicant's suitability for the tenancy.

Can property managers accept a paper application for an applicant, and then transfer the application to a third-party platform in order to do reference checks?

Property managers can still use third-party platforms, provided that they have also given the applicant another option to submit their application.

The other option must be a way that the applicant can submit the application without using a third-party platform. For example, they could submit their application via email directly to the agency or by submitting a hard copy.

If the applicant submits a paper application, property managers cannot require the applicant to re-submit via a third-party platform. Property managers can, however, use the information in the application to undertake searches via third-party platforms.

Does the RTA have any information about the tenancy application process for tenants?

The RTA have recently released the following webpage: <https://www.rta.qld.gov.au/forms-resources/rental-law-changes/ongoing-rental-law-changes/application-process>

Their FAQs will also be updated in the coming weeks.

If additional documents are volunteered by the applicant, do property managers need to destroy the information once received?

If the applicant provides more information than requested, there is no obligation to dispose of this information once received. However, be mindful that there are general requirements about when and how to dispose of personal information of the applicant if they are not successful.

Can property managers request a rental reference and a rental ledger, as two types of documents to prove suitability?

The “2 types” of documents applies per category:

- verify the identity of the applicant
- show the applicant’s financial ability to pay rent; and
- show the suitability of the applicant for the tenancy.

This means a total of 6 documents can be requested, provided that no more than 2 fall within each of the 3 categories.

Can property managers request an additional document if the applicant provides a document that is not consistent with their request (for example, an old payslip when you have requested the most recent payslip)?

If the applicant has not supplied a document that the property manager has specifically asked for, it is our view that property managers can maintain their request for the specific document.

For example, if a property manager has asked for the applicant’s two most recent payslips received from their employer and they provide a payslip from January 2025 and one from sometime in 2024.

The property manager should firstly ask the applicant to clarify if those payslips are in fact their 2 most recent payslips. If the applicant confirms that they are, then the property manager cannot request any further information about the applicant’s financial ability to pay rent.

If the applicant is not giving information about their current income, then this will consequently impact their suitability for the property as the property manager won’t be able to assess their financial ability to meet their obligations under the tenancy agreement.

If the applicant realizes they have made a mistake, they can still provide the information that the property manager has requested (ie the most recent payslip). The document provided by the applicant that was not requested (ie the old payslip), would be considered information that the applicant has volunteered.

Entry

COMMENCED ON 1 MAY 2025

NEW ENTRY NOTICE PERIODS

If the lessor or property manager intends to enter the premises for any of the following reasons, they will need to give **48 hours' notice** to the tenant:

1. to make routine repairs to, or carry out maintenance of, the premises;
2. if repairs or maintenance have been made or carried out, within 14 days after the completion of the repairs or maintenance, to inspect the repairs or maintenance;
3. to comply with the *Fire Services Act 1990* in relation to smoke alarms;
4. to comply with the *Electrical Safety Act 2002* in relation to approved safety switches;
5. to show the premises to a prospective buyer or tenant;
6. to allow a valuation of the premises to be carried out;
7. if the lessor or agent believes, on reasonable grounds, the premises have been abandoned; and
8. if the lessor or agent has given the tenant a notice to remedy a breach of the agreement that is a significant breach—within 14 days after the end of the allowed remedy period, to inspect to ascertain whether the tenant has remedied the breach.

The lessor or property manager can enter any time if the tenant **agrees**.

The lessor or property manager may enter **without** giving the tenant notice of the proposed entry:

- in an emergency; or
- if the lessor or agent believes on reasonable grounds that the entry is necessary to protect the premises or inclusions from imminent or further damage.

The lessor or property manager will still be required to provide 7 days' notice to inspect the premises.

ENTRY REQUIREMENTS

Property managers should ensure they are familiar with the requirements that need to be met prior to entering a rental property. The RTA has increased enforcement activity in relation to unlawful entries, which represents around 20.8% of all investigated offences reported to the RTA (RTA Annual Report 2023-24).

Property managers can only enter the property for one of the beforementioned prescribed reasons, or by mutual agreement from the tenant.

There are some additional requirements applicable, depending on the reason for entry. Property managers should review the RTA's table in relation to entry reasons and requirements here: [Entry](#).

Unless agreed by the tenant, entry is only permitted between **8am and 6pm, Monday to Saturday**.

If the rules of entry are not complied with, then this will constitute a breach of the legislation, and the property manager may be fined 20 penalty units (being \$3,226 as at May 2025).

The REIQ has released a **Checklist – Entry Requirements** in Realworks, to support property managers.

Entry Notices

A Form 9 Entry Notice must be provided for any entry under the prescribed grounds in section 192(1)(a)-(i).

This means that an Entry Notice is required for all prescribed grounds except if:

- the tenant agrees;
- in an emergency; or
- if the lessor or agent believes on reasonable grounds that the entry is necessary to protect the premises or inclusions from imminent or further damage.

Will the entry notice requirements apply to tradespersons entering the property?

Yes. An Entry Notice is required to be given if a contractor/tradesperson is entering to carry out repairs or maintenance at the property.

If the tenant agrees to entry, then it is recommended that an Entry Notice is still issued because then, even if the tenant withdraws their consent, the contractor/tradesperson will still be entitled to entry under the Entry Notice.

What should property managers do if the tenant refuses entry?

If the property manager or another party named in the entry notice is refused entry by the tenant when entry is lawfully permitted, then the property manager will need to try to work with the tenant to resolve any issues so that entry can occur.

The property manager should in the first instance, communicate with the tenant and try to understand the reasons why the tenant is refusing entry. If possible, the property manager should seek to reschedule the entry to a time that is suitable for the tenant (acting reasonably).

If the tenant is unwilling to communicate or allow entry at another time, then the property manager may initiate dispute resolution via the RTA.

Another option available to property managers is to make an urgent application to QCAT under section 201 of the RTRA Act, to seek an order to change the entry rules and allow entry at a certain time and date.

Do property managers need to wait 48 hours if they wish to enter because they believe the property is abandoned?

Yes, even if the property appears to be abandoned, the property manager must still wait 48 hours to enter the property, after the notice is given.

Naming the people entering the property

RTA has recently confirmed that Item 3 **does not** need to name the individuals who will enter the property.

Item 3 is considered complimentary information, and it is not a legal requirement to provide the names or phone numbers.

The tenant cannot refuse entry to a person that is not named in Item 3 of the Entry Notice.

REIQ best practice advice is to still provide information as a courtesy, where possible. For example:

- the name of the agency if a property manager is going to enter for a routine inspection
- the name of the contractor/trades company for repairs and maintenance

Open Homes and Private Inspections

Under section 192, there is a prescribed entry ground for **private inspections**. There is **no** prescribed entry ground however, for **open homes**.

Open homes cannot be scheduled without the tenant's **consent** and an Entry Notice is **not** required to be given (see section 204 of the RTRA Act).

This means that multiple parties can enter the property during an open home and the property manager is not required to name all individuals entering the property.

A private inspection is generally only appropriate where one or two parties are attending the property for a private inspection **at the same time**.

If **more than one** party is entering the property for a private inspection **at the same time**, then only **one** Entry Notice is required.

LIMITATION ON FREQUENCY OF ENTRY

If a **Form 12 notice to leave** or **Form 13 notice of intention to leave** has been issued, then the lessor or property manager cannot enter the premises more than **2 times** in a **7-day** period.

Unless the lessor or lessor's agent is entering the premises:

- to comply with the *Fire Services Act 1990* in relation to smoke alarms;
- to comply with the *Electrical Safety Act 2002* in relation to approved safety switches;
- if the tenant agrees;
- in an emergency; and

- if the lessor or agent believes on reasonable grounds that the entry is necessary to protect the premises or inclusions from imminent or further damage.

This new requirement under section 195A of the RTRA Act is a new rule of entry, meaning if it is breached, a fine of 20 units may be imposed (being \$3,226 as at May 2025).

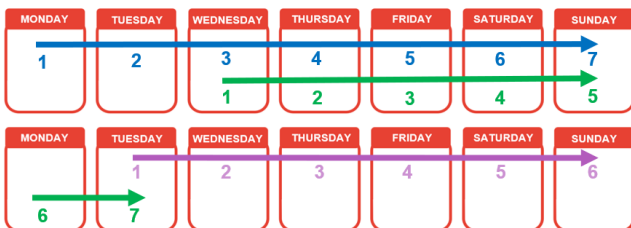
When does the 7-day period start?

The legislation states that entry is restricted to 2 times in a '7-day period', not week.

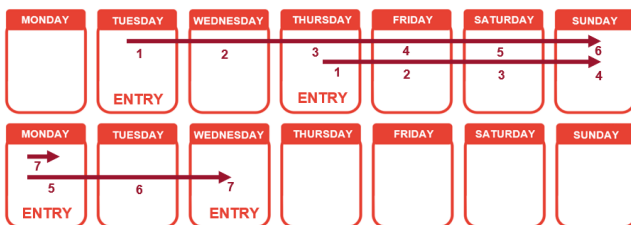
This means that 7-days will start on the day of any entry.



7-day periods do not align with the weeks consecutively. A 7-day period can start from any day.



When checking if an entry is lawful, property managers should count how many entries are within a 7-day period.



When scheduling an entry, property managers should review:

- how many entries have occurred in the past 7 days; and
- how many entries are scheduled to occur in the next 7 days.

Note: if the tenant consents to an entry, then this will not be included in the '2 entries in a 7-day period'.

If a third entry is needed in a 7-day period, property managers should:

- firstly, try to obtain the tenants consent to one of the entries;
- if the tenant doesn't consent, try to reschedule one of the entries; or
- see if entries can be grouped together (for example, doing a routine inspection at the same time as scheduled maintenance).

What if maintenance or repairs are scheduled which will take more than 2 days to complete?

As noted, property managers can still enter more than 2 times in a 7-day period provided that the tenant has consented.

Property managers should first discuss the repairs and maintenance with the tenant and see if they will agree to entry on the relevant days.

If the tenant won't agree, then the repairs and maintenance cannot be completed if it takes more than 2 days.

For emergency repairs, the exception will apply and entry is permitted more than 2 times in a 7-day period.

What if the tenant withdraws their consent to entry?

If there is only one other entry within the 7-day period, then provided that entry is for a prescribed reason and an Entry Notice has been issued, the property manager will still have the right to enter the property.

If the entry would constitute a third entry within a 7-day period, then entry cannot proceed without the tenant's consent and the property manager will need to reschedule.

Otherwise, it may be deemed an unlawful entry.

WHEN TO GIVE A FORM 12 NOTICE TO LEAVE

Due to the new limitations, property managers will need to consider the consequences of issuing a Form 12 Notice to leave at the commencement of the tenancy.

Property managers should consider what practice they would be comfortable to adopt moving forward.

Option 1 – Form 12 issued at the start of tenancy

If the Form 12 Notice to leave is issued at the start of the tenancy and remains in place during the term of the tenancy, then:

- the property manager will be **limited** to enter the property no more than 2 times in a 7-day period while that Form 12 is in place; and
- the property manager will need to **withdraw** the Form 12 should more than 2 entries be necessary within a 7-day period and the tenant has not consented.

Property managers should consider if they wish to continue to issue the Form 12 once the tenancy agreement is entered into, being subject to these limitations.

Option 2 – Issue the Form 12 at the end of the tenancy / during the renewal process

If property managers intend to issue the Form 12 at the end of the tenancy, then the following steps should be taken to ensure there is no breach of agency obligations:

1. the Form 12 must be issued at least 2 calendar months before the end date of the fixed term agreement, so that the vacating date aligns with the end date;
2. this date should be diarised in multiple calendars in the team to ensure the dates are not missed; and
3. where a Form 12 is issued during the tenancy renewal process (around 3 months from the end date), if the tenant fails to return a signed copy of the Form 18a General Tenancy Agreement within the required timeframe

provided to the tenant, the Form 12 will then be in place to end the agreement on the agreed end date.

How can property managers mitigate the tenant's loss when reletting the property after a break lease, if entries are limited?

If a tenant breaks lease, and the property manager is reletting the property, then the property manager is still obligated to mitigate the loss of the tenant and relet the property as soon as possible.

This means holding adequate inspections for prospective tenants during this period. If a property manager is limited by the entry frequency, then this should be documented in case the tenant later raises a dispute against the property manager for failing to let the property quickly enough.

Please note: if the tenant breaks lease without giving a Form 13 (which is not a requirement), then the limitation on entry won't apply.

Can property managers still have pre-vacate inspections with the tenant?

Yes, provided that the tenant has given their consent. There is no entry ground for a pre-vacate inspection, so the tenant's consent will be needed in any event.

Can property managers issue one Entry Notice for two parties entering at the same time but for different purposes (eg. inspection and maintenance)?

Yes. The RTA has confirmed that notice for multiple entries at the same time for different purposes can be given using one Entry Notice (provided all relevant notice periods are adhered to).

For example, you could have a private inspection scheduled at the exact same time as a smoke alarm inspection by giving notice using one Entry Notice. Post 1 May 2025, 48 hours' notice would be required in both cases.

Is there a ground for entry for pool maintenance?

There is an entry ground under section 192(b) for repairs and maintenance purposes. There is no specific entry ground relating to pools, however, if the entry was for pool maintenance, then property managers could rely on section 192(b) for entry.

Is there a limit to how many times you can withdraw and re-issue a Form 12 Notice to Leave? For example, if three entries were required in a 7-day period.

Although there are no statutory limitations, it will be interesting to understand how QCAT will view this practice.

The REIQ suggests in the first instance, trying to get the tenant's consent or seeing if it is possible to reschedule one of the entries.

If one of the entries is by way of consent, then it will not be included in the '2 entries' within that 7-day period.

Property managers would need to consider their approach on a case-by-case basis.

Also note, if the relevant entry period is within the last 2 months before the end date of the tenancy, withdrawing and re-issuing a Form 12 may not be a feasible option.

This is because a minimum of 2 months' notice must be given to the tenant for a Form 12 Notice to Leave at the end of a fixed term agreement.

By re-issuing the Form 12 on a later date, the property manager will be extending the end date of the tenancy agreement to the date that is 2 months' after the date the Form 12 is issued.

Example:

- The end date of the tenancy agreement is **30 August 2025**.
- The Form 12 is issued on **15 June 2025** with the vacate date being **30 August 2025**.

- On **7 July 2025**, the property manager withdraws the Form 12 for the purpose of having more than 2 entries in a 7-day period
- The Form 12 is then re-issued on **10 July 2025**.
- The new vacate date will be **10 September 2025**.

What are the consequences of entering the premises with a non-compliant Entry Notice?

If an Entry Notice is required and the notice is not compliant or the correct notice period is not given, then this may be an unlawful entry.

The tenant can rightfully refuse entry if a compliant Entry Notice hasn't been issued.

The tenant can report the property manager to the RTA and the RTA can impose fines of up to 20 units (currently \$3,226).

How can property managers arrange entries needed to make a property safe after a natural disaster within these limitations?

Entries for the following grounds will not be counted in your '2 entries':

- to comply with the *Fire Services Act 1990* in relation to smoke alarms;
- to comply with the *Electrical Safety Act 2002* in relation to approved safety switches;
- if the tenant agrees;
- in an emergency; and
- if the lessor or agent believes on reasonable grounds that the entry is necessary to protect the premises or inclusions from imminent or further damage.

If the entry is needed to make the property safe, then arguably, the property manager can arrange for this entry on the basis that the entry is necessary to protect the premises from imminent or further damage.

Modifications

COMMENCED ON 1 MAY 2025

NEW PROCESS FOR REQUESTING STRUCTURAL CHANGES OR THE ATTACHMENT OF FIXTURES

From 1 May 2025, a tenant may give the lessor a request for approval to **attach a fixture** or **make a structural change** to the premises. The request must be given by the tenant in the approved form (new RTA form).

The lessor must decide the tenant's request **within 28 days** or a longer period, if agreed to by the tenant.

The lessor may either **agree** or **refuse** to agree to the tenant's request.

If the request is agreed to, the lessor may give their agreement subject to **conditions**.

The lessor **must not act unreasonably** in refusing the tenant's request.

Otherwise, the tenant may attach the fixture or make the structural change in accordance with an order of QCAT.

AGREEMENT ABOUT FIXTURES AND STRUCTURAL CHANGES

If a lessor has agreed to a request from the tenant to make a structural change or attach a fixture, the agreement **must**:

- be in writing;
- describe the nature of the fixture or structural change; and
- state any conditions to the agreement.

For an agreement about a **fixture being attached** to the premises, the conditions may include terms about:

- maintenance obligations if the fixture is attached by the tenant; and
- whether the tenant may remove the fixture; and
- if removal of the fixture by the tenant is allowed—

- when and how the removal may be performed; and
- that the tenant is obliged to repair any damage caused to the premises in removing the fixture or to compensate the lessor for the lessor's reasonable costs of repairing the damage; and
- if removal of the fixture by the tenant is not allowed—that the lessor is obliged to compensate the tenant for any improvement the fixture makes to the premises.

Otherwise, the lessor can impose any conditions they deem necessary. The above list provided under section 209(2) provides an example of the types of conditions which may be imposed.

New REIQ Forms are available in Realworks:

- Checklist
- Client Instruction Form & Factsheet
- Lessor Agreement & Conditions
- Lessor Refusal
- Letter to Body Corporate

LOTS IN COMMUNITY TITLES SCHEMES

If the property is a lot in a body corporate (eg unit, townhouse, apartment) and a body corporate law or by-law requires approval for the attachment of a fixture or making a structural change to the premises, then a different process applies.

After the request is received from the tenant, the lessor must:

- decide on the tenant's request **within 28 days** after receiving the request;
- advise the tenant of the lessor's **decision**; and
- if the lessor approves the request, state that the lessor's approval is **subject to** agreement by the body corporate.

If the lessor approves the request, the lessor must give the request to the body corporate **within 28 days** after receiving the request.

The lessor must **advise** the tenant of the body corporate's decision as soon as reasonably practicable.

If the lessor and the body corporate both agree to the request, they may require **conditions** of the agreement.

ATTACHING FIXTURES OR MAKING STRUCTURAL CHANGES WITHOUT AGREEMENT

If the tenant attaches a fixture or makes a structural change to the premises either without the lessor's agreement or, in a way that does not comply with the lessor's agreement, then the lessor may either:

- treat the non-compliance as a breach of the tenancy agreement; or
- waive the breach and treat the fixture or structural change as an improvement to the premises for the lessor's benefit.

STRUCTURAL CHANGES & ATTACHMENT OF FIXTURES

Not all requests for change to the property will fall within this new process because the provisions under sections 207 to 209A only apply in relation to requests for:

- structural changes; and
- the attachment of fixtures.

Examples of **structural changes** include:

- altering or removing existing structures (walls, ceilings, windows, doors, internal structures, façade, gutters, roof, fencing, concrete, plumbing, electrical works); or
- erecting new structures.

Fixtures are attached to the property, when steps are taken to fix them in place with screws, nails, hooks or alike. Examples of **fixtures** being attached include installing:

- furniture anchors, floor coverings (carpet);
- picture frames and hooks, locks, clothes line, EV chargers,
- air conditioning, ceiling fans;
- above ground pools, fencing, garden shed
- TV cabling, satellite, lights or other electrical fittings.

Any other changes or alterations that the tenant would like to request can still be considered by the lessor, however, they are not obligated to provide a response within the abovementioned timeframes.

What should property managers do if they receive a request from a tenant for a structural change to the property?

It is important that property managers pass on the request as soon as possible to the lessor. Property managers should also check that the request has been made in the approved form.

Property managers may wish to recommend certain steps be taken by the lessor to assist in their consideration of the request, for example:

- consulting with the lessor's insurer about any requirements that apply to structural works under the lessor's policy;
- get a contractor/tradesperson that specialises in the particular requested work to review the request and provide guidance/quote;
- depending on the nature of the request, consult with an engineer about the changes impact on the property; and
- contact the local council about what approvals may be needed.

If the property is a lot in a body corporate, then property managers should check the by-laws to see if body corporate approval is needed.

Property managers may also wish to provide their client with the REIQ Factsheet – Modifications.

Once the request is with the lessor for consideration, property managers should diarise the 28th day from the date the request is received, as the due date for their response.

Property managers should diarise at least one week prior to the response due date to follow up with their clients to confirm their response.

How should property managers respond to the tenant?

The REIQ has a range of new resources in Realworks to assist property managers with giving a response.

There will be options available for the lessor to provide their agreement with conditions, as well as a refusal form which the property manager may use to reject the request.

What if the lessor needs more time to consider the request?

If the lessor would like more time to consider the request, they should contact the tenant and try to reach agreement about an extension of time. Property managers should explain why the lessor requires more time, for example, if they are waiting for a response from a third party.

Although failing to meet timeframes is a breach of the legislation, there is no penalty attached to this provision.

QCAT ORDERS

If the tenant makes a request to attach a fixture or make a structural change to the property **and that request is refused**, the tenant may apply to QCAT for an order about the attachment of the fixture or making of the structural change.

QCAT may make any order that it considers appropriate.

In deciding the application, QCAT may have regard to:

- the potential for the proposed fixture or structural change to improve the safety, security and accessibility of the premises for the tenant;
- the likelihood that the proposed fixture or structural change can be removed at the end of the tenancy or that the premises can be restored to the condition the premises were in at the beginning of the tenancy;
- whether the proposed fixture or structural change would add value to the premises and whether the lessor may treat the fixture or structural change as an improvement to the premises;

- whether building approvals are required for the proposed fixture or structural change;
- whether the proposed fixture or structural change would need to be installed by a qualified tradesperson;
- if the premises are part of a body corporate scheme—whether body corporate approval is required for the fixture to be attached or for the structural change to be made;
- for a proposed structural change—the extent to which the proposed structural change will modify the premises;
- any other matter the tribunal considers relevant.

Who is responsible for any damage caused by the modification?

The lessor can impose conditions on their approval, including that the tenant is responsible for the removal of the fixture and any repair works needed to restore the property to its original condition.

If the tenant fails to do so, it can then be treated as an amount owed under the agreement and can be recovered from the bond, should the tenant fail to pay the costs of repair.

Are property managers permitted to ask for proof of who carried out the modification?

The lessor can impose conditions on their approval, including that the modification is carried out by someone appropriately licenced, qualified and insured to complete the work.

The tenant is obligated to carry out the modification strictly in accordance with the lessor's conditions. Otherwise, it will be a breach of the agreement.

Who determines the value of compensation provided to the tenant for an improvement to the premises?

Generally, this would be negotiated between the parties. If there is a dispute, then this would be a matter for QCAT.

Data & Information Protection

COMMENCED ON 1 MAY 2025

COLLECTING PERSONAL INFORMATION

If a person collects personal information about an applicant, tenant or resident in relation to a tenancy agreement or rooming accommodation agreement, they may collect information only:

- to assess the suitability of the applicant; or
- if the information relates to the management of the agreement.

'Personal information' means —

- a) information or an opinion about an identified individual, or an individual who is reasonably identifiable—
 - (i) whether the information or opinion is true or not; and
 - (ii) whether the information or opinion is recorded in a material form or not; and
- b) includes photographs or images of individuals' personal possessions or standard of living.

'Applicant' includes a person that has applied for a tenancy agreement or rooming accommodation agreement.

Photographs taken of the rental property during inspections are included as 'information relating to the management of the agreement'.

Examples of personal information: name, date of birth, phone number, address, financial information, identification documents, vehicle details, personal references, employment details, government assistance information, student details, proof of income documents.

STORING PERSONAL INFORMATION

The lessor or property manager **must store** personal information in a **secure way**.

It must only be accessible by the relevant person for the purposes of:

- For applicants - assessing the suitability of the applicant as a tenant or resident for the premises; and
- For tenants - managing the agreement for the premises.

DESTROYING PERSONAL INFORMATION

If an applicant does not become a tenant, the relevant documents must be **destroyed** in a **secure way** within **3 months** after the relevant tenancy commences (or a longer period if agreed to by the applicant).

For personal information stored about a tenant, the information must be **destroyed** within **7 years** after the end of the tenancy agreement or rooming accommodation agreement.

CONSEQUENCES

If these requirements are breached under sections 457D and 457E, the property manager may be liable for a fine of 20 units (being \$3,226 as at May 2025).

Other consequences may include:

- breach of Privacy Laws (possible fines up to \$2.5 million for individual, \$50 million for corporation & imprisonment);
- insurance implications; and
- if there is a cyber incident - loss (financial, reputational), professional negligence claims, breach of agency laws.

CYBER SECURITY

It is very important for real estate businesses to maintain cyber security and resilience.

Real estate businesses should undertake a thorough check through their existing systems and make enquiries to find out:

- if personal information is collected and stored in any system;
- what personal information is collected and stored;
- how the system stores personal information;
- if/how the system destroys data and personal information, to align with the new legislative requirements.

Agencies should review the following with their IT professional.

- if their systems are secure (including WI-FI);
- if they have adequate anti-virus / malware protection;
- passwords;
- multi-factor authentication; and
- where and how data is stored and backed-up.

This is not an exhaustive list. Agency owners should review the REIQ Cyber Resilience Toolkit for more information.

REIQ CYBER RESILIENCE TOOLKIT

The REIQ in partnership with AON have developed the **REIQ Cyber Resilience Toolkit** to equip real estate professionals with the knowledge and guidance needed to navigate and implement cyber security and resilience within their businesses.

The information in the Cyber Resilience Toolkit provides property managers with:

- advice for using customer relationship management (CRM) software;
- cyber-crime prevention checklist;
- information about collection, storage and destruction of information;
- information about Privacy Laws;
- Cyber Incident Response Plan;
- Cyber Resilience Implementation guidance;
- directory to other Tools and Resources; and
- risk mitigation strategies.

Use the *REIQ Personal Information Handling Policy* available in Realworks HR.

Can sales agents take photos of the tenant's personal belongings for advertising?

Under section 203 of the *Residential Tenancies and Rooming Accommodation Act 2008*, lessors (or their agents) must not use a photo showing the tenant's possessions in advertising without the tenant's consent.

The tenant can withhold that consent, meaning that photos showing their possessions cannot be used in advertising.

Photos showing the tenant's belongings or standard of living will be included as 'personal information' from 1 May 2025.

The requirements for dealing with personal information under section 457E will apply to photos taken that show the tenant's belongings or standard of living.

Do property managers need to delete applicants' details from mailing lists, or otherwise from their CRM?

Property managers are permitted to retain personal information about an unsuccessful applicant only with their approval.

Agencies may wish to review their personal information handling policy and privacy policy to align with the new legislative requirements. Realworks HR users can access the REIQ's *Personal Information Handling Policy*.

How long can property managers keep routine inspection reports containing photos of tenant belongings?

Property managers can keep records of the tenant's personal information (including photos) on file for a period of 7 years after the end of the tenancy agreement. After this period, these records must be securely destroyed.

If the property manager sends a tenant's application to the lessor for review, is the property manager responsible to ensure the lessor securely destroys the application at the appropriate time?

No, the property manager will not be held responsible if the lessor does not delete information when required. Property managers should still provide information to their clients about these changes to ensure they are aware.

New Tenancy Laws

2024



Accepting Rent

COMMENCED ON 6 JUNE 2024

ACCEPTING RENT ABOVE THE ADVERTISED RENT PRICE

From 6 June 2024, a lessor or property manager can no longer accept an offer from a tenant or prospective tenant to pay an amount of rent that is greater than the advertised rent price (ss 57(3) and 76AA of the RTRA Act).

The penalty for contravening this provision is 50 units (being \$8,065, as at August 2024).

Even if your client receives an offer from a tenant to pay rent this is greater than the advertised price, they cannot accept this offer.

It is important to discuss this with your client when you are giving a rental appraisal for the property and prior to listing the property. These provisions will impact the rent price your client may wish to advertise for the property.

If you advertise the property and receive offers that are greater than the advertised price, your client may instruct you to accept the higher price. This would be an unlawful instruction under the RTRA Act. Your client may then be inclined to instruct you to re-advertise the property at a higher price. The REIQ does not support this practice as it would likely contravene the RTRA Act. The REIQ recommends that you direct your client to seek legal advice to confirm if doing so would contravene the RTRA Act or Australian consumer law requirements. Similar practices may be taken to be bait advertising.

Although a client's instructions must be generally followed, an agent should reject unlawful instructions provided by a client.

ACCEPTING RENT PAID IN ADVANCE

When a tenancy is advertised or offered, a lessor or property manager cannot accept rent in advance if the amount is more than:

- for a periodic tenancy or moveable dwelling, 2 weeks' rent; or
- for a general tenancy, 1 months' rent.

The penalty for contravening this provision is 50 units (being \$8,065, as at August 2024).

Tenancy Applications

The lessor or property manager cannot accept an applicant's offer to pay more than 1 months' rent in advance.

If an applicant makes an offer to pay more than 1 months' rent in advance to secure the property, the REIQ recommends advising the applicant that you are unable to accept this offer, and their application will be considered on the information provided.

During a tenancy

A tenant can choose to pay more than 1 months' rent in advance during a tenancy, however, the lessor or property manager cannot invite or solicit this from the tenant.

Tenancy Renewals

The lessor or property manager cannot accept a tenant's offer to pay more than 1 months' rent in advance when their tenancy is renewed.

If a tenant has paid more than 1 months' rent in advance at the time of their tenancy renewal, the REIQ recommends seeking advice as to whether you need to refund part of the rent in advance to the tenant.

Example 1 – new tenancy

Sally applies for a tenancy and offers to pay 3 months' rent in advance to secure the property. You would advise Sally that the lessor can only accept 1 months' rent in advance. Sally is approved by your client.

After Sally's tenancy commences, Sally offers to pay rent in advance for the following 2 months. You can accept Sally's offer to pay rent in advance for the following 2 months.

You should not invite Sally to pay rent in advance after her tenancy commences. You may only accept Sally's offer.

Transitional requirements

If rent is paid in advance before 6 June 2024 for a tenancy agreement that commences before 6 June 2024, then the rent in advance **may not** need to be repaid as it was validly accepted under the previous tenancy laws.

However, if rent in advance is paid before 6 June 2024 for a tenancy agreement that commences after 6 June 2024, then the lessor **may be** required to refund to the tenant any amount of rent in advance above 1 months' rent.

DISBURSING RENT PAID IN ADVANCE

Property managers are reminded about their obligations under section 22 of the *Agents Financial Administration Act 2014* (**AFFA Act**).

The Office of Fair Trading has recently provided guidance to the industry about a property manager's obligations in relation to rent paid in advance by a tenant.

Funds that are received in trust **must not** be disbursed until the relevant transaction is finalised.

In relation to rent payments, a 'transaction' is not finalised until the entitlement to the rent passes to the lessor.

For example, if the tenant must pay rent fortnightly under the tenancy agreement, then the entitlement to that rent amount will pass to the lessor fortnightly on the day stated in the tenancy agreement. Any rent paid in advance would therefore be required to be disbursed fortnightly in alignment with the tenancy agreement.

The Office of Fair Trading has clarified that rent in advance cannot be disbursed in a single lump sum payment from trust unless there is:

- a written direction from both the tenant and the lessor regarding how to deal with rent in advance, which would finalise the transaction upon receipt of the funds; and
- written instructions from the lessor confirming how the funds are to be paid out and whether an amount should be held in trust.

Drawing your commission and fees

Under the AFA Act and the *Property Occupations Act 2014* (Qld), an agent is entitled to draw remuneration from an amount held in trust provided the following three conditions are satisfied:

- the agent is appropriately licensed and properly appointed;
- the agent has performed the activity entitling them to remuneration;
- the terms of their appointment of agent specifies that entitlement to the remuneration has occurred;
- the transaction for which the money is held is finalised; and
- the client, under the terms of their appointment of the agent or other direction, permits the agent to draw their remuneration.

If you have taken over a new management and the previous property manager has taken fees for a period that you will manage the property, your Client may wish to seek legal advice to confirm if they are entitled to a refund of those fees under the terms of their prior PO Form 6 Appointment.

For more information about your trust account obligations under the AFA Act, see the [Office of Fair Trading Trust Account Guide](#).

Rent Increases

COMMENCED ON 6 JUNE 2024

RENT INCREASE ATTACHED TO PROPERTY

From 6 June 2024, rent cannot be increased within 12 months of the date the rent was last increased **for the property**.

This requirement applies regardless of whether there is a change of tenant or lessor in the relevant 12-month period. These requirements apply during a fixed term agreement or periodic agreement.

The penalty for contravening this provision is 20 units (being \$3,226, as at August 2024).

CALCULATING THE RENT INCREASE DATE

These requirements apply retrospectively, meaning after 6 June 2024, a rent increase cannot occur within 12 months of the date the rent was last increased for the property even if that date is before 6 June 2024.

Example 1 – standard 12-month tenancy

A tenant is on a 12-month tenancy agreement commencing on 1 July 2023 and expiring 30 June 2024. Rent was last increased for the premises on 1 July 2023. There was no rent increase during the term of the agreement. The date the rent could next be increased is 1 July 2024. This would apply regardless of whether the property is relet or if the current tenant's agreement is renewed.

Example 2 – standard 6-month tenancy

A tenant is on a 6-month tenancy agreement commencing on 1 January 2024 and expiring on 30 June 2024. Rent was last increased for the premises on 1 January 2024. The date the rent could next be increased is 1 January 2025. If the tenant decides to leave on 30 June 2024, the property must be readvertised and let for the same rent as paid by the former tenant from 1 January 2024. This would apply regardless of whether the property is relet or if the current tenant's agreement is renewed.

If rent is decreased under section 94, and then later reverts to the amount of rent payable before the rent decrease, this **will not** be treated as a rent increase for the purpose of section 93 of the RTRA Act.

For example, rent is reduced by half due to a repair being undertaken to part of the property making it unusable. Once the repair is complete and rent is increased back to the amount it was before the repair, this increase will **not** constitute a rent increase under section 93 of the RTRA Act.

REIQ has created a [*Checklist for Rent Increases*](#) available in Realworks to assist property managers with navigating rent increases.

Tenancy Renewals

If the tenancy is being renewed, rent can only be increased from the date that is 12 months after the date the rent was last increased for the premises.

If the start date of the new tenancy falls **before** the minimum period of 12 months, then rent **cannot** be increased from the start date of the renewed agreement. The lessor has limited options in this scenario.

Firstly, you should not allow the tenancy to lapse into a **periodic agreement** for the purpose of waiting to commence the new fixed term agreement.

Take Caution! The moment the tenancy lapses into a periodic agreement, it can only be ended under prescribed grounds in accordance with the RTRA Act. Refer to FAQ Ending Tenancies (below) to understand the limitations and implications of a periodic agreement. In addition to this risk, some insurance policies do not offer or provide cover for periodic tenancies.

The REIQ recommends that a new fixed term tenancy commences the day after the current tenancy agreement ends.

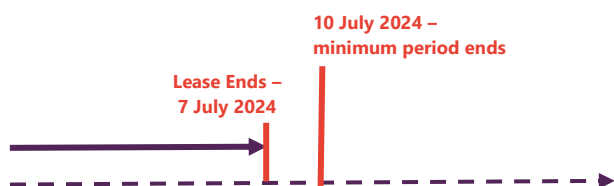
If your client elects to include a rent increase in the new fixed term agreement, a rent increase can only be done:

- if a special term providing for the rent increase is included in the agreement;
- at least 2 months' notice of the rent increase is given prior to the date the rent increase takes effect; and
- it has been 12 months since the last rent increase.

Example 3 – renewal where start date less than 12 months

A fixed term tenancy commenced on **10 July 2023** and ends on **7 July 2024**.

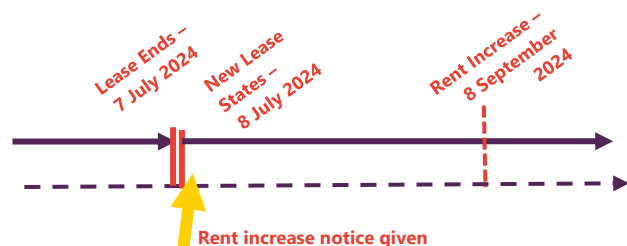
Rent cannot be increased before **10 July 2024** (being the expiry of the 12-month minimum period).



If a fixed term agreement commences on 8 July 2024, a rent increase will not be valid because it is within the 12-month minimum period.

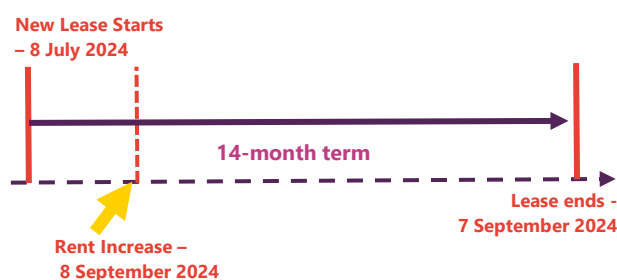
The REIQ therefore recommends that a special term be included in the new fixed term agreement to allow for a rent increase after the 12-month period lapses and allowing adequate time to provide the required 2 months' notice.

This means the earliest a rent increase can occur is **8 September 2024**. The 2 months' notice for the rent increase would be given on **8 July 2024**.



A further option that may be considered to restore the pattern of regular annual rent increases is to consider extending the term of the agreement in the above scenario to 14 months in the first instance. Such option would require the consent of the client.

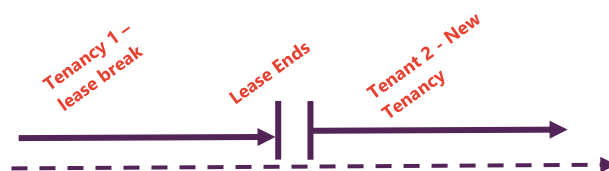
Using the above example, if the term of the new fixed term agreement commences 8 July 2024 with a rent increase taking effect **8 September 2024**, is 14 months, the end date will be **7 September 2025**. This means the rent can be increased again on **8 September 2025** for a new fixed term agreement if the tenant is renewed for a further term. Otherwise, your client may be left in a situation where the end date is always less than 12 months from the last rent increase.



If the tenant breaks lease

If a tenant ends a lease before its expiry without grounds, the next tenancy is treated as a new agreement, however the 12-month minimum period will still apply.

For example, if one tenant breaks lease during their tenancy and another person signs an agreement to rent the premises after the first tenant has vacated, then the rent the new tenant pays can only be increased if the rent had not been increased within 12 months for the property.



If rent cannot be increased at the start of the tenancy (for example, if the tenant breaks lease with 2 months remaining on the tenancy period), then a special term may be included to increase rent after the 12-month minimum period lapses (in the same way as set out in Example 3).

Transitional Considerations

Please note the new section 93(1) applies in relation to rent increases **from 6 June 2024**, including increases agreed but yet to come into effect.

A rent increase that came into effect **before 6 June 2024** and complied with section 93 at the time it came into effect, continues to apply.

However, when calculating the next rent increase date, you must calculate 12 months from the date of the last rent increase, even if this was before 6 June 2024.

For renewals, if you issue a new tenancy agreement to a renewing tenant and it contains an invalid rent increase, lessors should seek legal advice about what options they may have.

If you are an REIQ Accredited Agency, you may contact the REIQ for a referral to Carter Newell Lawyers for 30 minutes of free legal advice for eligible matters.

OTHER RENT INCREASE REQUIREMENTS

The requirements under section 91(7) have not changed.

This means that rent under a fixed term agreement may not be increased before the term ends unless:

- the agreement provides for a rent increase; and
- the agreement states the amount of the increase or how the amount of the increase will be worked out; and
- the increase is made under the agreement.

Notice requirements

If the lessor wishes to increase rent during a fixed term agreement or periodic agreement, a written notice must be given to the tenant.

This date must not be earlier than the later of:

- 2 months after the day the notice is given to the tenant under a residential tenancy agreement;
- 4 weeks after the day the notice is given to the tenant under a rooming accommodation agreement;
- the end of the **minimum period**.

This means that a notice cannot require rent to be increased before the end of the minimum period of 12 months from the date the rent was last increased for the property.

The REIQ's best practice recommendation is to issue the notice at least 2 months' before the expiry of the minimum period so that the rent increase can take effect from the next date.

For tenancy renewals, the notice requirements have not changed. The 2-month notice period does not apply where a new tenancy agreement is being entered with the same tenant.

Amount of rent increase

There are no changes impacting the amount of which your client may wish to increase rent by. You should continue to follow usual procedure to ensure you comply with your obligations under the *Property Occupations Act 2014* (Qld) by providing a comparative market analysis to your client when discussing market rent attainable for the property. *Refer to the [REIQ's Best Practice Guidelines](#) for more information.*

EVIDENCE OF LAST RENT INCREASE

The tenancy agreement must include the day the rent was last increased (ss 61, 77(2)).

Item 7 of the Form 18a General Tenancy Agreement and Item 8 of the Form R18 Rooming Accommodation Agreement has been updated to include the day of the last rent increase. This must be completed unless the lessor is an exempt lessor (see below).

A residential tenancy agreement or rooming accommodation agreement entered into before 6 June 2024 is not required to include the day the rent was last increased for the premises.

A rent increase notice will also need to include:

- amount of the increased rent;
- day from when the increased rent is payable; and
- the day the rent was last increased for the premises (unless the lessor is an exempt lessor).

Leaving the date blank

In accordance with guidance provided by the RTA, if:

- the lessor or property manager does not know the date of the last rent increase for the property; or
- rent has not been payable for the property within the preceding 12-month period (for example, a new build or if the property was owner-occupied),

then the RTA recommends that the property manager should leave Item 7 of the General Tenancy Agreement (or Item 8 of the Rooming Accommodation Agreement) **blank** and communicate to the tenant in writing why they have left the date blank and the reason why the information cannot be provided.

The REIQ has created a template letter to tenant to assist property managers with this communication (available in Realworks).

Tenant may request further evidence

A tenant may by written notice, request evidence of the day the rent was last increased for the premises (s 93A of the RTRA Act).

Examples of evidence include a copy of:

- the last tenant's tenancy agreement;
- the last tenant's rental ledger; or
- a rent increase notice given to the last tenant.

The lessor or property manager **must** provide evidence to the tenant within 14 days of receiving the request (unless the lessor is an exempt lessor). The penalty for contravening this provision is 40 units (being \$6,452, as at August 2024).

Seeking your client's instructions

If you receive a request from a tenant to provide evidence of the last rent increase, you will need to notify your client prior to taking any further steps.

If your client objects to providing the necessary evidence, you should let the client know about the associated penalty and that it is unlawful to fail to respond.

As the property manager you must carry out your client's instructions unless it is unlawful to do so. You can also be found liable for the penalty under this provision. If your client continues to object, you should immediately contact your professional indemnity insurer and seek legal advice to confirm the best course of action to minimise your own risk.

If you don't receive your Client's instructions within the required time, and you use the *PO Form 6 REIQ Property Management Schedule and Essential Terms and Conditions*, you can rely on your Client's authorisation under clause 8.17 of the Essential Terms to issue notices/documents on behalf of the Client if required to be given under the RTRA Act.

Redacting the evidence

Any evidence provided must have personal information removed or de-identified. You will need to redact the document. The REIQ is currently developing a feature in Realworks to assist agents with this task.

In the meantime, to electronically redact the document, you will need PDF editing software such as Adobe. If using Adobe, see instructions for redacting PDFs [here](#).

If you use a different editor, search their website for instructions on how to redact PDF documents.

To manually redact the document, you will need to print the document and take a thick black pen/marker to physically cross out the relevant parts of the document.

The REIQ is currently developing a new feature in Realworks to assist property managers. This feature will be available soon. Keep an eye out on the News and Announcements page in Realworks.

Applying to QCAT for a rent increase (s 93B)

If a lessor believes they would be caused *undue hardship* because the lessor is not able to increase the rent payable under a residential tenancy agreement during the 12-month period, the lessor can make an application to QCAT for an order. QCAT can make an order to increase rent by a stated amount.

In deciding the application, QCAT must have regard to the tenant's opinion including on the rent increases likely effect on the affordability of the premises and the tenant's ability to continue to pay rent.

If your client wishes to increase rent within 12 months of the last rent increase for the property, you should advise them of this section. Keep in mind that the lessor will need to show QCAT that they reasonably believe they will be caused 'undue hardship' if they are not able to increase rent.

Exempt Lessors

Exempt lessors are not required to:

- provide a tenant with the date of the last increase; or
- give the tenant evidence of the last rent increase for the premises.

A lessor is an exempt lessor if—

- a) the lessor receives funding for the premises under the *Housing Act 2003* if the amount of rent payable for the premises is determined by household income (for example, a community housing provider or specialist homelessness service); or
- b) the lessor receives funding for the premises that is the subject of a funding declaration under the *Community Services Act 2007* if the amount of rent payable for the premises is determined by household income; or
- c) the lessor is the chief executive of the housing department, acting on behalf of the State; or

- d) the lessor is the State and the tenant is an officer or employee of the State; or
- e) the lessor is the replacement lessor under a community housing provider tenancy agreement; or
- f) the lessor is prescribed by regulation to be an exempt lessor.

SALE OF RESIDENTIAL PROPERTY

The rent increase frequency limit and evidence disclosure obligations will impact the sale of residential property in Queensland.

If a buyer intends to let the property in future, then they may still be required to supply evidence to a tenant of the last rent increase, regardless of how much time has lapsed.

If the purchaser intends to let the property within 12 months of their purchase, then they will also need information about the last date that rent was increased. Some exceptions will apply under the RTRA Act.

The REIQ and Queensland Law Society have released a new version of the:

- EF001 Contract for Houses and Residential Land
- EF003 Contract for Residential Lots in Community Titles Scheme

The Contract updates include:

- a new mandatory section of the Schedule to complete, if the property has been let within 12 months of the Contract Date (even if the property is being sold with vacant possession);
- a new contractual disclosure obligation whereby the seller must provide to the purchaser the relevant evidence at settlement (unless an exception applies); and
- a new seller's warranty in relation to the information provided to the purchaser.

Your client's solicitor should arrange for the disclosure to occur at/prior to settlement. Property managers may need to provide the seller, their solicitor or sales agent with information they need to complete the Contract schedule and provide the necessary disclosure.

Other Changes that commenced on 6 June 2024

NEW HEADS OF POWER

New 'head of power' provisions were introduced to allow the Government to create a regulation in future. The regulation has not yet been developed. This will only apply once a regulation has been developed.

Fixtures and structural changes

The tenant will be allowed to attach fixtures and make structural changes to a premises that are necessary for a tenant's safety, security or accessibility, provided that the modifications are made in accordance with any requirements prescribed by regulation.

Portable bond scheme

The RTA will be able to transfer all or a part of the rental bond for one residential tenancy agreement or rooming accommodation agreement as the rental bond for another new agreement in the circumstances to be prescribed by regulation. The head of power will expire in 2 years.

Code of Conduct

A regulation may prescribe a code of conduct applying to the conduct of lessors, providers, agents, tenants and residents. The code may not be inconsistent with a provision of the *Agents Financial Administration Act 2014* or the *Property Occupations Act 2014*.

DOMESTIC AND FAMILY VIOLENCE

A lessor a property manager will need to keep confidential 'relevant information' instead of just the evidence supporting the tenant's application for termination.

'Relevant information' is defined as evidence supporting the notice ending tenancy interest or personal information about a tenant who gives the lessor a notice ending tenancy interest, including information that the tenant intends to vacate the premises.

ENTRY GROUND – SMOKE ALARMS

There is a new ground of entry which allows a provider of rooming accommodation to access a resident's room with 24 hours' notice to install, maintain or replace a smoke alarm. This ground of entry replicates an existing ground of entry for residential tenancies.

Bond Amounts

COMMENCED ON 30 SEPTEMBER 2024

MAXIMUM BOND LIMIT TO APPLY TO ALL TENANCIES

A lessor or property manager cannot require the tenant to pay, or accept, a rental bond that is greater than the maximum rental bond, being an amount **equal to 4 weeks' rent**.

From 30 September 2024, the maximum bond limit thresholds under section 146 will be removed. This applies for fixed term tenancy agreements, periodic tenancy agreements and rooming accommodation agreements.

This means that a maximum rental bond of 4 weeks' rent can be taken **regardless** of the weekly rent payable under the tenancy agreement or rooming accommodation agreement.

REFUNDS OF EXTRA BOND TAKEN

A transitional requirement has been included under section 585A to apply in circumstances where a rental bond has been paid to the RTA under an agreement **before 30 September 2024**.

If an agreement is renewed after 30 September 2024 and the amount of the rental bond is more than 4 weeks' rent, then the **tenant** or **resident** may make an application to the RTA for a refund of the difference.

To do so, the tenant/s must submit a *Form 4 Refund of rental bond* that only directs a payment of the excess amount of the rental bond to be refunded to the tenant/s. All **bond contributors** must sign the *Form 4 Refund of rental bond*.

The RTA must give the lessor or property manager a notice of the amount of the rental bond held by the RTA for the renewed agreement after the excess amount has been refunded to the tenant.

Do property managers need to proactively refund the excess bond when renewing tenancies?

No, this process is led by the tenant, and it is the tenant's decision if they would like a refund of excess rental bond. If excess bond is held by the RTA, and the tenant does not request a refund on renewal, the RTA will continue to hold it until the bond is refunded at the end of the tenancy.

When completing the *Form 18a General Tenancy Agreement* to renew the tenancy, property managers will still need to insert the actual amount of bond held in Item 11.

If the bond was paid before 30 September 2024, property managers or lessors **will not** be in breach of section 146 if more than 4 weeks' bond was taken. Property managers **will not** be prevented from making a valid claim against an excess of bond in these circumstances.

Can the RTA refund the rental bond if the property manager/lessor does not agree with the *Form 4 Refund of rental bond*?

Yes. The RTA will require all signatures from bond contributors only. The RTA will process the form without the property manager/lessor's signature and will not issue a *Notice of claim*. If the RTA does not have all bond contributors' signatures, it will hold the refund until the bond refund is finalised at the end of the tenancy.

Should I let my client know that part of the bond has been refunded to the tenant?

Yes. Property managers should ensure that they provide an update to the client so that they are aware of what bond is held by the RTA for the tenancy.

This will avoid any future issues that may arise from the client being uninformed, should a bond claim be required at the end of the tenancy. This is particularly relevant if it is necessary for the client to make a claim above the rental bond amount. Realworks users can use the new ***REIQ Letter to Client – Tenant's Excess Bond Refund*** (available from 30 September 2024).

Bond Claims and Disputes

COMMENCED ON 30 SEPTEMBER 2024

REQUIREMENT TO PROVIDE EVIDENCE WITHIN TIMEFRAME

If the property manager or lessor has lodged a *Form 4 Refund of rental bond* that directs a payment to be made to the lessor, the property manager or lessor must provide **evidence to support** the lessor's claim to the tenant **within 14 days** of the Form 4 being lodged.

The same requirement applies if the property manager or lessor makes a dispute resolution request to the RTA about the payment of a rental bond (in the event the tenant lodges the Form 4, and the lessor disagrees with the tenant's claim).

The property manager or lessor will need to provide **evidence to support** the dispute resolution request **within 14 days after** the dispute resolution request is made (see page 16 for exceptions).

The penalty for non-compliance of the above provisions is 20 units, being \$3,226 as at August 2024.

TIMING OF BOND CLAIM / DISPUTE RESOLUTION REQUEST

The notice of claim process is separate to the requirement to provide evidence within 14 days of the bond claim or dispute resolution request being made.

If either party lodges the *Form 4 Refund of rental bond*, then the RTA will issue a notice of claim to notify the other party of the claim. The other party will then have 14 days to respond to the notice of claim.

If the parties agree with how the bond should be refunded, the bond refund can be fast tracked.

If the other party does not agree with the lodging party's refund request, they must lodge a dispute resolution request within 14 days of the notice of claim being issued.

If the RTA does not receive a response, they will pay the bond as directed in the *Form 4 Refund of rental bond*.

Lessor's claim on bond

If the property manager/lessor was the party to lodge the *Form 4 Refund of rental bond*, then evidence must be provided to the tenant **within 14 days** of the claim **being lodged**. The tenant will still be required to lodge a dispute resolution request within 14 days of the notice of claim being issued should they not agree with the refund.

If the tenant fails to do so, the bond will be refunded as directed in the Form 4, even if evidence has not been provided. If the evidence is not provided within the 14-day period, then this will not impact the bond refund however, it may constitute a breach of section 136AA of the RTRA Act and penalties may apply.

Lessor's dispute resolution request

If the tenant was the party that lodged the Form 4 and the property manager/lessor disagrees, then a dispute resolution request must be lodged within 14 days of the notice of claim being issued.

The property manager/lessor will then have 14 days from the date of the dispute resolution request, to provide evidence to the tenant.

AVOIDING BOND DISPUTES

Property managers may be able to reduce or avoid bond disputes by increasing the information provided to their tenants about the bond refund process, particularly around the appropriate time to lodge the *Form 4 Refund of rental bond*.

Improving communication with the tenant about the bond refund process may help avoid unnecessary delays.

The REIQ recommends the following practical measures:

- at the start of the tenancy, provide the tenant with information about how they can ensure they receive a full bond refund (ie. reporting damage straight away, paying rent up to date);
- towards the end of the tenancy, talk to the tenant about *when* the bond claim will be made so that they don't feel the need to rush to be the first party to make a claim; and
- talk to the tenant about the benefits of waiting until an agreement is reached before lodging a *Form 4 Refund of rental bond* and the RTA fast tracking process.

To support property managers, the REIQ is developing new resources in Realworks to assist with communicating how a tenant can maximise their bond refund at the end of their tenancy.

CLAIMING THE BOND FIRST

Although the REIQ supports the parties reaching an agreement before a *Form 4 Refund of rental bond* is lodged, we understand this may not be possible if property managers are aware that they will need time to obtain necessary quotes (see evidence types below).

If a property manager is aware that quotes need to be obtained and that this will take time, it may be in the client's best interest if **the tenant** is the first party to lodge the bond claim.

If tenant is the first party to lodge the claim, it may allow property managers up to 28 days of time to clarify what amounts a lessor may be entitled to claim by obtaining the necessary quotes for the bond claim.

For example, if the tenant lodges the *Form 4 Refund of rental bond*, the property manager will have 14 days to identify what claims need to be made on the bond and lodge a dispute resolution request. If this is lodged on the 13th day, then the property manager will have an additional 14 days from this date to produce the evidence. This means the property manager will have a total of 27 days from the tenant's lodgement of the *Form 4* to obtain any required quotes or evidence.

Example 1

A tenancy ends on 30 October 2025. The tenant claims a full bond refund on the same date. The RTA issues a *notice of claim* and the property manager is given 14 days to respond (by 13 November 2025).

The property manager notes severe damage to a wall in the kitchen during their exit inspection. The property manager's usual contractor cannot attend to provide a quote for 3 weeks. The property manager books them in for 19 November 2025.

On 12 November, the property manager lodges a dispute resolution request with the RTA to dispute the full refund to the tenant on the basis that there is damage.

The property manager will have 14 days from this date to provide evidence to the tenant in support of the dispute (by 26 November 2025).

On 19 November 2025, the property manager receives the full quote from the contractor in the amount of \$480 plus GST.

The property manager provides this to the tenant and the parties proceed to conciliation.

The REIQ understands that it may be desirable for the property manager to be the applicant of the RTA process, however, it is our position that the benefit of having additional time to substantiate the bond claim places the lessor in a better position, if more time is needed.

If an agreement is not reached, the party who disputed the *Form 4 Refund of rental bond* can apply to QCAT for a decision about the payment of the bond. They must do so within 7 days and notify the RTA in writing of the QCAT application within this 7-day timeframe.

If the tenant is the first party to claim the bond, it is essential that property managers diarise the date that the notice of claim expires to ensure a dispute is lodged in time.

Property managers should note that delaying the lodgement of the dispute will delay the tenant's bond refund and this should **only** be done if time is needed to get quotes and/or other information required to substantiate the bond claim.

If the property manager is aware of what their claim will be at the end of the tenancy (for example, unpaid rent, cleaning fees) then prompt action should be taken to finalise the bond refund.

TYPES OF EVIDENCE

Examples of evidence include receipts, quotes to repair damage and/or records of unpaid rent.

It is the REIQ's best practice position to ensure that quotes are provided from a tradesperson/contractor that has physically attended the property and inspected the relevant damage/issue.

Multiple quotes may be obtained; however, it is not a requirement to do so.

Realworks users can use the new REIQ **Letter to Tenant Evidence to Support Lessor's Bond Claim** or **Letter to Tenant Evidence of Lessor's Dispute** forms (available from 30 September 2024).

Can property managers ask the contractor/tradesperson to provide a quote based on photographs?

Property managers are not prevented from asking a tradesperson for a quote based on photographs of the damage, however, the REIQ recommends only doing so if:

- the tradesperson is not able to attend the premises within the 14-day period;
- the damage is easily identifiable externally without internal or mechanical investigation needed (for example: damaged gyprock, broken tiles, ripped carpet); and
- the client agrees to this arrangement.

Property managers should provide as much information to the tradesperson as possible (photos/video of the issues).

Do property managers need to provide the RTA with copies of the evidence provided to the tenant?

No. It is not a requirement to provide to the RTA copies of the evidence supplied to the tenant. If the matter is disputed or if property managers raise a dispute against a bond refund, then the evidence would typically be presented during the conciliation process.

What should property managers do if they do not have evidence, or cannot get the evidence within 14 days?

If property managers are not able to obtain quotes within 14 days, in the meantime, other evidence should be provided to the tenant to give an indication of the relevant repair or replacement item to which the claim relates.

For example, if a property manager has estimated the cost of a repair to be a certain amount, or within a range, based on previous experience of similar repairs or replacement items, then the property manager may provide this information to the tenant to satisfy the requirement to give evidence.

This may amount to a claim for the full bond or a claim for a portion of the bond.

The REIQ recommends that you record all attempts made within this period to obtain the relevant evidence.

Do property managers need to give the tenant evidence if the tenant agrees with the bond refund and has signed the Form 4?

Yes. The legislation states that evidence must be provided if a bond claim is made by the lessor regardless of whether the tenant agrees with the way the bond is to be refunded. If the property manager or lessor fails to supply the evidence, penalties may apply.

If a tradesperson charges an urgency fee for providing a quote, can property managers pass this cost on to the tenant?

Property managers should enquire if urgency fees will be deducted from the total cost of repair in the first instance. If so, there is no need to pass this cost onto the tenant as it will be recovered in the bond claim.

It is not yet known if QCAT would allow the lessor to be compensated for an urgency fee charged by a tradesperson, for this purpose. The lessor may need to absorb this cost or consider alternative ways to obtain evidence that will not incur fees to the lessor.

MAKING REASONABLE CONTACT

The requirement to provide evidence within 14 days **does not apply** if the lessor or property manager has been unable to contact the tenant after making *reasonable efforts*. Reasonable efforts include:

- attempting to contact the tenant or resident by telephone, including text message, email or private message on a social media platform; or
- attempting to contact an emergency contact listed in the agreement.

EXCEPTION – BONDS LODGED BEFORE 30 SEPTEMBER 2024

There is a transitional exception under section 585 which applies to the application of this requirement.

The lessor or property manager **will not** be required to provide evidence to support the claim/dispute within 14 days under section 136AA, if:

- the bond was paid to the RTA before 30 September 2024; and
- a bond claim/dispute resolution request is made by the lessor or property manager between **30 September 2024** and **30 September 2025** (the transition period).



Example 1

A 6-month tenancy commences on 3 October 2024 and will end on 2 April 2025. The rental bond was lodged with the RTA on 26 September 2024.

On 2 April 2025, the tenant makes a claim for a full bond refund. The property manager submits a dispute resolution request on 7 April 2025 due to the tenant having 2 weeks' rent outstanding and water consumption charges outstanding.

The property manager/lessor is not required to provide evidence to support their claim within 14 days of making the dispute resolution request because:

- the bond was **paid** to the RTA before 30 September 2024; and
- the dispute resolution request was lodged **during** the transitional period.

In this example, if the tenancy was renewed or if it were a 12-month tenancy and the end date falls after 30 September 2025, the exception **will not** apply, and evidence **will need** to be provided.

Example 2

A tenancy commences on 3 October 2024 and will end on 2 October 2025. The rental bond was lodged with the RTA on 3 October 2024.

The tenant breaks lease and vacates on 12 July 2025. The property manager lodges the *Form 4 Refund of rental bond* on 18 July 2025 with the tenant's agreement to the payment of the bond refund.

Evidence must still be provided because the bond was paid after 30 September 2024. It does not matter that the tenant has agreed to the payment of the bond refund. Evidence must still be supplied to ensure the property manager/lessor is not in breach of the legislation and liable for penalties.

How can property managers provide evidence to the tenant if they have claimed the bond before the end of the tenancy?

We are aware that it is not uncommon for a tenant to lodge the *Form 4 Refund of rental bond* before their tenancy has ended, or before the property manager has had the opportunity to complete the exit inspection.

This practice can unnecessarily delay the bond refund process because the option to Fast Track the release is lost and if there are outstanding amounts for rent, water charges or other costs that the tenant is responsible for, then the property manager will not be aware of this before the tenancy is ended and accordingly, they will be required to dispute the bond refund.

If a tenant has lodged the Form 4 before the tenancy has ended or the exit inspection has been completed, then the property manager can dispute the notice of claim within 14 days. Once the dispute resolution request is lodged, the property manager will then have 14 days to provide evidence of their claim.

NEW OFFENCE – PROVIDING FALSE OR MISLEADING INFORMATION

From 30 September 2024, it will be an offence for a party to provide false or misleading information to the RTA. The maximum penalty is 20 units, being \$3,226 as at August 2024.

Rent Payment Methods & Costs

COMMENCED ON 30 SEPTEMBER 2024

RENT PAYMENT METHODS

A tenancy agreement or rooming accommodation agreement must state at least **two ways** for the tenant to pay rent.

At least **one** of the ways:

- must not incur any cost to the tenant, **excluding** bank fees or other account fees usually payable for the tenant's transactions; and
- must be **reasonably available** to the tenant.

Examples of ways to pay rent:

Method with reasonable transaction costs*	Method with associated costs to the tenant
<ul style="list-style-type: none"> • Paying cash • Cheque • Electronic funds transfer • Direct debit • Credit card • Third-party rent payment platform that does not charge the tenant to make a payment • Centrepay (for Centrelink customers) 	<ul style="list-style-type: none"> • Rent card • Third-party rent payment platforms that charge the tenant a service fee, transaction fee or other charge for using the platform or service

**the tenant may still be charged bank account / transaction fees*

If property managers use third-party rent payment platforms, they will need to enquire with their supplier as to whether they have a method available for tenants within their platform or service where no subscription or transaction fees are payable by the tenant.

What does it mean to have a 'reasonably available' payment method?

The payment methods offered to a tenant must be **reasonably available** to the individual tenant. There is no definition for 'reasonably available' and this may vary on a case-by-case basis.

For example, if a property manager is aware that the tenant does not have access to a smart phone or computer, then an electronic method may not be suitable for that tenant.

Can property managers offer payment methods that are available using the same rent payment platform or CRM system?

It is the REIQ's position that it is acceptable to offer **different rent payment methods** accessible under the **same rent payment platform**, provided that:

- at least **two** ways to pay rent using the platform are offered; and
- at least **one** of those ways will not incur any cost to the tenant (excluding transaction costs) and is reasonably available to the tenant.

For example, a rent payment platform 'ExampleRent' includes options for a tenant to pay via credit card, direct debit and EFT. In this scenario, assume the direct debit option does not incur any cost to the tenant (other than transaction costs charged by their financial institution) and the credit card option has a transaction fee charged by ExampleRent of \$0.60 per payment.

The property manager may offer the following ways to pay rent in Item 9 of the tenancy agreement:

- Option 1: ExampleRent - Credit Card
- Option 2: ExampleRent - Direct Debit

It is also prudent for the property manager to communicate with the tenant about using electronic methods to pay rent and whether this is reasonably available for that tenant. If a tenant indicates that using an electronic method is not reasonably available to them, another method outside of the rent payment platform may need to be offered to that tenant.

Can property managers pass on the costs of the third-party rent payment platform to the client?

Yes. If a property manager has incurred the transaction or subscription fee, they may recover this from the lessor if it is included as an applicable fee in the PO Form 6. Property managers may need to issue a new PO Form 6 to update their fees or use the REIQ's Form 6 Variation to cover this fee (available in Realworks).

For example, if the cost is \$0.65 per transaction and rent is paid weekly for a 12-month period, then property managers may include an annual charge of \$33.80 in the PO Form 6.

Otherwise, some platforms may include the option to deduct the transaction/subscription fee from the rent payment before it is disbursed to the client. For example, if the rent is \$400 and the transaction fee is \$0.65, then \$399.35 would be paid to the client. Property managers should obtain their client's instructions in writing if this payment method is considered.

If the lessor does not agree to pay this fee or the property manager does not want to pass on the fee to the lessor, then the options are:

- to find an alternative rent payment method
- to absorb the cost of the third-party rent payment method

Will property managers need to change rent payment methods when renewing tenancies that started before 30 September 2024?

If the tenant is using a fee-incurring method of paying rent and they are happy to continue using this method, property managers can simply ensure that one other method is offered. This method should comply with the s83 requirements.

What if an agreement is renewed before 30 September but commences after 30 September?

The REIQ recommends taking a cautious approach and providing the tenant with the relevant notice and disclosure of costs information.

DISCLOSING COSTS FOR RENT PAYMENT METHODS

Before a tenancy agreement is signed, the property manager or lessor must give the tenant a written notice advising the tenant of the costs that are associated with the rent payment methods.

This requirement under section 84B applies if:

- the tenant would not reasonably be aware of the costs; and
- the lessor or property manager knows or could reasonably be expected to find out about the costs.

The penalty for non-compliance for this provision is 40 units, being \$6,452 as at August 2024. The same requirements apply for rooming accommodation agreements.

Do property managers need to provide this notice for existing tenancies?

No, this requirement does not apply to tenancy agreements entered into before 30 September 2024.

Do property managers need to provide this notice for a tenant renewing their tenancy agreement after 30 September 2024?

The legislation does not address requirements for renewing tenancy agreements. Accordingly, the REIQ recommends taking a cautious approach by issuing the notice to disclose the costs associated with the rent payment methods before the new agreement is signed by the tenant.

CHANGING THE WAY RENT IS PAID DURING THE TENANCY

Section 84 has been amended to set out a new process for how a rent payment method may be changed during a tenancy.

The rent payment method can be changed during the tenancy if:

- either party (the lessor or tenant) provides written notice to the other party to change a rent payment method; and
- the other party agrees to this change in writing.

Rent must then be paid in accordance with that agreement.

If there is no agreement

Section 84A has been introduced to include a process for changing the rent payment method during a tenancy, if the parties do not agree.

The rent payment method can be changed if:

- the lessor or property manager provides written notice to the tenant offering at least **two new** payment methods; and

- at least **one** of the methods must not incur any cost to the tenant (other than reasonable transaction costs) and must be reasonably available to the tenant (in accordance with the section 83 requirements).

The tenant must pay rent in one of the ways stated in the notice from the day that is 14 days after the notice is issued.

Realworks users can use the new REIQ **Change of Rent Payment Method** and **Notice to Change Rent Payment Method** forms to comply with the above requirements (available from 30 September 2024).

Do property managers need to disclose the costs of the rent payment methods when changing the rent payment method during the tenancy agreement?

Yes. Regardless of when the tenancy agreement commenced, section 84B will apply and property managers will need to provide notice to the tenant of any costs associated with using the rent payment methods.

Reletting Costs

COMMENCED ON 30 SEPTEMBER 2024

ENTITLEMENT TO RELETTING COSTS

If a tenant ends a fixed term tenancy agreement without grounds (known as a 'break lease'), the lessor may be entitled to seek payment of reletting costs from the tenant.

It is important to understand that the ability to charge reletting costs arises because the lessor is entitled to compensation for the costs they have incurred in reletting the premises.

The **lessor** is the party that is **responsible** for paying the costs associated with reletting the premises. Provided that specific requirements are met under section 357A, the lessor is then entitled to seek compensation from the tenant up to a capped maximum amount. This amount must be calculated in accordance with the new statutory formula under section 357A.

Note: Under section 89 of the *Property Occupations Act 2014* (Qld), property managers are not permitted to charge fees and expenses to persons who have not validly appointed the property manager to provide a property service for that person.

Reletting costs may be recovered provided that the tenancy agreement includes a term requiring the tenant to pay the reletting costs.

The term is void if it does not comply with section 357A.

Additionally, the term will not apply if the tenant is ending the agreement on the grounds of domestic and family violence.

Property managers will need to review their processes with respect to how and when fees are charged in the event that a tenant breaks lease, to ensure they comply with the new section 357A requirements.

RELETTING COSTS FORMULA

From 30 September 2024, the 'reletting costs' must be calculated as follows:

Formula 1: **For a fixed term agreement 3 years and under**

The **lower** of:

- the amount of 'reletting costs' calculated based on the below table; or

% of tenancy term expired when the tenant vacates	Reletting Cost
Less than 25%	4 weeks rent
25% to less than 50%	3 weeks rent
50% to less than 75%	2 weeks rent
75% or more	1 weeks rent

- an amount equal to rent payable between the handover date and the date that the property is relet.

Formula 2: **Fixed term agreement of more than 3 years**

The **lower** of:

- an amount equal to 1 months' rent for each 12-month period remaining, up to a maximum of 6 months' rent; or
- an amount equal to rent payable between the handover date and the date that the property is relet.

The RTA is currently developing an online calculator that can be used to calculate the reletting costs in accordance with the formula.

Can property managers require the tenant to pay an invoice for advertising and reletting fees before relisting the property?

Under the new formula, property managers may not be able to calculate the amount of reletting costs that the lessor is entitled to receive until the property has been relet.

This means that invoicing the tenant in advance may cause issues if the amount invoiced exceeds the total reletting costs the lessor is entitled to receive.

The property manager also has an obligation to mitigate the tenant's loss. Any delay caused to relisting the property will not be viewed favourably, if the matter is disputed and is heard in QCAT. This may disadvantage the lessor's claim.

Does the tenant need to provide 14 days' notice if they break lease?

No. To 'break lease' means that the tenant is ending their agreement in a way that is not prescribed by legislation. This means there is no specific notice period that must be given.

TENANCY AGREEMENTS ENTERED INTO BEFORE 30 SEPTEMBER 2024

If a tenancy agreement entered into before 30 September 2024 includes a term requiring a tenant to pay the reasonable costs incurred by the lessor in reletting the premises, and the requirements under the former section 357A(1) were otherwise met, then the term is taken to **comply** with new section 357A(1).

This means that the property manager or lessor can charge reasonable reletting costs, and is **not** required to use the formula, if:

- the agreement was entered into before 30 September 2024; and
- the agreement included standard term 7(2):

7 Costs apply to early ending of fixed term agreement - s 357A

- (1) This clause applies if -
- this agreement is a fixed term agreement; and
 - the tenant ends this agreement before the term ends in a way not permitted under the Act.
- (2) The tenant must pay the reasonable costs incurred by the lessor in reletting the premises.
- Note - For when the tenant may end this agreement early under the Act, see clause 36 and the information statement. Under section 362, the lessor has a general duty to mitigate (avoid or reduce) the costs.*
- (3) This clause does not apply if, after experiencing domestic violence, the tenant ends this agreement or the tenant's interest in this agreement under chapter 5, part 1, division 3, subdivision 2A of the Act.

Example 1

The tenancy commenced on 3 April 2024 and ends on 2 April 2025. The tenant breaks lease and vacates on 3 November 2024.

The agreement was entered into before 30 September 2024 and includes standard term 7(2).

Therefore, this term can be relied on, and the lessor is entitled to recover the reasonable costs incurred by the lessor in reletting the premises. There is no need to rely on the reletting costs formula under the new section 357A.

Example 2

The tenancy commenced on 3 October 2024 and ends on 2 October 2025. The tenant breaks lease and vacates on 3 February 2025.

The agreement was entered into after 30 September 2024. Therefore, the property manager must use the formula to calculate the reletting costs that the lessor is entitled to claim from the tenant.

- Four months of the tenancy had expired when the tenant vacated (3 Oct – 3 Feb)
- Four months of 12 months is 33.33%
(4/12 x 100 = 33.33%)
- 33.33% of the tenancy has past

% of tenancy term expired when the tenant vacates	Reletting Cost
Less than 25%	4 weeks rent
25% to less than 50%	3 weeks rent
50% to less than 75%	2 weeks rent
75% or more	1 weeks rent

- the reletting cost will be 3 weeks rent
- if the weekly rent is \$500, this means the reletting cost will be the lower of:
 - \$1,500; or
 - an amount equal to rent payable between the handover date and the date that the property is relet.

If the property is relet, and the rent payable between the handover date and the date the next tenancy commences is less than the calculated reletting costs, then the **rent payable between those dates will be the reletting cost.**

If the rent payable between those dates is greater than the reletting cost calculated using the formula, **then the calculated amount will be the reletting cost.**

Using the above example, if the property is relet on 17 February 2025, then the amount of rent payable between the vacate date and the date the property is relet is 2 weeks at \$500 per week, being \$1,000.

\$1,000 is less than \$1,500 (calculated above using the formula) and therefore, would be the maximum reletting costs that the lessor is entitled to.

If the property is relet on 3 March 2025, then the amount of rent payable between the vacate date and the date the property is relet is 4 weeks at \$500 per week, being \$2,000.

The lower amount would be the amount calculated under the formula, \$1,500. Therefore, the lessor would only be entitled to a maximum of \$1,500 for reletting costs.

WHEN TO CALCULATE RELETTING COSTS

Property managers will need to know the following in order to calculate the reletting costs:

- the date the tenant vacates; and
- the period between the handover date and the date the property is relet.

This means that it may not be possible to calculate the reletting costs until the property has been relet.

If the property is not relet within the number of weeks that is equivalent to the reletting costs calculated, then the amount of the reletting costs calculated using the formula will apply.

For example, if the amount of reletting costs is **2 weeks rent** and the property is not let within 2 weeks after the tenant vacates, then the reletting costs will be 2 weeks rent in accordance with the formula.

This is because the reletting costs will be the lower amount. If the property **is** relet within 2 weeks, then the rent payable for those days will be the lower amount.

Can property managers provide an estimate of reletting costs to the tenant if asked?

If the tenant asks for an estimate of the reletting costs, property managers should note that this will be dependent on the date the tenant vacates, and the time taken to relet the property.

Property managers may be able to reasonably estimate this, however, should refer the tenant to contact the RTA for information about how the reletting costs will be calculated.

RELETTING COSTS & BOND CLAIMS

If the reletting costs are to be claimed on the rental bond, then property managers/lessors will need to provide evidence of the reletting cost to the tenant within 14 days of making a bond claim or dispute resolution request (see page 13).

The evidence that can be provided is the calculation of the reletting costs using the formula. If the RTA calculator is used, property managers may wish to take a screen shot to include in the evidence.

How can property managers make a bond claim or dispute a bond claim, if they are not able to calculate the reletting costs because the property has not been relet?

This should be dealt with on a case-by-case basis. It may be inevitable that bond refunds for tenants who break lease will result in dispute.

Property managers should carefully consider the timing of the bond claim or dispute resolution request to allow time to know when the property will be relet, so that the reletting costs can be calculated.

Of course, the strict timeframes for dealing with the bond and lodging a dispute resolution request should be adhered to so that the RTA does not payout the bond refund automatically.

If the tenant has discussed breaking lease with the property manager prior to issuing the Form 13, the property manager should encourage the tenant to give more notice than necessary so that a new tenant can be found and the reletting costs can be calculated prior to the vacate date.

DISPUTES ABOUT RELETTING COSTS

If there is a dispute about how reletting costs have been calculated, then this can be addressed through the bond claim and dispute process.

If the dispute is not resolved through RTA conciliation, then a Notice of Unresolved Dispute will be issued and either party may apply to QCAT for determination.

Can property managers still claim compensation for unpaid rent, advertising costs and other costs incurred by the lessor in reletting the premises?

It is unclear whether compensation for rent loss can still be claimed. The RTA has confirmed that advertising costs and reletting costs cannot be claimed in addition to the reletting fees calculated under the formula.

However, the legislation does not expressly deal with compensation for loss of rent.

From 30 September 2024, if QCAT makes an order for compensation in favour of a lessor, **in relation to the reletting of the premises**, the order must not be made for an amount that is more than the reletting costs.

Therefore, we will not know if a lessor can continue to make such claims in addition to the reletting costs calculated under the section until it is tested in QCAT.

Section 421 – matters to which QCAT must regard

Currently, in making an order for compensation, QCAT must have regard to:

- *rent required to be paid but not paid for the period starting when the agreement is terminated because of the tenant's action and ending—*
 - *when the period fixed as the term of the tenancy ends; or*
 - *if the premises are relet before the end of the period mentioned in subparagraph (i)—when the premises are relet;*
- *advertising expenses incurred by the lessor for reletting the premises;*
- *other expenses incurred by the lessor for work carried out by the lessor for reletting the premises;*
- *whether the lessor has met the lessor's duty under section 362 to mitigate loss or expense.*

From 30 September 2024, this is **deleted** and **replaced** with:

in making an order for compensation, QCAT must have regard to whether the lessor has complied with the lessor's duty under section 362 to mitigate loss or expense.

Water Consumption Charges

COMMENCED ON 30 SEPTEMBER 2024

If the tenant is required to pay an amount for *water consumption charges*, the lessor must give a copy of the utilities notice issued by the relevant water supplier showing the amount of water consumption charges payable to the supplier.

The lessor must provide the documents **within 4 weeks** after the lessor receives the document.

A document is taken to be received by the lessor when the lessor physically receives the document. Property managers or lessors can provide evidence to show when the lessor received the document. This may be difficult if the document is received via post.

The tenant **is not** required to pay an amount for water consumption charges if the tenant has not received the relevant document.

CHARGING FOR WATER CONSUMPTION

Under the RTRA Act, lessors can pass on the full water consumption charges to tenants if:

- the rental premises are individually metered; and
- the rental premises are water efficient (as defined below); and
- the tenancy agreement states the tenant must pay for water consumption.

If the above criteria are met, the tenant may be charged for a State Bulk Water Charge and Water Usage Charges.

The lessor cannot charge the tenant for Sewerage Usage Charge or Fixed Access Charges (including Water Access Charge and Sewerage Access Charge).

A premises is water efficient if it meets specific standards for water fixtures, including:

- internal cold water taps and single mixer taps (excluding bathtub taps and taps for appliances) with a maximum flow rate of 9 litres per minute;

- showerheads with a maximum flow rate of 9 litres per minute; and
- toilets with a dual flush function allowing a maximum of 6.5 litres per full flush and 3.5 litres per half flush, with an average flush volume not exceeding 4 litres (based on one full flush and four half flushes).

PARTIAL BILLING PERIODS – SECTION 166A

If the tenant is required to pay for water consumption charges for a period that is only *part* of a utility provider's billing period, then the tenant may not be required to pay an amount for water consumption charges for the partial billing period unless:

- a meter reading for the premises is taken at the following time and recorded in a condition report:
 - if the partial billing period starts at the start of the tenancy—when the tenancy commences;
 - if the partial billing period ends at the end of a tenancy—when the tenant hands over vacant possession of the premises; and
- the amount is calculated based on:
 - a reasonable estimate of the volume of water supplied to the premises during the partial billing period having regard to the meter reading; and
 - the rate used to calculate the water consumption charge stated in the most recent water consumption charges document.

This means that a property manager or lessor will be able to provide an invoice for water using calculations based on the water meter reading, if the tenancy starts or ends *during* a utility provider's billing period.

Example

A tenancy starts on 15 November 2024 and ends on 14 November 2025.

The utility provider bills every quarter, 1 Jan – 30 Mar, 1 Apr – 30 Jun, 1 Jul – 30 Sept, 1 Oct – 31 Dec.

For the quarter 1 October 2024 – 31 December 2024, the tenancy starts during the utility provider's billing period (being on 15 November 2024). The property manager or lessor will be permitted to calculate water consumption from 15 November 2024 to 31 December 2024 using the statutory method.

For the quarter 1 October 2025 to 31 December 2025, the tenancy ends during the utility provider's billing period (being 15 November 2025). The property manager or lessor will be permitted to calculate water consumption from 1 October 2025 to 15 November 2025 using the statutory method.

What should property managers do if the utility provider is behind in billing for water consumption?

We are aware that many local governments across Queensland are currently billing water consumption 6 to 12 months later than the time of consumption.

If this scenario occurs, the REIQ recommends the property manager contacts the RTA for guidance on how to charge the water consumption to the tenant.

Should property managers ask their clients to redirect all utility bills to them directly?

Many property managers have their clients redirect their utility bills to themselves so that they can be dealt with promptly. However, some clients may not agree to this.

The REIQ recommends that property managers explain the new requirements to their client and the importance of the lessor passing on the utility bills to the property managers so that they can ensure they pass them onto the tenant within the required period.

Realworks users can use the REIQ **Client Instruction Form – Utility and Services Information** form to assist with obtaining relevant instructions in writing (available from 30 September 2024).

How do property managers comply with the new requirements if there is a sub-meter at the property and they do not receive individual utility bills detailing the water consumption on each meter?

The legislation is silent on how to meet the new requirements if the property is sub-metered.

The REIQ recommends the following is provided to the tenant:

- a copy of the full utility notice for the building/premises issued by the service provider; and
- a copy of the property manager's invoice showing the water consumption charges payable by the tenant for their individual premises calculated using the submeter reading.

How do property managers provide the document to the tenant?

There are no express requirements for 'how' the document should be given to the tenant under these new provisions. The REIQ therefore recommends providing the document to the tenant at their address for service of notices as stated in the tenancy agreement.

General Service Charges

COMMENCED ON 30 SEPTEMBER 2024

If the tenant is required to pay for a general service charge under the tenancy agreement, then the lessor must give the tenant a copy of a document issued by the *relevant supply authority* showing the amount charged by the authority for the thing, service or facility.

The document must be provided to the tenant within 4 weeks after the lessor **receives** the document.

The tenant **is not** required to pay for the relevant service charge if they have not received the document.

TYPES OF GENERAL SERVICE CHARGES

This requirement will only apply for general services charges where:

- the amount is for an outgoing for the premises which the tenant is enjoying or sharing the benefit of; and
- the premises are individually metered in relation to the service; and
- a way for working out the amount is not prescribed by regulation, meaning that the tenant is not required to pay more than the amount charged by the relevant supply authority for the quantity of the thing, service or facility.

For example, the following may be included on a case-by-case basis:

- Solar (see information about solar charging/rebates on the RTA website [here](#));
- Gas, including rental on gas bottle;
- Internet;
- Electricity, utilities or internet connection for second dwellings.

This is not an exhaustive list.

Should property managers ask their clients to redirect all service charge bills to them directly?

Many property managers do have their clients redirect service charge bills to themselves so that they can be dealt with promptly. However, some clients may not agree to this.

The REIQ recommends that property managers explain the new requirements to their client and the importance of the lessor passing on the service charge bills to the property managers so that they can ensure they pass them onto the tenant within the required period.

Realworks users can use the REIQ **Client Instruction Form – Utility and Services Information** form to assist with obtaining relevant instructions in writing (available from 30 September 2024).

How do property managers provide the document to the tenant?

There are no express requirements for how the document should be given to the tenant under these new provisions. The REIQ therefore recommends providing the document to the tenant at their address for service of notices as stated in the tenancy agreement.



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