



New Residential Tenancy Laws

Significant changes to NSW residential tenancy laws have recently commenced with amendments being made to the Residential Tenancies Act 2010 (the Act) and the introduction of the new Residential Tenancies Regulation 2019 (the new Regulation)

The key changes to the Act aim to reduce disputes over repairs and maintenance, increase protection and certainty for tenants, and clarify the rights and obligations of tenants and landlords.

‘Fit for habitation’ minimum standards

The new changes introduce seven minimum standards which clarify the meaning of ‘fit for habitation’ and require that all rented properties:

1. Are structurally sound property
2. Have adequate natural/artificial lighting in each room (except storage room/garages)
3. Have adequate ventilation
4. Are supplied with electricity or gas and have adequate electricity or gas outlets
5. Have adequate plumbing and drainage
6. Are connected to a water supply providing hot and cold water for drinking, washing and cleaning; and
7. Contain bathroom, toilet and washing facilities, which allow user privacy.

Smoke alarm obligations for landlords

All NSW landlords will need to ensure that smoke alarms installed in the rented property are in working order. To ensure smoke alarms installed in the rented property are in working order, a landlord must:

- carry out annual checks of the alarms.
- replace a removable smoke alarm battery in the period specified by the smoke alarm manufacturer), or otherwise annually.
- repair or replace a smoke alarm within 2 days of becoming aware it’s not working.
- replace a smoke alarm with a new smoke alarm within 10 years from the manufactured date, or earlier if specified by the smoke alarm manufacturer.



Changes of a 'minor nature'

Tenants are currently allowed to install fixtures or make alterations, additions or renovations if they have the landlord's written consent, or if the residential tenancy agreement permits it. If the tenant's request is of a 'minor nature' then the landlord must not unreasonably withhold consent. The new Regulation clarifies the meaning of "minor nature" by listing the kinds of fixtures or alterations, additions or renovations of a 'minor nature' for which it would be unreasonable for a landlord to withhold consent.

New mandatory set break fees for fixed term agreements

The following mandatory set fees now apply when a tenant breaks any fixed-term agreement early that are for 3 years or less entered into from 23 March 2020 onwards:

- 4 weeks rent if less than 25% of the lease had expired
- 3 weeks rent if 25% or more but less than 50% of the lease had expired
- 2 weeks rent if 50% or more but less than 75% of the lease had expired
- 1 week's rent if 75% or more of the lease had expired.

Rent increases for periodic (continuing) leases will now also be limited to once every 12 months.

New material facts

In addition to the current material facts disclosure requirements, a landlord or agent will also need to disclose;

- if the property has been used for the manufacture or cultivation of a prohibited drug in the last 2 years
- is in a strata scheme where scheduled rectification work will be carried out to common property during the fixed term of the lease agreement
- is part of a building to which a notice of intention to issue a fire safety order or building product rectification order have been served requiring rectification of the building for external combustible cladding, or that orders has been issued in respect to such matters.

Remedies for tenants for breaches to information disclosure obligations

The Act presently requires that before a tenant signs a lease a landlord or agent must not make false or misleading statements or knowingly conceal certain material facts from a prospective tenant. They must also tell a tenant of any proposal to sell the property if the landlord has prepared a contract for sale, or if a mortgagee (i.e. bank or other lender) is taking court action for possession of the property and give a tenant an Information Statement containing mandatory disclosure information. The new laws expand the list of information that prospective tenants must be told before entering into an agreement.

Under the new changes a tenant will be able to end their tenancy agreement by giving at least 14 days' notice if the landlord or agent fails to comply with any of their information disclosure obligations. A Tenant can also apply to the Tribunal for an order to end the tenancy. The Tribunal will also have the discretion to order the landlord to compensate the tenant for any costs incurred as a result of ending the tenancy agreement.



If you need further information or any assistance in relation to residential tenancy please feel free to contact our Property Law [accredited specialists](#), [John Bateman](#) or [Michael Battersby](#) on 02 4731 5899 or email us at property@batemanbattersby.com.au.