

RESIDENTIAL TENANCIES ACT: RENT BIDDING



WHAT IS RENT BIDDING?

Rent bidding occurs when a prospective tenant offers or is asked to pay more than the advertised price for a rental property.

WHY IS RENT BIDDING A CONCERN?

There will likely be different views in the community about whether rent bidding is a legitimate practice. Some may view it as a legitimate method to achieve the 'market price' for a property. However, one concern with rent bidding is that it may not be fair to prospective tenants as it is often not transparent – tenants may not know if other offers have been made and may waste time inspecting properties that ultimately rent for much more than they can afford.

WHAT IS THE CURRENT LAW IN RELATION TO RENT BIDDING IN THE ACT?

- **Rent bidding is not prohibited in the ACT, unless it is solicited by a landlord or agent who acts in a way that is misleading, deceptive, or otherwise dishonest.**
- Nothing in the law prevents a landlord or agent from telling a prospective tenant that someone else has made a better offer (if this is true) and asking them if they want to outbid that person.
- Nothing in the law prevents prospective tenants offering to pay more than the advertised rent on their own initiative.

WHAT ARE THE OPTIONS FOR CHANGE?

- No change to existing laws in the ACT – rent bidding will only be unlawful if agents or landlords act in a way that is misleading, deceptive or dishonest.
- Prohibit agents and landlords from asking prospective tenants to offer high amounts of rent.
- Prohibit rent bidding entirely – provide that landlords must advertise a price and may not accept more than that price.
- Other options?

WHAT WE WANT TO KNOW

- Do you think rent bidding needs to be restricted? What types of laws would you like to see and why? Are some forms of rent bidding acceptable?
- Do you think that advertising a rental property with a price range (or with no price at all) should be an acceptable practice? Why or why not?
- If rent bidding is prohibited how would you suggest this be enforced?
- Please provide any further information you consider relevant.

Please send your feedback to civilconsultation@act.gov.au by **17 September 2021**.