

Exclusive National Victoria [Renting](#)

Number of tenants challenging rent increases skyrockets again

**Rachel Eddie**

January 25, 2024 – 5.00am

Listen to this article
5 min

The number of tenants challenging increases to their rent this year is on track to surpass last year's record by 54 per cent, as advocates warn thousands of Victorians could be paying too much because of invalid notices provided by real estate agents.

Consumer Affairs data provided to *The Age* shows 4206 tenants asked the regulator to investigate whether their rental increase was excessive in the six months to December 31 – nearly double the entire 2021-22 financial year.

If that trend continues for the rest of the financial year, the number would leapfrog last year's record of 5448 by another 54 per cent. Rent challenges in 2022-23 already represented a more than doubling of the 2452 requests in 2021-22.

Rental providers must explain how they calculated a proposed rental increase, and often rely on rents in comparable nearby properties.

Consumer Affairs is less likely to make a non-binding finding that a rent increase is excessive during a vacancy and affordability crisis, as high demand can justify an increase according to the law.

But Warren Wheeler — a tenant's advocate at the Peninsula Community Legal Centre — believes [thousands of Victorians](#) have been given invalid rental increases because they were not accompanied by evidence to justify them, as required since March 2021.

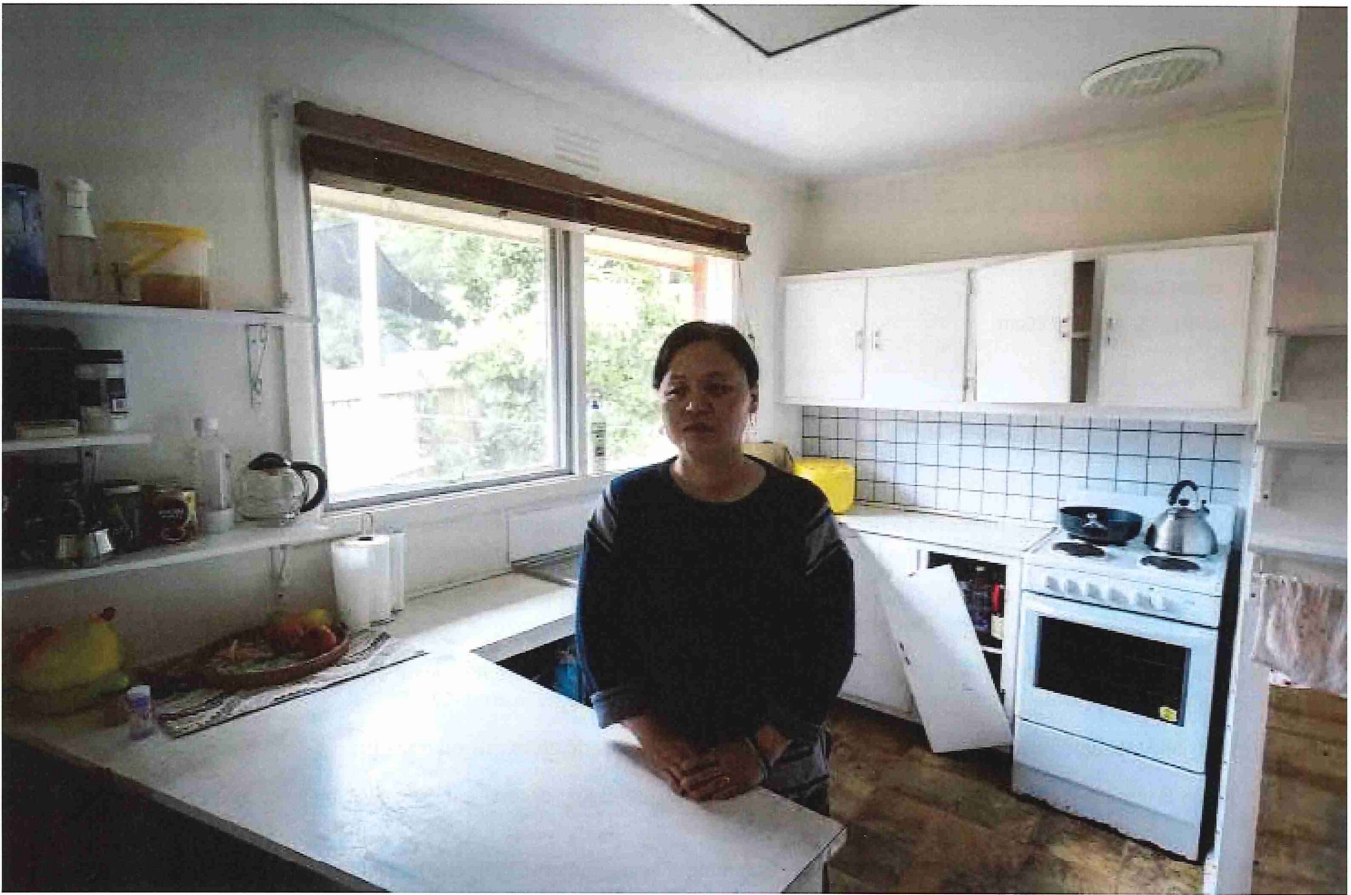
"In one of the matters I had recently, the agent literally acknowledged they just pulled the number out of the air, it wasn't based on anything. So we challenged that on the basis it was invalid," Wheeler said.

"One of my big concerns is, there are a lot of rent increases out there that are invalid, and people are paying it."

Another client, Jessie Zhang, was awarded a \$3360 refund for three separate rental increases she paid since June 2021 that the Victorian Civil and Administrative Tribunal (VCAT) in November found were invalid.

All three were supposedly based on a market comparison but no evidence was given to support that.

Eleven days after VCAT's decision, Zhang was issued another notice that rent was increasing 42.5 per cent. This time, a report comparing properties on the market was attached.



Jessie Zhang successfully challenged three rental increases to her Frankston South home. PAUL JEFFERS

"It's too much for me," said Zhang, who is unable to work in Australia under the terms of her visa.

But Consumer Affairs said the rental increase was acceptable.

"A low vacancy rate and high demand for this type of property in this area is having upward pressure on rental figures," Consumer Affairs told Zhang last week after investigating whether the increase was excessive.

Zhang has now given notice that she will vacate her Frankston South home after five years. She has dealt with mould and mushroom spores, a mouse infestation, kitchen cupboards falling off their hinges, a leaking skylight during heavy rain, and a screen door that was attached upside down. The bathroom sink was blocked for months, she said.

Alex, an Abbotsford renter in his 30s who did not want his surname to be used in case of repercussions from his landlord, received two "pretty big jumps" in rent 12 months apart.

He complained to Consumer Affairs after the second rent hike. The best the regulator could do was suggest Alex and his partner use condensation in the apartment as a reason to minimise the rent increase, and the couple successfully negotiated it down by 3 per cent.

"They gave us something to argue with," Alex said. "But it's not fit for a housing crisis ... Basically, they don't seem to have any powers."

He supported a rent freeze, which the Victorian Greens have been pushing for.

"When thousands of renters are chasing an investigation into their rent hikes each year, you know the system is cooked," Victorian Greens leader Samantha Ratnam said.

A Consumer Affairs spokesman acknowledged high demand was continuing. On average, cases were resolved in 40 days.

Jennifer Beveridge, the chief executive of Tenants Victoria, said rent increases were a significant stress and said tenants should be aware of their rights.

A government spokesman encouraged any residential tenant concerned about an excessive rent increase to contact Consumer Affairs.

"Victoria has some of the strongest protections against unfair rent increases in the country – and the housing statement will further strengthen renters' rights."

"Rent increase investigations are a top priority for Consumer Affairs Victoria, with additional resources applied to assess requests as quickly as possible."

Peninsula Community Legal Centre chief executive Jackie Galloway said some increases seemed to constitute price gouging, and renters felt compelled to pay because of unusually low vacancy rates.

"And where are we expecting our renters to go?"