

Residential tenancy support package

New temporary measures will support both tenants and landlords to prevent financially impacted residential tenants from being evicted and to assist landlords who agree to renegotiate rent.

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60 day freeze on evictions

Eligible COVID-impacted residential tenants who cannot meet their rent payments will be protected from eviction during the moratorium period commencing from 14 July and finishing at the end of 11 September 2021.

A landlord or agent may continue to seek a termination in other circumstances including:

- sale of premises
- illegal use of premises
- damage to property
- hardship
- end of fixed term agreement.

Eligible COVID-19 impacted tenants

To be eligible for the protection against eviction, a tenant needs to:

1. show that rent paying members of the household are impacted by COVID-19 and have lost employment, work hours or income or have had to stop working because they or other members of their household (or in their care) were/are ill with COVID; **and**
2. show that the household's take home weekly income has reduced by 25% or more (including any government assistance received) compared to the weekly income received in the 4 weeks prior to 26 June 2020; **and**
3. continue to pay at least 25% of the rent payable.

The 60 day protection against eviction for rental arrears applies to all tenancy agreements, including informal, unwritten agreements.

What happens after 11 September 2021?

After September 11, if the tenant is behind in paying the rent due under the agreement, the landlord will be able to take termination action in accordance with the usual termination provisions in the Act. For this reason, the tenant should continue to pay as much rent as they are able to afford.

Landlords and tenants are encouraged to work together and negotiate rent reductions if a tenant is COVID-19 impacted and is unable to pay the full rent. A rent reduction agreement will vary the rent payable under the tenancy agreement, and if a tenant then pays the reduced rent they will not accrue arrears.

The landlord will be able to claim a rebate up to \$1500 for some or all of the reduced rent.

What happens if your tenancy is terminated for other reasons?

The 60 day freeze does not apply to terminations for reasons other than rental arrears.

Tenants who are COVID impacted and whose tenancy has been validly terminated with the required notice period may wish to seek assistance through the COVID-19 income and business emergency stimulus packages. Information about these can be found at nsw.gov.au.

What happens where there are arrears owing from the previous moratorium period?

In March 2021, the Government put in place the following measures to assist COVID-19 impacted tenants who accrued rent arrears between 15 April 2020 and 26 March 2021 (the previous moratorium period):

- Landlords are only be able to evict for these arrears if they have first attempted in good faith to negotiate a repayment plan. It also has to be fair and reasonable to evict.
- The tenant cannot be evicted unless they have failed to meet the agreed payment on two consecutive occasions.
- Tenants and landlords will continue to be able to apply to NCAT to terminate tenancy agreements on the basis of hardship.
- Existing agreements about the waiver or deferral of rent payment are not affected.
- Landlords can't evict using the 'no grounds' eviction process, unless it is fair and reasonable to do so.
- Tenants are permanently protected from being listed on tenancy databases.

These measures end on 26 September 2021.

Under the 60 day freeze on evictions, if a tenant is currently COVID-19 impacted, the landlord is unable to take action to terminate the tenancy for arrears accrued during the previous moratorium period until after September 11 2021.

Exclusions

The freeze on evictions does not apply to social housing tenancies as these have their own processes for dealing with arrears.

Financial support for landlords

The *Residential Tenancy Support Payment* provides up to \$1500 per tenancy agreement. This grant will be available for landlords who agree to reduce the rent for COVID-19 impacted tenants from 14 July 2021. The rent reduction agreement can run longer than the 60-day moratorium period (i.e. beyond September 11) if the tenant and landlord agree.

The amount for each landlord will be capped at the reduction that is passed onto the tenants, or \$1500, whichever is the lower.

Landlords cannot ask tenants to repay the reduced amount of rent that has been paid to them under the *Residential Tenancy Support Payment*

There are also a range of other financial supports available. See nsw.gov.au

Applying for financial assistance

A landlord can claim **either** this payment **or** the COVID-19 land tax benefit (which is an offset of the land tax liability equal to the rent reduction granted), but not both.

For the purpose of a payment, Fair Trading will need to be satisfied there is a residential tenancy agreement in place such as a lodged rental bond and/or a written agreement.

An online process is being set up now to allow landlords or agents to claim the assistance which is paid direct to the landlord or their managing agent. The system will take a couple of weeks to be available. Fair Trading will update agents and landlords as soon as it is available through the e-newsletter, *Property Matters* or you can check back here later.

Landlords and agents should commence negotiations with impacted tenants in the interim. See *What landlords and agents should do* for more information.

What tenants should do if they meet the edibility criteria

1. Contact your agent or landlord to discuss options

Contact your landlord or agent to negotiate a variation to your rental agreement. We have prepared a template (*coming soon*) to help you.

The variation can include:

- waiving rent for a period of time
- reducing rent now and repaying this later in addition to your usual rent payments
- repayment of existing arrears over a period of time
- a combination of these

Remember, you will need to pay at least 25% of your rent to remain eligible for the eviction protections unless you and the landlord have agreed in writing to a lesser rent payment.

To incentivise landlords to waive rent, a rebate of up to \$1500 is available to landlords for rent that is waived from 14 July 2021.

If you have arrears that occurred before this date you can still negotiate a repayment plan but landlords cannot claim a rebate for rent waived that was payable before 14 July. If you have attempted to negotiate a variation in your rent without success, Fair Trading can help.

1. Complete a [arrears repayment negotiation application form](#)
2. Attach it to your [property enquiry](#).

2. Provide evidence

You will need to provide evidence to show you meet the eligibility requirements of a COVID-19 impacted tenant.

Evidence may include:

- payslips or bank statements showing reduced income
- documentation from an employer showing job termination/stand-down or reduced hours
- evidence of a business closure or business records showing loss of takings
- Centrelink confirmation of eligibility for financial assistance
- medical certificates.

3. Put the agreement in writing

Once you agree to variations in rent, you and the landlord or agent must put that agreement in writing.

We have prepared a template to help do this.

Once a plan is agreed, it is important the tenant makes the repayments as agreed.

What landlords and agents should do

1. Negotiate with your tenants

Landlords and agents are encouraged to negotiate in good faith. To confirm a tenant is an eligible COVID impacted tenant you can request reasonable evidence such as:

- payslips or bank statements showing reduced income
- documentation from an employer showing job termination/stand-down or reduced hours
- evidence of a business closure or business records showing loss of takings
- Centrelink confirmation of eligibility for financial assistance
- medical certificates.

You can consider a range of variations to the agreement including:

- waiving rent for a period of time
- reducing rent now and repaying this later in addition to usual rent payments
- repayment of existing arrears over a period of time
- a combination of these.

COVID-19 impacted tenants must pay 25% of the usual rent to remain eligible for the eviction protections, unless you and the tenant agree to a lesser rent payment.

Once you and the tenant have reached an agreement to vary the rent, you must put it in writing. We have prepared a template (*coming soon*) to help you. The template contains the information you will need if you apply for financial assistance.

[Next](#) Changes for boarding houses

<https://www.fairtrading.nsw.gov.au/resource-library/publications/coronavirus-covid-19/property/moratorium> 16-07-21

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