

NORTHERN TERRITORY

CONSUMER

AFFAIRS

Rent Bidding

You'll want good advice

"...Each jurisdiction deals with rent bidding differently, ensure you are familiar with the rules that apply in the NT..."



Consumer Affairs: 1800 019 319

The Rental Market

There have been reports across Australia of real estate agents encouraging prospective tenants to submit higher rental bids, in order to make their applications more attractive to landlords.

What is rent bidding?

Rent bidding is when a tenant or an agent negotiates the price of a rental property, rather than renting at a fixed price.

Rent bidding can include:

- A prospective tenant offering more rent than was advertised without being prompted;
- An agent requesting that prospective tenants offer more rent than was advertised;
- An agent encouraging or seeking competitive bids from applicants;
- Advertising a property with a rent range (e.g. “\$250-\$300” or “offers over \$250”);
- Advertising a property with no rental price; or
- Holding a rent auction.

The Northern Territory is currently experiencing low vacancy rates for residential rental properties.

This means there is strong competition between tenants for those Properties that are available.

Is rent bidding legal?

Some people may consider rent bidding unfair; however, it is not prohibited or illegal in the Northern Territory.

Even so, property agents and landlords must not mislead or deceive prospective tenants. Whether conduct is misleading or deceptive depends on the circumstances of each case.

Property Agents

A property agent may be engaging in misleading or deceptive conduct where:

- A property is listed at an unrealistically low price, with prospective tenants being asked to offer more;
- A property is listed with a misleading rent range, where the landlord would not rent the property at the lower end of the range;
- A property is listed without a price, and the agent gives applicants unrealistic estimates of what the landlord might accept; or
- An agent or landlord tells a prospective tenant that another applicant had offered a higher rent when this is untrue.

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When advertising the rental price, the property agent or landlord must ensure that any representation they make is accurate and not misleading.

If the conduct is misleading or deceptive, the agent or landlord may have breached the Australian Consumer Law.

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What can you do?

Make sure you are aware of your rights when renting a property.

- Decide how much you are prepared to pay,
- Set yourself a maximum limit and stick to it; and
- Be careful about high pressure sales tactics.

If you have concerns about conduct that you think may be misleading or deceptive, ring Consumer Affairs on 1800 019 319.