

RENT BIDDING

This fact sheet provides information on rent bidding and how Consumer Affairs can assist you if you have a dispute with a property agent or landlord.

The Rental Market

The Northern Territory is currently experiencing low vacancy rates for residential rental properties, meaning there is strong competition between tenants for those properties that are vacant.

There have been reports of real estate agents encouraging prospective tenants to make higher rental bids 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 above \$250");
- advertising a property with no rental price; or
- holding a rent auction

Is Rent Bidding Legal?

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

Even so, property agents and landlords must not mislead or deceive prospective tenants. When advertising the rental price, the property agent or landlord must ensure that any representation they make is accurate and not misleading.

It may be misleading and 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.

Whether conduct is misleading or deceptive depends on the circumstances of each case.

What can you do?

Make sure you are aware of your rights when renting a property and make sure you:

- 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, contact Consumer Affairs on 1800 019 319.