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Tenancy Regulations 2025



Tenancy
Law
Changes



Introduction

The new tenancy reforms and what you need to know.

I'm Jason Partridge from First National. Allow me to break down these new NSW tenancy reforms into simple terms and explain exactly what you need to be aware of.

These new regulations have updated legislation around rent increases, ending tenancies, notice periods for serving of termination notices, re-letting restrictions, tenant pet applications process and the payment of rent.

These new regulations will be in effect from 19th May 2025 with some more reforms potentially being released later this year. These regulation changes have been in the pipeline for a number of years, going through state parliament with NSW following most other states which have already brought similar legislation into effect.

Now it's also important to mention that although these changes will affect some aspects of how we can approach certain situations they are not as intrusive as they appear. There are no changes to existing tenancy breaches of the lease conditions such as non-payment of rent, unapproved pets or occupants, etc.

The only real changes were the removal of no-grounds and end-of-fixed-term lease termination notices. However, these notices have been replaced with notices for specific reasons, which I will outline in the videos below.

Note, although these changes are not preferred we have seen similar regulation changes many times over the years with the ever-evolving property landscape. Our team has been able to adapt our processes and procedures to ensure we deliver the best and desired outcome for our property investors, and we will do everything we can to work within these regulations to manage favourable outcomes moving forward.

In closing, minor updates to these regulations are likely over the coming months as these changes have time to settle, and some changes are still to be announced later this year. This document is a live weblink and will be updated if or when changes have been confirmed, so feel free to return to this link anytime to keep up to date on these regulation changes.

As always, if you have any queries or would like to discuss these changes in more detail, feel free to reach out to your property manager, or I can be contacted anytime on 02 6583 6000.

Thank you and hope to speak soon.

Changes to Rent Increases

With the new regulations rent increases can only be made once in any 12-month period. Previously this was only the case for periodic and fixed-term leases over 2 years.

Now this applies to all leases, both fixed-term and periodic; periodic leases are continuation leases once the initial fixed term has expired. This is the case for any lease signed on or after 31 October 2024. Any lease entered into before this date that stated more than one increase will be unaffected, and those increases will be valid.

There are currently no restrictions or percentage caps on the rent increase amounts, with the only mention being a reasonable increase which is in line with current market value.

This has been tested in many tribunals already, so as long as we align with market value and demonstrate the surrounding achieved rents for similar properties it's usually a non-event, although the tribunal will also take in consideration property age, required repairs and overall maintenance into account.

It's also worth mentioning that due to the changes regarding ending tenancies we are likely to see many tenants opting not to renew fixed-term leases and periodic leases becoming much more common.

New Rules About Pets in Rental Properties

The new regulations for tenancies and pets are clearly outlined with a specific process for a tenant to request approval to have a pet at the rental property.

This process will include the tenant being required to use a designated Fair Trading pet application form.

Once the formal request has been submitted, the agent and landlord will have 21 days to either accept the pet request with conditions or refuse the request with clearly stated reasons.

It's important to know that the agent or landlord has 21 days to respond to the request in writing; failure to respond within this time frame will result in the request being automatically approved without restrictions or conditions.

Process is key. Having an internal transparent procedure to ensure all requests are discussed with the landlord and respond with an outcome within 21 days is crucial.

So if the request is approved with conditions, acceptable conditions may include:

- Approval for pet, example a dog, to be restricted to outside only if sufficient shelter would be available for the pet
- Restricting the animal not be allowed on carpeted areas within the property
- If the animal is approved to be inside the property the tenant would be responsible to steam clean the carpets when required and or at the end of the tenancy
- Flea treatment to the property when required and or at the end of the tenancy
- Other reasonable conditions would be the pet is to be registered with the local council, microchipped and show proof of vaccination
- Another point which may be considered, if the request is a puppy, proof the puppy has been registered for puppy training to avoid unwanted damages to the property.

Acceptable reasons for refusal include:

- Refusal if there would be too many animals at the property. Although the regulations also confirms that it is not reasonable to refuse if the number of animals being kept at the premises will be 4 or less. This includes all types of pets – dogs, cats, reptiles, birds, fish, etc. Obviously this will also take into account the size of the property and open space
- The property is unsuitable for the animal because the fencing is not suitable, or lack of open space, or because it would harm the animal's welfare.

So there's a bit to unpack with this one. If there is currently no fencing or no side fencing to enclose the yard then this would be an acceptable reason to refuse. Also if there is current fencing but the fence is a 1.3m fence and its reasonable that a large dog would be able to jump the fence then this may be a reasonable reason to refuse.

However, the regulation goes on to confirm that refusing the request for inappropriate fencing is not an acceptable reason if it's due to the landlord not having kept the fencing in a reasonable state of repair.

Refuse for lack of open space or because it would harm the animal's welfare. This one we will be referring and referencing the RSPCA recommendations to determine the required size of yard, shelter and overall animal welfare by type and size of the animal.

Although the regulations does state if the animal will be kept primarily within an enclosure on the premises and there is sufficient room for the enclosure or if the animal will be kept primarily inside at the premises and will be under the effective control of a person if taken outside. Then this would not be a reasonable reason to refuse the request.

- The animal is likely to cause more damage than the bond could repair. The regulations confirm only if it is highly probable that damage will occur. In our view this may be grounds for refusal of puppies or untrained dogs and or cats.
- The landlord lives at the property, this one is an interesting one, not sure if its implied that pets could cause disturbance if the owner was living onsite. If this is the case, what would be the difference for any resident living at the premises, for example a duplex?
- Keeping the animal would break other laws, local council rules, strata or community scheme by-laws, or a residential community rule. It's important to note that the tenancy regulations are trumped by council regulations which can be prevalent in certain areas which will have a ban on dogs or cats as part of their environmental zoning, for example, Koala corridors etc. Some councils may have regulations outlining the type and amount of pets which would be allowed,

otherwise as part of the application process your property manager will be enquiring with the local council to confirm if restrictions for the type of pet are in place.

- The renter did not agree to a reasonable condition for keeping the animal. This is important if approving a pet with set of reasonable conditions which is what we would recommend, and the tenant refuses to sign off and accept these conditions, then the landlord is able to refuse the request for the pet within the 21 days.

If consent to keep a pet has been given, the consent continues for the tenancy at the property for the life of the animal. This is the case even if the landlord or agent changes during the tenancy.

The regulations also placed a ban for all advertisements of the rental property stating "No Pets" or "Pets Not Allowed at the property". Our recommendation would be "Pets on application" or simply not mentioning anything in relation to pets, as at the time of application it is a requirement for the tenants to apply with any pets they may have already.

Ending the Tenancy – Termination Notices Overview

As previously mentioned the regulations have removed both the end of fixed term as well as the no grounds termination notices. Again, it's important to confirm nothing has changed with the normal termination notices to do with tenancy breaches and the usual termination time frames still apply, for instance termination due to nonpayment of rent remaining as a 14 day termination notice.

However, this does mean that we are no longer able to ask for the tenant to move on just because; instead, they have replaced them with a specific notice for certain reasons, which I will flesh out the details separately.

Accompanying the termination notices, is the notice periods have also been extended. For most of the scenario's it will require a 90 day termination notice period for leases 6 months or more, or potentially a 60 day notice for leases 6 months or less.

The other new requirement is that, along with certain reasons for termination, there may be a restriction period where the property will not be able to be released for a set period, which will be referred to as "re-letting restriction". Again, I will go over this in more detail for each scenario.

In general, all termination notices will require an information statement signed off by the landlord. This is to confirm the set reason for the termination as well as set out the supporting information dependent on the type of notice given.

This is something your property manager will be able to prepare all the details for you as the landlord to review and sign off on before we are able to issue the termination on your behalf.

Termination Notice for Actual Sale of Property

So this notice is fundamentally unchanged thankfully for the most part. This is for the situations where the rental property has an exchanged contract for sale executed and as part of the contract the sale required vacant possession to be provided.

The notice period for this type of termination is 30 days, this is to remain inline with the typical settlement period for the sale.

There is also no re-letting restriction period under this type of notice.

So, what accompanying documents will be required under this type of notice:

- As previously mentions, the landlord statement

Also, one of the following would need to be:

- Either a copy of the contract for the sale of the premises that shows,
 - Name of the vendor
 - Name of the vendors solicitor or conveyancer
 - Name of the agent representing the vendor (if applicable)
 - Name of the purchaser
 - Name of the purchasers solicitor or conveyancer
 - Address of the rental premises
 - Lot, deposited plan or strata plan number of the rental premises
 - The date the contract was signed
 - Proposed date for settlement or completion of the contract
 - That the contract requires the vendor to give the purchaser vacant possession of the premises

It's important to note that all other information on the sale contact can be redaction to protect privacy.

Or, the other option for supporting information, which would be the preferred:

- A written statement from the vendors solicitor or conveyancer that states the following
 - A contract for the sale of the premises has been entered into
 - Name of the vendor
 - Address of the premises, including the lot and deposited plan or strata plan numbers,
 - Date the contract was signed,
 - Proposed settlement or date for completion of the contract,
 - The contract requires the vendor to give the purchaser vacant possession of the premises.

As these changes bed in its more likely that most solicitors will provide this required statement at time of exchange when vacate position is required. Until then the signed contract will be the likely utilised option.

It's important to confirm the supporting documents will be required at time of termination to pass onto the tenant, so we will no be able to issue the notice of the termination until these documents have been provided to the property manager.

Termination Notice for Proposed Sale of Property

Giving notice to end the tenancy when you want to exit the tenancy for any reason for the specific plan to sell the property. The termination date cannot be within a fixed-term lease period. So the lease needs to expire on or before the termination expiry date.

The notice period for this type of termination needs to be a minimum of 90 days for periodic or fixed term leases over 6 months or 60 days for fixed term leases 6 months or less.

Note if the lease term has expired, meaning a periodic lease, then the tenants are able to move out at any time with 21 days' notice as usual.

This type of termination will attract a "re-letting restriction period" of a minimum of 6 months before a new residential tenancy agreement can be signed for the property.

This can be an issue if you find your circumstances have changed or the market conditions have shifted and you no longer want to sell the property. This condition will prevent the property to be leased for rent for the re-letting restriction period.

Now within the regulations you are able to apply for an exception for this re-letting restriction period. This will be by an application to the Commissioner for Fair Trading and will need to state why you need an exemption and supply supporting documentation. The decision will be dependent on the Commissioner's review and approval. Although given we are in a well-documented rental crisis I can't see why they would not allow the exception in legitimate cases.

So, what accompanying documents will be required under this type of notice:

- The landlord statement, as previously mentioned

Also, one of the following supporting documents:

- Either a copy of a proposed contract for the sale of the premises that includes-

- Name of the vendor
- Name of the vendors solicitor or conveyancer
- Name of the agent representing the vendor (if applicable)
- Address of the premises, including - Lot, deposited plan or strata plan number
- A requirement for the vendor to give the purchaser vacant possession of the premises
- And all documents required to be included within the contract for sale, another words, a full contract for sale

Again it's important to note that all other information on the sale contract can be redacted to protect privacy.

Or, the other option for supporting information would be:

- A copy or part of an agency agreement between the landlord and a real estate agent for the sale of the premises, the agreement must show:

- Names of each of the parties on the agency agreement
- Address of the premises
- Real estate agent's license number
- Duration of the agency agreement

Again to confirm the supporting documents will be required at time of termination to pass onto the tenant. So at least one of these documents will need to be provided to your property manager before we are able to issue the notice of the termination.

It's important to note that you are not required to ask the tenant to vacate to sell the rental property. You are able to list the property for sale with the tenant in place and would be required if the tenant is within a fixed-term lease.

Also the requirements are the same as always, we would need to give the tenant 14 days' notice before commencing the marketing of the property for sale, and the tenant can choose to give notice to vacate the property without penalty if the tenant was not informed of the intention to sell the property prior to signing the residential lease.

Termination Notice for Significant Renovations or Repairs to Premises

Giving notice to end the tenancy for significant repairs. This one has a lot of speculation and confusion in the market. This type of notice is to allow you to end a periodic tenancy to allow for substantial repairs to be carried out to the property.

So what is classified as a significant repair? The regulation's intention would be any major repair that would require the property to be vacant to complete, this may include structural building renovation work, roof replacement, bathroom renovation, if there is only one bathroom in the property or kitchen renovation that will result in a loss of cooking facilities for the occupant.

The notice period for this type of termination needs to be a minimum of 90 days' notice for periodic or fixed term leases over 6 months, or 60 days for fixed term leases 6 months or less. The termination date cannot be within a fixed-term lease period. So the lease needs to expire on or before the termination expiry date.

Note, if the repair is more urgent eg a burst water main and flooding of property, it would be suggested to instead frustrate the lease, which is a separate notice, but will result in immediate termination of the lease and ending the tenancy due to major safety concerns or loss of minimum requirement to living standard of the property.

The termination for significant renovation will attract a "re-letting restriction period" of a minimum of 4 weeks from the termination date, which should be enough time to have the work completed before commencing a new residential tenancy agreement.

So what accompanying documents will be required under this type of notice:

- The landlord statement, with the addition to mention what and why the renovation or repairs are significant and why the property must be vacant for the works to be completed and the proposed start date for the works.

Also, one of the following supporting documents:

- Either a copy of a written quotation of the works, from a qualified tradesperson, that shows:
 - o Name of the landlord
 - o Name of the qualified tradesperson, including license number
 - o Description of the works, including the property address
 - o Estimate of time frame to complete the works
- Or, a copy of a contract from a qualified tradesperson, that shows:
 - o Name the parties on the contract
 - o License number of the tradesperson
 - o Description of the works, including the property address
 - o Estimate of time frame to complete the works
 - o Commencement date of the works
 - o Estimate of time frame to complete the works
- Or, if the landlord will be carrying out the works, either a:
 - o A copy of an owner-builder permit authorising the landlord to carry out the works, or
 - o Proof of purchase of materials related to the works
- Or, a copy of the following, if required for the works to be carried out:
 - o A development consent applying to the works,
 - o Written approval from the owners corporation, strata committee or strata managing agent for the premises to carry out the works
- Or, finally, a copy of a development control order requiring the works to be carried out

It's important to confirm the supporting documents will be required at time of termination to pass on to the tenant, so we will not be able to issue the notice of the termination until these documents have been provided to the property manager.

Termination Notice if the Property is no longer to be used as a Rented Residential Premises

Giving notice to end the tenancy as the property will no longer be used as residential premises. This type of notice is used for instances where you decide to stop renting the property out and will use it for a non-residential purpose, such as running a business, leasing it as a commercial property, or converting it to a short-term holiday accommodation property.

In this instance the notice period for this type of termination needs to be a minimum of 90 days' notice for periodic or fixed term leases over 6 months, or a minimum of 60 days' notice for fixed term leases 6 months or less. And the lease term must expire on or before the end termination date.

Important to note this type of termination will attract a "re-letting restriction period" of a minimum of 12 months from the termination date, which is the most extended restriction period, so this needs to be considered when planning this kind of notice.

So, what accompanying documents will be required under this type of notice:

- The landlord statement, with the addition to mention, the purpose for which the premises will be used after the termination date, and must state that the premises will not be used as rented residential premises for at least 12 months after the termination date
 - If the purpose is to be used to carry on a business one of the following will need to be provided
 - ABN Of the business, or
 - Copy of a development consent relating to the use of the premises for carrying on the business. or
 - Licence number for the licensee that will be used in carrying on the business
 - And, if the premises will be used for short-term holiday accommodation arrangements, proof that the premises have been registered on the STRA which is the Short-Term Rental Accommodation register, may require additional fire safety measures to be in place.
-

Termination Notice for Landlord or Family Residing at the Premises

This notice will be one of the most common notices that will be utilised and is as described.

This notice will require a minimum of 90 days' notice for periodic or fixed term leases over 6 months, or a minimum of 60 days' notice for fixed term leases 6 months or less. And the lease term must expire on or before the end termination date.

Also, this type of termination will attract a "re-letting restriction period" of a minimum of 6 months from the termination date, meaning if circumstances change, the property will be restricted for reletting for a 6-month period.

Again, it is possible to apply for an exemption for the re-letting restriction. However, this will need to be an application to the Commissioner for Fair Trading and will need to state why you need an exemption and supply supporting documentation. The decision will be dependent on the Commissioner's review and approval.

So, what accompanying documents will be required under this type of notice:

- The landlord's statement as previously mentioned, which also needs to confirm:
 - If the notice is due to the landlord moving in, the landlord will reside in or release the property for at least 6 months.
 - If the notice is due to a relevant person or family member and not the landlord, moving in, that the relevant person will reside in, or not release the property for at least 6 months
 - Also, the relationship between the relevant person and the landlord must be stated.
- If the notice is for a relevant person/family members to reside in the property, then at least one of the relevant persons will also need to provide a written statement, which needs to confirm:
 - Name of the relevant person, and be signed and dated
 - State that they will reside in the property for at least 6 months
 - The relationship between the relevant person and the landlord

Again the supporting documents will be required at time of termination to pass on to the tenant so we will not be able to issue the notice of the termination until these documents have been provided to the property manager.

Termination Notice for Demolition of Premises

Giving notice to end the tenancy for demolition of the premises. As this suggests, this is a specific notice to allow you to end a periodic tenancy due to the premises being demolished for whatever reason.

The notice period for this type of termination needs to be a minimum of 90 days' notice for periodic or fixed term leases over 6 months or a minimum of 60 days' notice for fixed term leases 6 months or less, and the lease term needs to expire on or before the termination end date.

This type of termination will attract a "re-letting restriction period" of a minimum of 6 months which is unlikely to be an issue under this situation. However if plans have changed the 6-month exclusion is mandatory.

If needed, you are able to apply for an exemption for this re-letting restriction period. This will be by an application to the Commissioner for Fair Trading and will need to state why you need an exemption and supply supporting documentation. The decision will be dependent on the Commissioner's review and approval.

So what accompanying documents will be required under this type of notice:

- The landlord statement, with the addition to mention to the proposed demolition date.

Also required-

- A copy of the contract, for the demolition that shows:
 - Name the parties on the contract
 - Description of the works, including the property address
 - Commencement date of the demolition
 - Relevant license numbers of the tradesperson if required
 - Time frame to complete the works
 - If development consent is required for the demolition, a copy of the consent applying to the demolition, and
 - If a development control order requires the demolition to be carried out, a copy of the development control order

Ask your property manager, who will be able to assist by providing a simple-to-complete statement document for both the landlord and the relevant person to complete to comply with these requirements.

This supporting documentation will be required at the time of termination to pass on to the tenant, so we will not be able to issue the notice of termination until these documents have been provided to the property manager.

Payment of Rent

Another inclusion to the regulations is the way tenants are allowed to pay rent. Now Landlords and agents will need to offer renters certain ways of paying rent that do not have additional fees.

Renters will be able to choose between:

- Bank transfer, or
- Payment via the Commonwealth Government's Centrepay system.

The requirement to offer Centrepay will not start until later in 2025. The requirement to offer an electronic bank transfer as one of a few options will commence on 19 May 2025.

However, landlords are only required to use Centrepay system if the renter has chosen to pay using this method and the renter receives payment via Cenerlink.

It's important to highlight that if a tenant chooses to pay rent via Centrepay the service although no charge to the tenant will attract a \$0.99 transaction fee deducted from each payment made through the Centrepay system, this will result in the payment being short .99c when received.

The best practice for correcting this short payment is to issue a rent credit to the tenant's receipt equivalent to the 99c, bridging the gap. This transaction fee cannot be passed on to the tenant.

It also confirmed, if both the renter and landlord agree, the renter may pay rent using other options, however the renters cannot be required to use a particular service provider, such as an app to pay their rent unless they agree.

Regulations Still to Come

There are further reforms proposed for Late 2025

The NSW Government has also flagged several additional reforms including:

Portable Bond Scheme

- Where tenants will be able to transfer their rental bond directly between properties, streamlining the move-in/move-out process. We believe this will still need to be approved by the property manager as there may be potential claims to the held bond

Enhanced Privacy Protections

- New rules to place stronger limits on how landlords and agents collect, store, and use tenant data, aiming to improve data privacy and reduce risk of misuse.

As always, we will keep you posted on the development of these extra regulations and will update this document once more information has been confirmed.

Until then, as mentioned, please feel free to reach out to your property manager to discuss any of these regulations further.

Useful Links

[CLICK TO DOWNLOAD - RESIDENTIAL TENANCIES AMENDMENT ACT 2024](#)

<https://files.rea-webbooks.com.au/file/wb-userfil...2024.pdf>

[CLICK TO DOWNLOAD - RESIDENTIAL TENANCIES AMENDMENT REGULATIONS 2025](#)

<https://files.rea-webbooks.com.au/file/wb-userfil...2025.pdf>

[CLICK TO VIEW - FAIR TRADING WEBSITE](#)

<https://www.nsw.gov.au/housing-and-construction/renting-a...>

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Real Estate Terminology

CONTRACT

Contains the terms and conditions of the sale. You should organise for your legal representative to review the contract prior to signing it. We cannot sell the property subject to a conveyancer or solicitor perusing the paperwork. Any variations to special conditions must be agreed to by the vendor's representative.

VENDOR'S STATEMENT

Also known as the "Section 32" and contained within the Contract. This contains everything the buyer is required to know about the property (outgoings, building approvals, title etc). The equivalent of a road worthy certificate for a property.

COOLING OFF PERIOD

Once an offer is accepted and a .25% deposit is paid, the buyer generally has 5 business days to withdraw their offer to purchase. There is no cooling-off period when you buy at auction.

AUCTION CONDITIONS

3 business days before and after the scheduled auction date is the period where any offer signed is under "Auction Conditions" and therefore not subject to a cooling off period.

DEPOSIT

A deposit is taken by the Agent on the signing of the Contract. Usually 10% of the purchase price unless otherwise negotiated. The deposit is held in trust by the Agent and cannot be released until agreed to by the purchaser's and vendor's solicitor.

FIXTURES & CHATTELS

Fixtures are things that are permanently attached to the land so as to become part of the land. Chattels are things that are not part of the land. When land is sold, all fixtures (the house, and things permanently attached to the house) will pass to the Purchaser as part of the land.

If a chattel is to be included in the sale, it must be specifically listed in the Contract. If a fixture is to be removed from the property by the Vendor and therefore not included in the sale, then this must be specifically mentioned in the Contract.

SETTLEMENT PERIOD

An agreed time frame between purchase and the buyer taking possession or in the case of the property being tenanted, entitled to receipts of rents and profits. There is no such thing as a common settlement period - this depends upon the vendor's situation, anticipated price range and type of property. Settlement terms can range from 30 days to even 150 or 180 days. It is recommended that you discuss your preferred settlement early with your agent.

SETTLEMENT

The buyer pays the balance of the purchase price and picks up the keys. Settlement is handled between your solicitor and the purchaser's solicitor.

ADJUSTMENTS

The purchase price of the property is "adjusted" to allow for expenses that have been paid in advance or are owing at settlement. In other words, it is the seller's responsibility to pay the rates and all statutory fees and outgoings until settlement.

STAMP DUTY

A government tax based on the sale price of a property.

Terms and Conditions

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DISCLAIMER

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