

Tenancy Rights: Rental Bonds

Quick Facts

1 What is a rental bond?

A **rental bond** is a sum of money that is paid and held (usually by the agent or NSW Fair Trading) at the beginning of the tenancy. The purpose of the bond is to protect the landlord against any breach of the tenancy agreement (also known as a lease agreement). For example, if the tenant damages the property or fails to pay rent, the landlord may seek to keep part or all of the bond money. If there are no breaches to the lease agreement, the bond is returned to the tenant at the end of the tenancy.

2 How much is the bond?

While the amount of the bond depends on the landlord, the landlord cannot demand more than the **equivalent of four weeks of rent** to cover the bond.



What is an Ingoing Condition Report?

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An **inging rental condition report** (or entry condition report) records the general state of the property when a new tenant moves in. Usually, the property agent will arrange for the first draft of the report. The report will record any damage or disrepair that exists in the property. As a tenant, you will have the opportunity to review the ingoing condition report and add any comments or additional damage/issues you have observed within the property.

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Why is reviewing the Ingoing Condition Report important?

It is vital that you carefully review the ingoing condition report as, if there is a dispute over damage within the property during or at the end of the tenancy, the ingoing condition report can be used to determine who is liable for the damage. It is also wise to take photos of any damage/disrepair that you observe at the beginning of your tenancy and include it as part of the ingoing condition report.

How long do I have to add comments to the Ingoing Condition report?

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Usually, a tenant will have **no more than 7 days** to make any amendments to the ingoing condition report and return it to the agent/landlord.

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What is an outgoing condition report?

The tenant and landlord must complete an **outgoing condition report** at the end of a tenancy agreement. The report must be completed by the landlord in the presence of the tenant. If there is additional damage recorded in the outgoing condition report, the landlord may demand that the tenant pay for the repairs and/or use the rental bond money to cover the damage.



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Do I have to pay for all of the damage at the end of a tenancy?

A tenant is responsible for paying for any accidental or deliberate damage/disrepair that they caused during the tenancy. However, the tenant does not have to pay for damage which is caused by **'fair wear and tear'** of the property. Fair wear and tear refers to the normal deterioration of a property from ordinary, everyday use.

When can the landlord keep bond money?

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A landlord has the right to withhold some or all of the bond amount if the tenant damages the property, leaves without paying rent or leaves the premises in an untidy state. A landlord cannot retain bond money to pay for damage caused by 'fair wear and tear'.



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What must the landlord do if they intend to keep the bond/use some of it?

If the landlord intends on keeping or using all or some of a bond they must inform the tenant within 7 days of the end of a lease agreement.

What can I do if I disagree with the landlord/agent's decision to keep the bond?

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If you disagree with the landlord about the return of the bond, you can fill in the NSW Fair Trading 'Claim for Refund of Bond Money' form. NSW Fair Trading will give the landlord/agent written notice that you have made a claim. If your bond was paid online, you must lodge the claim for refund of bond money via the NSW Fair Trading online portal.

If the landlord disputes your claim, they must apply to the NSW Civil and Administrative Tribunal (NCAT) within 14 days of the notice and tell NSW Fair Trading that they have launched a claim. Evidence such as the Ingoing Condition Report or missed rent is crucial in establishing whether or not the landlord may claim for the bond. If the landlord wants to retain the bond due to damage to the property, the landlord will have to prove that damage is beyond fair wear and tear.

If the landlord/agent does not dispute your claim, NSW Fair Trading will pay your claim after 14 days.

Additional Resources

Advice:

[Tenants Union](#)

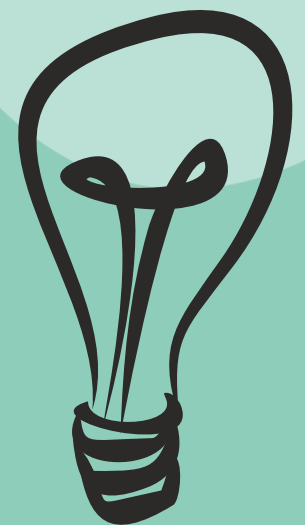
[Find your local Community Legal Centre](#)

[LawAccess NSW: T. 1300 888 529](#)

Information:

[Tenants Union Factsheet](#)

[NSW Fair Trading Factsheet](#)



Western Sydney University Justice Clinic

For further details on the WSU Justice Clinic, please visit the [website](#).

If you are a WSU student, you may like to contact the [WSU Student Legal Service](#) at studentlegalservices@westernsydney.edu.au for more guidance.