



ENDING A TENANCY AGREEMENT EARLY - 'BREAK LEASE'

This time of the year normally brings a higher rate of tenants needing to end their leases early, with reasons varying from relationship break-ups to financial hardship to work transfers. Commonly referred to as 'Break Lease', the legislation provides for tenants to be allowed to end their lease agreements early, and outlines responsibilities on both sides (see insert).

Tenant's Responsibilities

Ending a lease early is regarded as a 'breach' of the agreement, and as such the tenants are required to compensate the owner for loss of rent until the end of the lease or a new tenant is placed, whichever is sooner. It is common for the tenants to continue their regular rent payments after they move out to help their budgeting, but this is not enforceable. The tenants are also required to compensate the owner for all 'reasonable' costs incurred for finding a new tenant, for example the letting fee and advertising costs.

Owner's Responsibilities

The owner and agent must use reasonable efforts to re-let the premises quickly, including keeping the rent at fair market value and being reasonable in approving a replacement tenant.. If the tenant believes that the owner/agent is not making enough effort to find a replacement tenant, they may have grounds to apply to QCAT (Queensland Civil and Administrative Tribunal) for an early termination of lease.

RTRA ACT 2008

Section 362 - Duty to mitigate loss or expense

(3) The Lessor or Tenant-

(a) must take all reasonable steps to mitigate the loss or expense; and

(b) is not entitled to receive compensation for any loss or expense that could have been avoided by taking the steps.

Recovery of moneys

Once a replacement tenant is found, the owner can seek recovery of monetary compensation from the tenant, normally from the bond money. If there is a dispute about the amount of compensation, the parties must attempt conciliation through the RTA (Residential Tenancies Authority) If the matter cannot be resolved through this process, it then progresses through to QCAT for a decision.

Termination with Grounds

A tenant with grounds to terminate (for example excessive hardship), can apply directly to QCAT for a termination order. If QCAT makes a termination order, the tenant will not be in breach of the tenancy agreement and no further compensation will be payable to the owner from the date of termination.

The Reality

It is important for owners to understand that while the legislation provides for tenants to compensate them for breaking their lease, in practical terms this can become complicated especially when there is financial hardship or domestic violence involved. Our goal as your agent is to make every effort to find replacement tenants to minimise your losses. Often this may involve reducing the rent slightly to attract more interest. The reduction in rent income will be added to your claim from the outgoing tenants and will add credibility to our efforts to mitigate the tenants' loss if the matter proceeds to QCAT.

In Conclusion...

When a tenant wishes to break their lease, our goal is to educate all parties in the legislation and manage expectations on both sides. Once we find replacement tenants, we will seek compensation from the previous tenants which will not always go in the owner's favour. This is another reason why you should ensure your landlord protection insurance is up to date and will cover you for a potential loss of rental income in such a situation.

For more information visit <https://www.rta.qld.gov.au/>

DEC/JAN LEASING REPORT

What a great start to 2020 we had, with over 200 applications for our rental properties!

We have found that the tenant demographic looking to move at this time varies significantly - from young couples to families to single parent households. As a result, we have been able to tenant most of our vacant properties and our owners continue to enjoy short vacancy times.

If you know anyone who is struggling to find a tenant for their property, we would love to hear from them as we have quality tenants already approved and ready to move!

NORTHSIDE: 20 PROPERTIES LEASED
VACANCY RATE 0.41%

SOUTHSIDE: 8 PROPERTIES LEASED
VACANCY RATE 0.31%

FEBRUARY DISBURSEMENTS

Wed 5th

Wed 12th

Wed 19th

Wed 26th

MONTHLY STATEMENT:

Wed 26th



Meet The Team

Lisa Pringle

Joining Solutions in April 2017, Lisa has filled a variety of support positions including receptionist and personal assistant. When Phillip Murray joined us as Sales Manager, Lisa was excited to join him in the sales support and marketing role where she is able to utilise her over 10 years' experience in property sales. Lisa's comprehensive knowledge of contracts and marketing contributes greatly to servicing our clients who decide to sell their properties.

Lisa recently married her husband Adam, and their new blended family includes 2 adult sons (top right), 3 step daughters, 3 dogs and 2 cats (below and right). Lisa makes the most of her time off by spending time with family at home on their acreage property, catching up with friends, travelling, and going to shows and sporting events.

