

LEASE BREAK FACT SHEET

Every now and then a tenancy is unable to be carried through until the final date as per the Rental Agreement.

So now what?

A renter is responsible to carry through the tenancy until the end of the fixed term or make payment to the owner of rent until the property is re-let along with some of the leasing costs. When a renter wants to break a lease there is a process that needs to be followed to limit costs.

A renter must put their intentions in writing with all parties' signatures. They then need to sign the Lease Break Acknowledgement Form. Once this has been returned, LJ Hooker Paynesville will do as much as possible to keep the renter's costs to a minimum.

Who is responsible for what charge?

The renter is responsible for reimbursing the owner for charges that they would not expect to pay until the end of the fixed term agreement.

The renter is responsible for:

- Pro rata of the leasing fee (individual to each property)
- Rent up to the day a new renter can move in
- Any other agreed arrangements or conditions

What is the 'pro rata leasing fee'?

To find a new renter each owner is charged a leasing fee which varies from property to property. The pro rata leasing is calculated when a new renter is found.

If a renter breaks their lease 6 months early, they would be responsible for reimbursing half of the leasing fee to the owner. The owners would be responsible for the remainder of the fee as the renter fulfilled that portion on the agreement.



What if the property cannot be released?

The renter will be responsible for the rent until either a new renter is found or to the end of the fixed term tenancy, whichever occurs first.

What if the owner wants to move in or renovate?

The owner would need to release the renter from their obligation to pay rent. The renter would still be responsible for paying the pro rata letting fee.

What if the property is left vacant?

If the renter has moved out of the property and it is still marketed for new renters, it is the outgoing renter's responsibility to make sure the property is presented the best it can be for the inspections – this means the property must be clean and tidy with maintained gardens. The better the property is presented the easier it is to find a new renter.