

Early Termination Information

Most residential leases in Texas are written for an initial 12-month fixed term. Renewals or extension periods are also usually written for a fixed number of months and generally follow the same length as the initial term. During these fixed terms, the tenant has agreed to remain in the property and pay rent through a specific date, and the landlord is to allow the tenant to remain in the property for that period of time provided that all of the terms and conditions of the lease are being met. The only exception is a month-to-month lease which can be terminated by either party with a 30-day written notice.

So what happens if a tenant desires to vacate earlier than their agreed to lease end date? **There are a number of life circumstances such as a new job opportunity, loss of a job, divorce, decision to buy a new home, etc.. that can cause a tenant to contact us and ask “*what happens if I need out of my lease*”?**

When you choose to break your lease or move out prior to the end of your current lease, this is called **Early Termination** and is covered by paragraphs 27 and 28 of the Texas Association of Realtors Residential Lease Agreement.

Paragraph 27 covers Default, whereby a tenant simply moves out and stops paying rent. We call this a “skip” and it results in legal action, damage to the tenant’s credit report, a negative rental history record, and ultimately the account being sent to collections.

Paragraph 28 provides a graceful exit from the lease. Most tenants want to avoid damaged credit, negative rental history and collection, a judgment and a lien on their new home, so we more commonly operate under Paragraph 28, which involves locating a replacement tenant to take over the occupancy of the home and allows the tenant to depart on good terms. Below, I’ll outline how this works.

The owner of your rental is under no obligation or desire to subsidize your moving costs by absorbing lost rent and other turnover expenses created by your early departure. Please understand that all of the financial consequences of your decision to leave early belong to the tenant.

If you intend to terminate your lease early, the following steps must be followed:

- 1.)** You must provide written notice signed by all responsible parties on the lease of the intent to terminate early, including an exact move-out date. It is also important for you to provide us with a forwarding address. (Please fully complete and return to us the Texas Realtors Notice of Tenant’s Intent To Vacate Form)
- 2.)** Your written termination notice must include payment of the reletting fee listed in paragraph 28 of your lease agreement. The reletting fee is typically 85% of one month’s rent. You must check your specific lease agreement or renewal for your amount. Please note that

will NOT begin marketing a unit before we receive proper written notice and payment of the reletting fee (early termination fee).

3.) You must continue paying rent, per the terms of your lease, until a replacement tenant is found and starts paying rent in your place.

4.) You must continue your utility services after vacating, until a new tenant moves in.

5.) If you are responsible for lawn care in your lease, you must arrange for continued lawn service after you vacate, until a new tenant moves in.

6.) All other terms and conditions of your lease agreement must continue to be met and you are still responsible for periodic checking up on the property unless you've arranged with us an approved alternative.

If you have any questions regarding the terms of your lease or need additional clarification on how early termination is handled, please call our offices and we will gladly review this with you.