


Lease Breaking: A Guide for Landlords

A webinar by  **turbotenant**



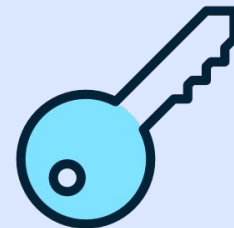
This webinar will be recorded and emailed to you after our session ends.

Key Takeaways:

Breaking a lease
isn't the same as
an eviction

Don't fall for
common lease
breaking myths
(or risk litigation)

Having an early
termination clause
in your lease sets
you AND your
tenant up for
success



Lease Breaking vs. Eviction



What is Lease Breaking?

Lease breaking is the termination of a lease agreement before its expiration date:

- Could incur a fee from either the landlord or the tenant
- Requires specific notice be given
- Should be outlined in your lease agreement under an early termination clause

Nailing the Terminology

Eviction:

- Invokes the court
- Enacted solely by the landlord
- Stays on a tenant's record*

Lease break:

- Doesn't invoke the court typically
- Enacted by the landlord OR the tenant
- Doesn't stay on a tenant's record



Learn more about evictions, including the average cost, in [our blog](#) and [webinar](#)!



Poll:

How many evictions have you gone through?

How many times have YOU broken the lease?

How many times have you had a TENANT break the lease?

When Can Tenants Legally Break the Lease?



Can Tenants Break Their Leases Without Penalty?

Only in specific circumstances!

So let's play a little game called...

IS IT LEGAL?



ROUND 1: Mary Moves South

- Mary has rented with you for three years.
- She's been offered her dream job in Antarctica - starting **halfway through your current lease agreement**.
- *Does Mary have federal protection to break the lease without penalty?*



ROUND 2: Taj Gets His Orders

- Taj moved in last week.
- He just received permanent change of station orders - he'll be moving to Kansas for the foreseeable future.
- *Does Taj have federal protection to break the lease without penalty?*



ROUND 3: Howard and the Mouse House

- Howard moved into the property two months ago - and has seen mice multiple times a day ever since.
- His hot water and sinks don't work reliably, and his oven doesn't turn on. He reported these issues to the property management company upon move-in.
- *Does Howard have federal protection to break the lease without penalty?*



Can Tenants Break Their Leases Without Penalty?

Under specific conditions!

But a tenant could face penalty for breaking a lease because they:

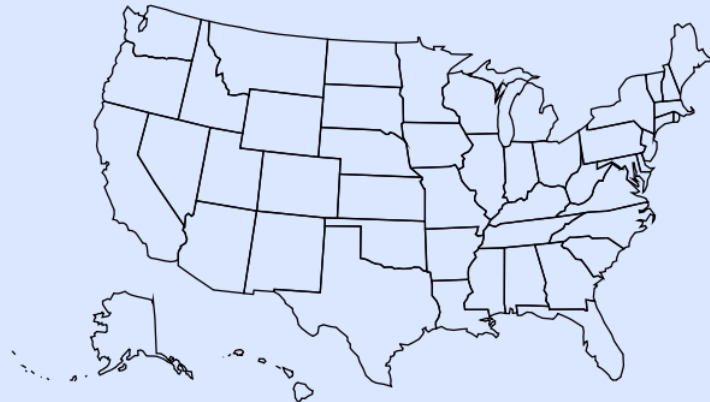
- Need to move for a job
- Lost their job
- Purchased a home
- Are getting married (or divorced)
- Dislike the area



Your Duty as a Landlord

Can't sit back and sue a tenant for the unpaid lease term without trying to re-rent the unit

- Also known as your **duty to mitigate damages**
- Not as widely known as it should be
- Varies by state, so [check your local laws](#)



Reasons Your Tenant Can Break the Lease Legally

May be additional reasons as dictated by your state and local landlord laws, but *nationally*:

- Un-maintained property
- Illegal entry into unit
- Harassment/privacy violations
- Active military duty or change of station orders
- Surviving domestic violence
- Illegal/unsafe property

allow tenants to break the lease without penalty



Typically, your tenant will need to provide **30 days' notice before moving out** - but check your local laws to be sure.

When Can Landlords Legally Break the Lease?



Common Myths: Lease Breaking Landlord Edition

May be additional reasons as dictated by your state and local landlord laws, but *generally you can't break a lease early on a whim because you:*

- Want to move in
- Have a friend or family member in need of housing
- Decide to sell the property

Can a Landlord End the Lease Early?

Yes - in specific circumstances and with appropriate language in their lease agreement

- **Early termination clause:** legalese that explains the conditions in which you/your tenant could break the lease and the process thereof



What Should be in an Early Termination Clause?

Include as many contingencies as possible in your lease agreement

- Additionally, an early term clause should outline:
 - The situations in which you and your tenant can break the lease
 - The amount of notice required to be given to the other party and in what form
 - How much time the other party will have to get their affairs in order
 - The penalties, if any, for early termination



Average Termination Clause Details

Check your local landlord-tenant laws before drafting - but typically:

- **Amount of notice required:** min. 30 days
- **Fee for non-protected move-out reason:**
1-2 months of rent
- **Forfeited security deposit** if applicable

Is your tenant moving out for a nationally protected reason?
You **cannot charge them fees or withhold their security deposit** - even if you have language saying otherwise in the lease.

How Do I Add an Early Termination Clause?



Use a Lease Addendum

A lease addendum is a clause added to an active lease agreement

- *Make it happen in **less than five minutes** with TurboTenant*

**Creating a Lease Addendum
with TurboTenant**

Updating Your Lease Mid-term

Do you want to add your early termination clause in now?

- **Pro:** You'll have extra protections for you and your tenant, just in case
- **Con:** You might make your tenant nervous about an impending lease break since they'll need to sign off on this addition

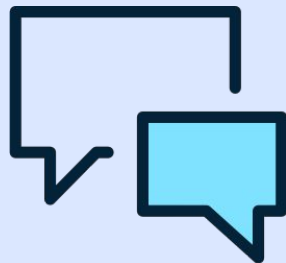
Want to update your lease without freaking out your tenant?
Have a transparent conversation about why you're adding this in, and how setting clear expectations protects both of you!

Wrap up:

- Tenants AND landlords can break a lease - but tenants have federally protected rights in certain circumstances
- Know your local landlord-tenant laws to avoid litigation
- Having an early termination clause in your lease that clearly outlines expectations for both parties sets you (and your tenant) up for success



Q & A



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Final Poll:

- 1. How did today's session compare to your expectations?**
- 2. I can use the information from this webinar:**