

Break Fee during fixed term of residential lease

Currently the tenant can return the property in the remaining 25% of term without notice paying only one week's rent as break fee. This is very unfair to the landlord who still expects and has to observe the fixed period; not prepared for a sudden loss of rental income.

The current break fee clause is encouraging tenants to break lease freely in the remaining months of the fixed term, say, in the last three months of a one year lease. I would suggest to have the break fee clause of four weeks rent in less than 25% lease completed, three weeks 25% completed and two weeks 50% term completed; bearing in mind that there is not any notice period in lieu during fixed term.

Claim for Rental Bond

Currently the claiming process allows the vacating tenant to claim their rental bond before the lease terminates (although they should not do so). The landlord or the managing agent will be acknowledged immediately about the claim process has been initiated by the tenant who is still living at the rental property. The only way to stop the tenant getting their full bond is to apply to the Tribunal to stop the payment.

The current rule requires the landlord or the managing agent to release or settle the bond claim within 14 days of the property return. On the other hand, there seems no rule to guide the tenant the conditions or in what situations they can initiate the claim.

Would the Rental Bond Board consider changing the current rule that the tenant must acknowledge they have returned the property for over 14 days before they are entitled to apply for the bond release. On the other hand, the Rental Bond Board should acknowledge the landlord or the managing agent that their tenant has started the claim and check if the landlord / managing agent agrees or settle among themselves before the Rental Bond Board accepts the tenant's unilateral claim.