

Navigating the End of Your Lease

A COMPREHENSIVE GUIDE



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ABSTRACT

Ending a lease can be a complex process, requiring careful attention to detail and an understanding of your responsibilities as a tenant. This guide aims to simplify the end-of-lease process by offering a step-by-step approach. From reviewing your lease agreement to preparing for the final inspection, we cover essential tasks to ensure a smooth transition. Understanding the differences between normal wear and tear and actual damage, as well as knowing your rights and obligations, can make a significant difference in avoiding disputes with your landlord.



Additionally, this guide provides insights into recovering your security deposit, handling necessary repairs, and managing the logistics of moving out. Whether you're a first-time renter or have years of experience, this guide is designed to help you navigate the final stages of your lease with confidence. By following the recommendations outlined here, you can minimize stress and ensure a positive end to your leasing experience.

LET'S GET STARTED

Navigating the end of a lease can be a daunting task, especially with the various responsibilities and requirements involved. This guide provides a thorough roadmap to help tenants manage each step of the process, from understanding lease

agreements to finalizing move-out procedures. It covers crucial aspects like preparing for the final inspection, handling repairs, and ensuring the property is in the required condition to avoid potential deductions from the security deposit. The aim is to help tenants transition smoothly while fulfilling their obligations and maintaining a positive relationship with their landlord.

Beyond practical tips, this guide also delves into tenants' rights and legal considerations, providing advice on handling disputes and understanding what to expect during lease termination. It's a valuable resource for both new and experienced renters, offering clear and actionable insights to help make the transition stress-free. With this guide, tenants can confidently wrap up their leasing period and move forward without unexpected challenges.

WHAT IS THE TERM “LEASE”?

A lease is a contract outlining the terms under which one party agrees to rent an asset—in this case, property—owned by another party. It guarantees the lessee, also known as the tenant, use of the property and guarantees the lessor (the property owner or landlord) regular payments for a specified period in exchange. Both the lessee and the lessor face consequences if they fail to uphold the terms of the contract. A lease is a form of incorporeal right.



Understanding a Lease

Leases are legal and binding contracts that set forth the terms of rental agreements in real estate and real and personal property. These contracts stipulate the duties of each party to effect and maintain the agreement and are enforceable by each. For example, a residential property lease includes:

- The property address
- Landlord and tenant responsibilities
- The rent amount
- A required security deposit
- Rent due date
- Consequences for breach of contract
- The duration of the lease
- Pet policies
- Other essential information

Not all leases are designed the same, but all of them have some common features. These include the rent amount, the due date of rent, the expiration date of the lease. The landlord requires the tenant to sign the lease, thereby agreeing to its terms before occupying the property.

Special Considerations

Consequences for breaking leases range from mild to damaging, depending on the circumstances under which they are broken. A tenant who breaks a lease without prior negotiation with the landlord faces a civil lawsuit, a derogatory mark on their credit report, or both. As a result of breaking a lease, a tenant may encounter problems renting a new residence, as well as other issues associated with having negative entries on a credit report.

Tenants who need to break their leases must often negotiate with their landlords or seek legal counsel. In some cases, giving a certain amount of notice or forfeiting the security deposit allows tenants to break their leases with no further consequences.

Some leases have early termination clauses that allow tenants to terminate the contracts under a specific set of conditions (job-related relocation, divorce-induced hardship) or when their landlords do not fulfill their contractual obligations. For example, a tenant may be able to terminate a lease if the landlord does not make timely repairs to the property.

The terms of a lease cannot violate state or federal law. So a clause that allows a landlord to enter the premises at any time without notice or one that, via court action, grants a landlord to recover more than statutory limits allow is not enforceable.

THE TERM “END OF LEASE”

The "end of lease term" refers to the conclusion of the rental agreement between a tenant and a landlord, marking the date when the tenant must vacate the property. This period typically involves a series of responsibilities, including settling any outstanding payments, returning the property in good condition, and ensuring that the terms of the lease agreement are fulfilled. The end of the lease is a key point for both parties, as it is when the tenant's obligations to the property cease, and the landlord assesses the property's condition to determine the return of the security deposit.



Ways to Navigate the End of a Lease Term

a. Reviewing the Lease Agreement

- Start by reading through your lease agreement to understand the terms related to lease termination, notice periods, and move-out procedures. This will clarify what the landlord expects regarding property condition and any outstanding payments.

b. Providing Notice to the Landlord

- Most leases require tenants to give written notice a specific number of days before they plan to vacate, typically 30 to 60 days. This notice should outline your intention to move out and provide the exact date of your departure.

c. Preparing the Property for Move-Out

- This step involves cleaning the property thoroughly, addressing minor repairs, and ensuring the property looks as it did at the start of the lease. Attention to detail is crucial here, as this is often tied directly to the security deposit's return.

d. Final Walkthrough and Inspection

- The landlord or property manager usually conducts a final walkthrough to inspect the property's condition. This helps determine if any deductions will be made from the security deposit for damages or cleaning fees. It's beneficial for tenants to be present during this inspection to discuss any potential issues directly.

e. Addressing Repairs and Maintenance

- Before moving out, tenants should take care of any minor repairs, like filling nail holes or fixing minor damage. If any damage is beyond the scope of normal wear and tear, addressing it beforehand can help avoid charges from the landlord.

f. Security Deposit Refund

- If the property is left in good condition, the landlord is required to return the security deposit within a specified period, often 14 to 30 days, as outlined in the lease. It's wise to request a written record of any deductions made from the deposit for transparency.

g. Returning Keys and Settling Final Utilities

- On the final day, tenants should return all keys and any other property-related items to the landlord. It's also important to settle all utility bills and disconnect services like internet and electricity.

h. Lease Termination Paperwork

- Tenants should request written confirmation that the lease has officially ended and that no further obligations remain. Keeping a copy of this document is important for future reference.

These steps help ensure that the end of the lease term is smooth and problem-free, allowing tenants to move on without stress and landlords to prepare for new tenants efficiently.

HOW TO PREPARE FOR END OF YOUR LEASE

Before your lease ends

There are important steps that retail tenants should take to prepare for the end of their lease. Why? So they can ensure they meet their responsibilities, avoid running into issues and focus on closing – or relocating – their small business.

Understand your requirements when it comes to giving notice

If there are no further options to renew the lease, the landlord must notify you in writing within 6–12 months of the date the lease expires to let you know whether they will offer a lease renewal or not.

If an option exists, the landlord must notify you of the last date you can exercise the option at least three months before that date.

Where the lease isn't going to be renewed, unless the lease provides otherwise, the tenant doesn't need to give notice before vacating the premises on the last day of the lease. However, it's a good idea to start communicating early with your landlord about the process.

If your lease has expired and you and your landlord have entered into a monthly agreement where the terms and conditions of the lease are still in place (known as ‘holding over’), you or your landlord can end the tenancy at any given time following a month’s written notice by either party – unless you have a written agreement for a different notice period.



It's important to check your notice requirements with your landlord or agent to make sure you're not liable for any additional rent.

If you want to end your lease early, you should first read your lease closely to check and confirm your rights and obligations.

CHECKLIST 1

Answer the following questions, noting the anticipated cost for each:

- Do you need to paint the premises?
- Does the requirement to paint refer to internal walls, facades or both?
- Do you need to remove any flooring that has been installed?
- Are there external signs that you need to remove?
- Are there any cracked windows that you need to fix?
- Are there partitions or other installations that you need to remove?

- Are there any items that you need to return in proper working order?
- Are there parts of the property that you need to repair because you installed and/or removed items?
- Do you need to clean the property and remove all rubbish?

Ask for an early inspection

It's a good idea to walk through the premises with your landlord or agent before a lease agreement ends. This gives you time to remove or repair anything that will impact your ability to make good.

You and your landlord might have different perceptions of the value of any changes you have made to the premises during your tenancy, so the earlier you start talking about this, the better.

Keep conversations or agreements about the state of the premises in writing

If a landlord or agent says you don't need to make any change to the premises, get this in writing. The same applies if there are specific jobs that need to be done. Get as much clarity as you can about what is required so there is no confusion about responsibilities and expectations are managed.

Once you have this information, it's a good idea to prepare a full inventory of all fit-outs and fixtures at the premises and to share this with your landlord or agent.

From our mediations, we know that make good can get complicated when there have been multiple tenants throughout a lease. This is why it's important to have a clear understanding as to whether you are responsible for actions of past tenants who might have transferred their lease or sold their business to you.

Confirm when essential services should be disconnected

As well as confirming this with your landlord or agent, contact your electricity, internet, gas and water service providers to confirm this date.

We know that disputes can happen when essential services are not disconnected at the right time. This is why having the conversation with your landlord or agent early on is best, as it gives you time to contact your service providers to get the information you need.

Check your records for all rent and outgoings paid throughout the tenancy

Crosscheck these with your landlord or agent early on so there are no surprises after you vacate the premises.

Final day of tenancy

CHECKLIST 2

Answer the following questions:

- Has all the furniture been removed from the premises?
- Have you removed all the rubbish?
- Have you returned all keys and/or swipe cards to the landlord or agent?

Once your lease has ended and you have met all of your obligations, your landlord must give you back your security deposit within 30 days, along with any interest earned. Your landlord must also account for the interest (e.g. by providing you with account statements).

CHECKLIST TO FOLLOW AT THE TIME OF END OF YOUR LEASE

1. Review Your Lease Agreement

- Understand the notice period required for terminating your lease.
- Check the conditions for getting your security deposit back.
- Note any specific cleaning or repair obligations mentioned in the lease.

2. Give Proper Notice to Your Landlord

- Write a formal notice of your intent to vacate, following the required time frame (typically 30-60 days).
- Include your move-out date and forwarding address.

3. Inspect the Property for Repairs

- Walk through the property and identify any damages beyond normal wear and tear.

- Make minor repairs like patching holes, fixing leaky faucets, or replacing burnt-out light bulbs.

- Consider hiring a professional for larger repairs if required.

4. Deep Clean the Property

- Clean all rooms, including bathrooms, kitchen, and living areas.

- Focus on details like windows, carpets, and behind appliances.

- Remove any stains and ensure floors, walls, and surfaces are spotless.

- Consider hiring a cleaning service for a professional finish, especially if the lease requires it.

5. Check All Appliances

- Make sure all appliances provided by the landlord, like the oven, refrigerator, and dishwasher, are clean and in working order.

- Replace any missing or broken parts (e.g., light bulbs or filters).

6. Document the Property Condition

- Take photos or videos of each room after cleaning and repairs.

- Document the condition of appliances, fixtures, and any pre-existing damage.

- Keep these records as proof in case of disputes over the security deposit.

7. Prepare for the Final Walkthrough

- Schedule the final inspection with your landlord or property manager.

- Be present during the walkthrough to address any concerns or discuss potential deductions.

8. Settle Final Bills and Utilities

- Pay off any outstanding rent or utility bills.

- Contact service providers to disconnect or transfer utilities like water, electricity, gas, and internet.
- Redirect mail to your new address through the postal service.



9. Return All Keys and Access Devices

- Return keys, garage door openers, and any other access devices to the landlord.
- Make sure you receive a written acknowledgment that all keys have been returned.

10. Request Your Security Deposit Refund

- Confirm with your landlord when the deposit will be returned and how.
- Ask for a breakdown of any deductions, if applicable.
- Ensure you have your forwarding address on record for the refund.

11. Retain Lease Termination Documents

- Keep a copy of the lease termination notice and any communication with your landlord.
- Save the final inspection report and receipt of the returned keys.

- Store these documents for future reference or in case of disputes.

IDEAS FOR SUCCESSFUL INSPECTION AT THE END OF YOUR LEASE

1. Schedule the Inspection in Advance

- Contact your landlord or property manager early to schedule the final inspection. This allows time to address any issues they may highlight before the move-out date.

2. Clean Thoroughly Before the Inspection

- Deep clean the entire property, including overlooked areas like baseboards, inside cabinets, and behind appliances. A spotless home reduces the likelihood of deductions from your deposit.

3. Handle Minor Repairs and Touch-Ups

- Fix small issues like filling nail holes, tightening loose fixtures, and touching up wall scuffs. These simple repairs can make a big difference during the inspection.

4. Take Pre-Inspection Photos

- Document the condition of every room with photos or videos before the walkthrough. This can serve as proof if there are disputes over the property's condition.

5. Test All Appliances and Fixtures

- Ensure appliances like the oven, dishwasher, and refrigerator work properly, and test fixtures like faucets and smoke detectors. Addressing these before the inspection can prevent issues.

6. Be Present During the Walkthrough

- Attend the inspection to address concerns directly with the landlord. This allows you to negotiate or clarify any issues on the spot.

7. Review the Lease Agreement for Specific Requirements

- Check your lease for any move-out requirements, such as carpet cleaning or professional cleaning services. Meeting these conditions can ensure a smoother inspection and reduce deductions.

THREE COMMON LEASE MANAGEMENT ERRORS THAT MAY COST MORE THAN YOU REALIZE



In the current economic environment, businesses are searching for new ways to save cash. However, they often overlook one critical aspect of their business: real estate management. Real estate leasing costs often represent one of their top three expenses, usually coming in right behind payroll. And most view their leasing costs as locked in, with little ability to impact them.

In actuality, proactive lease management is a low-risk, high-yield way to improve the overall financial control of their lease exposure. Done right, it can result in tremendous cost savings. Done wrong, the financial risk from even the smallest

error can be catastrophic – running into thousands or even millions of dollars in overpayments, missed reimbursement opportunities and tax errors over the lifespan of the lease. It's essential that business leaders carefully scrutinize and manage leasing decisions, administration practices and expenses.

1. Failing to Provide Proper Notice of Termination

One of the most common mistakes tenants make is not providing the proper notice to terminate their lease. Lease agreements usually require a written notice of intent to vacate, typically 30 to 60 days before the end of the lease term. Missing this deadline or failing to submit the notice in writing can result in costly consequences. For example, landlords may automatically renew the lease, locking tenants into another term or charging an additional month's rent. Even if the landlord agrees to end the lease without proper notice, penalties or fees might be applied, which can significantly increase the overall cost of leaving the rental.

2. Neglecting to Document Property Condition

Another costly error in lease management is failing to document the property's condition before moving in and during the move-out process. Without a move-in condition report, tenants may find themselves responsible for pre-existing damages or normal wear and tear. Landlords could make deductions from the security deposit for damages that were present before the tenant moved in. Similarly, not documenting the condition upon move-out with photos or videos can make it difficult to dispute charges for repairs or cleaning that may not be warranted. The cost of repairs or lost deposit funds due to lack of documentation can add up quickly, leaving tenants paying far more than anticipated.

3. Overlooking Lease Agreement Terms

Tenants often make the mistake of not thoroughly reviewing their lease agreement, leading to misunderstandings about their responsibilities. For instance, the lease might include clauses about professional carpet cleaning or yard maintenance upon move-out, which can be easily overlooked if not carefully read. Missing such requirements can result in the landlord hiring professionals to complete these tasks and passing the bill to the tenant, often at a premium. Additionally, tenants may fail to recognize clauses related to penalties for late rent payments or subletting

restrictions, which can result in unexpected fees. Understanding every detail of the lease agreement can prevent these avoidable costs and ensure that the lease term concludes smoothly.

By avoiding these common errors—missing the notice period, neglecting documentation, and overlooking lease terms—tenants can prevent financial surprises and manage the end of their lease with ease.

MOVING OUT OR END OF LEASE MODIFICATIONS- YOU NEED TO KNOW

If you made any modifications to the property, such as installing picture hooks, you need to remove these and restore the property to the condition it was in before the modification was made, save for fair wear and tear.

There are some exceptions to this:

- The rental provider (landlord) says restoration is not required, or
- There is an agreement in place between you and the rental provider that restoration does not need to be done [section 64]

If an exception does not apply and you do not restore the property back to its original condition, the rental provider may make a claim against your bond, or a compensation claim for the cost of restoring the property at VCAT [section 64].

Note that sections in brackets, such as [section 64], refer to sections in Victoria's Residential Tenancies Act 1997. Regulations in brackets refer to the Residential Tenancies Regulations 2021.

CLEANING MODIFICATION

Agreements before 29 March 2021

When you move out, you are expected to leave the property in a reasonably clean condition [section 63]. Rental providers and agents often try to insist that renters must steam clean carpets or professionally clean the property. If the property is already 'reasonably clean' you do not need to do this, even if there is a clause in your lease that says you have to.

What is considered ‘reasonably clean’ can depend on how long you have lived in the property and what state it was in when you moved in.

If the rental provider wants you to do more cleaning than is necessary or tries to make a claim against you for costs for cleaning, see our Defending bond and compensation claims page.



CLEANING MYTHS DEBUNKED: SEPARATING FACT FROM FICTION FOR YOUR END OF LEASE CLEAN

If you have been cleaning your home with the help of hacks offered by social media and influencers, you may be making a big mistake. While these tricks may work wonders in some cases, they cannot be used on all surfaces. For example, vinegar is considered a multipurpose cleaning solution that can be used to wipe glass tops, toilets and floors. However, it must not be used on granite or marble countertops because its acidic properties reduce their shine.

Many such cleaning myths keep floating around and get shared through social media. However, they offer half-baked information that has dangerous consequences. Evaluating the practicality of these tips that claim to make end of lease cleaning Melbourne an easy task is vital. Otherwise, you may spend more on damaged property and upholstery than saving on deep cleaning.

Here is a list of cleaning myths debunked by separating fact from fiction for your end of lease clean. It will help you make the right choice while using DIY cleaning methods.



1. Myth: Lemons Can Be Used to Clean Everything

Fact: Lemon juice is not a multipurpose cleaner as propagated by many cleaning hacks experts. It contains citric acid that helps to cut through stains and grease. Thus, it is quite beneficial for cleaning rust stains, removing limescale from faucets in the bathroom and kitchen, and getting rid of bad odours from the fridge and microwave. However, it cannot be used on natural stone surfaces and hardwood floors because it can cause pitting and make these surfaces vulnerable to damage.

2. Myth: Pouring Boiling Water Helps Disinfect

Fact: Boiling water is a powerful disinfectant that can unclog drains, sanitise cutting boards in the kitchen and even get rid of grease stains. However, if you use boiling water on the floor for mopping away the stains, you will not be able to clean them. The hot water will affect the finish and lustre of the floor and leave behind mineral residue that will be apparently visible. So, do not think about disinfecting your floors with hot water. According to experts in cheap end of lease cleaning Melbourne, you must use warm water for mopping instead of hot.

3. Myth: Baking Soda Is A Universal Cleaner

Fact: Every green cleaning hack that you may come across online will have baking soda as an ingredient. The abrasive cleaner is the best product to clean your house hygienically. However, it is not a universal cleaner because it should not be used on glass and metal surfaces. While baking soda is perfect for removing dirt and greasy stains in bathrooms and kitchens, it must be kept away from enamelled bathtubs, mirrors and copper surfaces.



4. Myth: Vacuuming Is Best For Carpet Cleaning

Fact: Carpets are the dirtiest parts of a rented property because of their daily use in households. Most tenants think that simple vacuuming is enough to clean them and end up losing their bonds in the process. Vacuuming removes the loose dirt and debris from the surface and does not take out the dust and germs embedded in the deeper layers of the floor coverings.

Also, carpets that have been used for a long time have stains and odours that need to be removed for end of lease cleaning in Melbourne. Thus, pressure cleaning and steam cleaning are necessary for the best results.

5. Myth: Windows Are Best Cleaned With Newspapers

Fact: It is common to find people cleaning the windows with newspapers to avoid streaks and smudges of wiping with a cloth on the glass surfaces. The same method is applied to bathroom mirrors as well. However, it is not the right way to clean these surfaces because the ink from the newspaper leaves its imprint on getting wet. The best way to wipe these surfaces without leaving behind lint or smudges is by using a microfiber cloth.

6. Myth: More Soap Means Better Cleaning

Fact: Cleaning with soap and water helps to remove bacteria and keep allergies at bay. However, using more dishwashing soap or detergent does not mean that you are cleaning better. It will only leave soap residue on the floors and fixtures, creating streaks and marks. A high concentration of soap can also damage delicate surfaces. Thus, always add a small amount of soap to a generous amount of warm water.

7. Myth: Microfiber Cloths Are All-Purpose Cleaners

Fact: Microfiber cloths are considered the best cleaning mate when performing end of lease cleaning in Melbourne because of their high absorbent quality. These cloths can even help eliminate stains and accumulated dust.

However, they are not effective when it comes to removing oily and greasy stains from countertops or inside walls of the ovens. Also, some hardened stains cannot be removed with a cloth, requiring scrubbing with a brush or rubbing the surface

with a squeegee. This is why professional cleaners carry all the tools for removing different types of dirt and filth.

Cleaning myths spread like wildfire because they make the task of cleaning easy. However, it is best to do some research before trying these hacks, which can damage the rented property and leave you with a bigger mess.

KEEP EVIDENCE FOR THE END OF YOUR LEASE WHILE INSPECTION



Photos and videos are helpful in showing the condition of the property. We recommend you take plenty of photos and videos throughout the entire property, both inside and out, before returning the keys, so you have evidence of the condition and cleanliness of the property when you left.

It is also a good idea to have a family member or friend look through the property so they can give evidence about its condition when you moved out, in case the rental provider tries to make a claim against you.

CONCLUSION

Navigating the end of your lease can be a complex process, but with the right knowledge and preparation, it can be a smooth transition. By understanding your lease agreement, providing proper notice, and ensuring that the property is returned in good condition, you can minimize stress and maximize the chances of receiving your full security deposit back. Documenting the property's condition and being present during the final inspection further enhances your ability to address any concerns and clarify expectations with your landlord.



Ultimately, the key to a successful lease termination lies in proactive communication and attention to detail. Taking the time to follow the guidelines outlined in this comprehensive guide will not only help you fulfill your obligations as a tenant but also foster a positive relationship with your landlord. With careful planning and execution, you can confidently navigate this final stage of your rental experience and move on to your next adventure with ease.

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