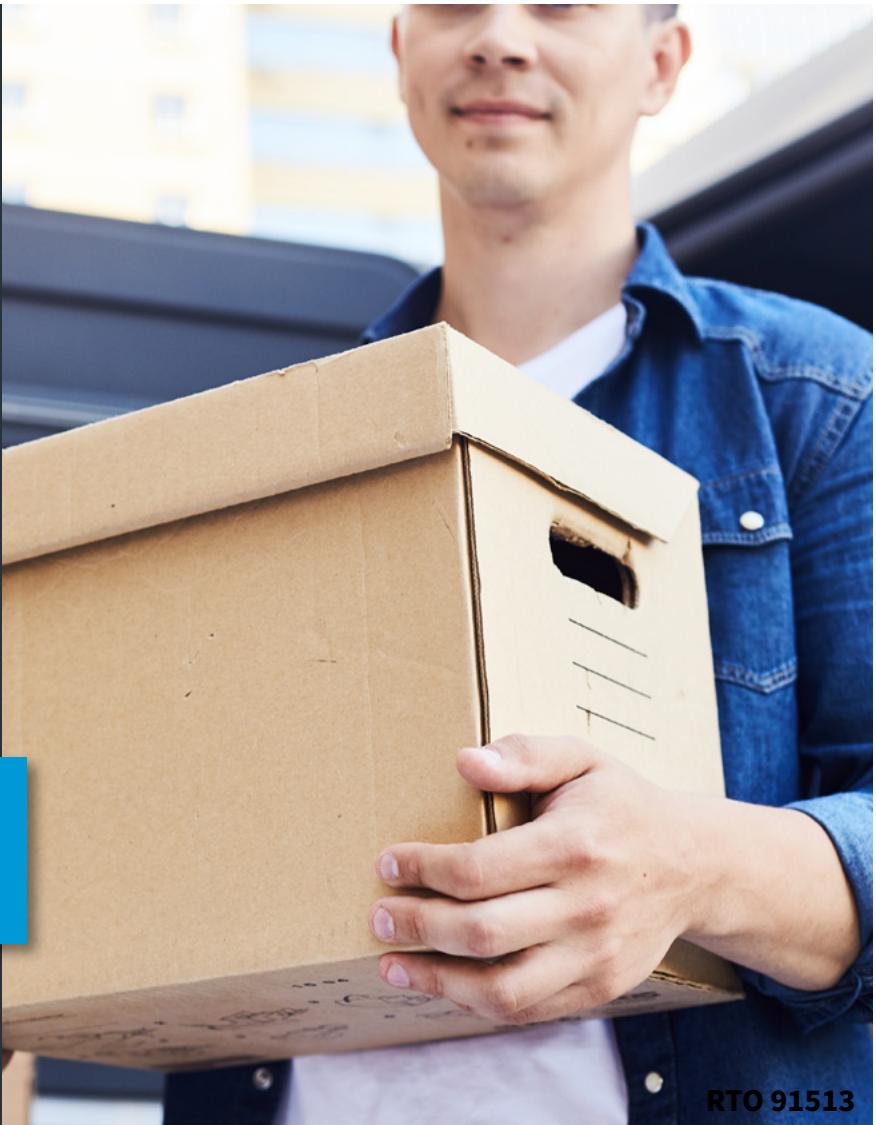




College Chronicle

Break Lease Fees

January 24, 2020



RTO 91513

The New South Wales property industry is about to enter a new phase with legislation changes to be implemented in just under 60 days. Not only are the Property Industry Reforms being implemented on 23rd March, but so are the changes to the Residential Tenancies Act 2010.

There are so many things a property manager will need to be aware of with the new amendments, it would be impossible for us to be able to explain all of them in a singular newsletter, so we will be breaking down some of the major changes in a series of newsletters to ensure all property managers are well informed.

This week we will commence by looking at the break lease fees.

A standard break lease fee was introduced with the 2010 Act, providing a simple penalty option should a tenant decide to terminate their lease before the expiration - a six (6) week fee payable if the tenant broke the lease in the first half of the tenancy and a four (4) week penalty if the tenancy was terminated within the second half of the lease period.

Under the new legislation, the break lease fees have been extended upon to reduce the penalty based on the length of lease remaining and to provide four “stages” of penalty.

Section 107 of the Residential Tenancies Act will deal with landlord remedies in the case of abandonment of the tenanted premises and states that a break lease fee is as follows:

The break fee for a fixed term agreement for a term of not more than 3 years, is:

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- A. if less than 25% of the fixed term had expired when the premises were abandoned - an amount equal to 4 weeks rent, or
- B. if 25% or more but less than 50% of the fixed term had expired when the premises were abandoned - an amount equal to 3 weeks rent, or
- C. if 50% or more but less than 75% of the fixed term had expired when the premises were abandoned - an amount equal to 2 weeks rent, or
- D. if 75% or more of the fixed term had expired when the premises were abandoned - an amount equal to 1 week's rent.

It is important to note that any residential tenancy agreement entered into prior to the implementation of this amendment will be subject to the legislation that was in place when the lease was entered into and as such will not have the additional break lease breakdown set out above.

Any residential tenancy entered into from and including the 23rd March 2020 will be covered by this new amendment.

The practice in past years of choosing which type of break lease option would be included in the lease, by crossing out the standard clauses and inserting an alternative as a Special Condition – will no longer be possible. For all new leases entered into from 23rd March 2020, the new amendment will apply.

It is essential in the coming months and even years that property managers take caution and check the lease, when accepting a break lease notification that the correct break lease fee is applied based on the date of which they entered into that tenancy agreement.

'Til next time, wishing you every success in your business ventures,

Rosy Sullivan | College Director & Principal

4 HOUR CPD SEMINARS Full 12 points

THU 6 TH FEB	SYDNEY CBD Real Estate Sales
THU 6 TH FEB	SYDNEY CBD Property Management
MON 10 TH FEB	GOULBURN Sales, Prop Mgmt, Stock & Station
THU 13 TH FEB	CASTLE HILL Sales & Property Management

MON 17 TH FEB	BALLINA Sales & Property Management
TUE 18 TH FEB	TWEED HEADS Sales & Property Management
THU 20 TH FEB	DEE WHY Sales & Property Management
MON 24 TH FEB	GOSFORD Sales & Property Management

2 HOUR CPD SEMINARS (8am - 10am unless specified otherwise). Full 12 points, Pre-reading required

FRI 31 ST JAN	SYDNEY CBD Sales & Prop Mgmt
MON 3 RD FEB	NEWCASTLE Sales & Prop Mgmt
FRI 7 TH FEB	BANKSTOWN Sales & Prop Mgmt

FRI 14 TH FEB	PARRAMATTA Sales & Prop Mgmt
TUE 18 TH FEB	TWEED HEADS Strata Management
TUE 25 TH FEB	SYDNEY CBD (EVENING) Sales & Prop Mgmt



From the office

What an incredible way to end the first full fortnight of 2020 here at ACOP. The College has had a huge amount of interest in students looking to achieve their property qualification goals especially with the new Property Industry Reforms being implemented on the 23rd of March 2020. As busy as many students have been enquiring, our team here have been equally as busy ensuring we encourage our students to reach those goals in time. The past fortnight has been a blast with astounding numbers attending our first set of CPD courses for this year including CPD Property Management, CPD Strata Management as well as CPD Real Estate Sales which was a full house. I can assure you its always a fun way to start the year as we get the opportunity to see so many of our returning clients and hear their experiences along their career paths. We welcome our new students and our returning regulars. Amongst our CPD classes we had also held our first Certificate of Registration course of 2020 with 25 eager students to join our property industry, which was also exciting followed with our Sales for Real Estate licensing class for students eager to complete their Real Estate Licence.

It's a race against time here for the next fortnight with many students looking to complete and register their Certificate of Registration prior to the Fair Trading educational requirement changes also being implemented on the 23rd March 2020. As such, we have had a great number of students enrol into our Certificate of Registration course commencing on 3rd February - so if you are eager to get that qualification in time, make sure to contact our team and we can always assist you with your enrolment form as positions in the class are filling fast.

For those who read the College Chronicle regularly, you know this segment is reserved for exciting news like cakes, birthday, anniversaries and traineeships. No cakes this last fortnight, but yes, you heard right, we are excited about government-funded traineeships. From January 1st 2020 ACOP has the ability under the Smart & Skilled incentive program to sign students up to complete a range of our qualifications free of cost. Did you hear that – FREE OF COST. Of course, as this is a government incentive program there is additional paperwork, yet if you know us well we are only a hop, skip or call away. With the Australia Day long weekend fast approaching we wish you all a great long weekend and we here at ACOP just love the slogan this year of “Respect. Celebrate. Reflect. Acknowledge.” What a great way to start our year.

CERTIFICATE OF REGISTRATION COURSES

Units taken from nationally accredited training qualifications
from the CPP07 Property Services Training Package.

MON 3RD
WED 5TH FEB

SYDNEY CBD

MON 17TH
WED 19TH FEB

CASTLE HILL

FINANCE & MORTGAGE BROKING COURSES

Units taken from nationally accredited training qualifications
from the FNS Financial Services Training Package.

MON 9TH
WED 11TH MAR

SYDNEY CBD
Certificate IV in Finance
& Mortgage Broking

MON 9TH
FRI 13TH MAR

SYDNEY CBD
Diploma of Finance &
Mortgage Broking Management
(Upgrade Program - Must hold Certificate IV in
Finance & Mortgage Broking)

PROPERTY LICENCE COURSES

Units taken from nationally accredited training qualifications from the CPP07 Property Services Training Package.

12 TH - 13 TH FEB	Staff Management SYDNEY CBD	10 TH - 11 TH FEB	Financial Management SYDNEY CBD
16 TH - 19 TH MAR	Sales for Real Estate SYDNEY CBD	FRI 28 TH FEB	Trust Accounting + Insurance (Strata) SYDNEY CBD
3 RD - 7 TH FEB	Stock & Station Agency Practices SYDNEY CBD	17 TH - 19 TH FEB	Trust Accounting SYDNEY CBD
24 TH - 27 TH FEB	Strata Management Agency Practices SYDNEY CBD	20 TH - 21 ST FEB	Property Management SYDNEY CBD
FRI 6 TH MAR	Real Estate Auctioneer Accreditation SYDNEY CBD	30 TH - 31 ST JAN	Business Broking Agency Practices SYDNEY CBD

View our course calendar for all course details.

DIPLOMA OF PROPERTY SERVICES (AGENCY MANAGEMENT) CPP50307

SYDNEY

MODULE 1

20th - 21st February

MODULE 2

12th - 13th March

PROPERTY SERVICES

CONSUMER GUIDES

THESE 9 GUIDES WERE CREATED
TO HELP YOU WORK MORE
EFFECTIVELY WITH YOUR AGENT

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More information on our courses and a full course calendar can be found at www.acop.edu.au