

College Chronicle Newsletter

May 23, 2025



Ending a Residential Tenancy in NSW

Monday As of 19th May there are some 2025. major amendments that have commenced for the residential management of tenancies in NSW.

One of these changes relates to how tenancies can be ended and the major points are:

- The ability for a landlord to require vacant possession for "No Grounds" has been removed.
- Landlords can only end a tenancy using the reasons set out in the Residential Tenancies Act for both periodic and fixed term agreements and must provide supporting evidence to the tenant where applicable.
- Landlords will also be required to give tenants a Termination Notice with a Termination Information Statement explaining the landlord's responsibilities and the tenant's rights when ending a lease. This Statement can be obtained from the NSW Fair Trading website.

Landlords will now need a reason to end a tenancy with supporting evidence.

The new reasons include:

- Proposed sale of premises
- Significant renovations or repairs

 where the property needs to be vacant, and the works are planned to commence within 2 months after

the termination date

- Demolition of premises where the demolition is planned to commence within2monthsafterthetermination date
- Tenant is no longer eligible for affordable housing, or transitional housing (or scheme has ended)
- Premises required for key worker housing i.e. used to house teachers, health workers or police
- Tenant is no longer eligible for student accommodation i.e. the tenant is no longer a student
- Premises no longer to be used as a rented residential premises for at least 12 months e.g. premises will now be used for STRA or business
- Landlord or family will reside at the premises for at least 6 months

There are existing reasons for ending a tenancy, and these continue to apply, and supporting evidence will need to be provided:

- · Actual sale of premises
- · Breach of agreement i.e.:
 - · Non-payment of rent
 - Significant damage to the premises
 - · Illegal use of the property
- Hardship to landlord
- Employee or caretaker agreement has ended

Once a termination notice has been issued to a tenant, they have the ability

to exit the tenancy early. If the tenant is on a periodic agreement, there is no change to the requirements, where a tenant under a periodic tenancy agreement who has been given a termination notice by the landlord may vacate the premises at any time before the termination date. Also, the tenant is not liable to pay rent for the period after vacant possession is given.

The legislative change relates to fixed term agreements, where:

- A tenant under a fixed term agreement who has been given a termination notice by the landlord may vacate the premises before the termination date without paying break lease fees, if the tenant gives the landlord an early exit notice informing the landlord:
 - that the tenant will give vacant possession before the termination date, and
 - specifying a tenancy end date which must be at least 14 days after the early exit notice is given to the landlord.
- Tenants can only give the early exit notice:
 - For a fixed term agreement of 6 months or less – 60 days before the end of the agreement, or
 - For a fixed term agreement of more than 6 months – 90 days

before the end of the agreement

 Thisapplies to all fixed term tenancies unless a termination notice has been given to the tenant for breach of tenancy, or where an agreement is frustrated because the premises is no longer habitable.

In terms of ending tenancies, there are re-letting exclusion periods that apply.

- Some new termination grounds have a restriction against re-letting the premises within a certain period of time after the tenancy has ended.
- Tenancy exclusion periods apply to grounds where the landlord needs the property back without tenants because they will use it for something else.
- Properties cannot be relet in the exclusion period without prior approval from NSW Fair Trading.
- Should a landlord's circumstance change, they will need to apply to NSW Fair Trading for approval to relet the property during the exclusion period. This application will be online and supporting evidence will need to be provided.
- Penalties will apply where properties are relet during the exclusion period unlawfully.

The penalty exclusion periods can be summarised as:

REASON THE TENANCY IS ENDING	RE-LETTING EXCLUSIONS
Premises no longer to be used as a residential rented premises for 12 months	12 months
Demolition of premises	6 months
Proposed sale of premises	6 months
Landlord or family member to reside at the premises	6 months
Significant renovations or repairs	4 weeks

Good luck to all property managers who are now implementing the new legislation. Stay tuned and we will provide additional information and clarity as it comes to our attention.

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