

# Accommodation Centre Limited MREINZ Fixed-term Tenancy Information

An explanation of the rights and obligations of a Tenant entering into a fixed-term residential tenancy agreement.

The Residential Tenancies Act 1986, defines a "Fixed-term tenancy" as:

*a tenancy for a fixed term; but except as provided in section 7 (3) of this Act, does not include such a tenancy that is terminable by notice.*

NB. Section 7 deals with short term tenancies, and covers tenancies with a term of less than 120 days.

A tenancy agreement covering a fixed-term tenancy of more than 120 days has a commencement date and a termination date on it.

During the term of the tenancy, neither party can give notice to the other that they want it to end.

Notice periods to terminate a tenancy only apply to periodic tenancies. If the tenancy runs its full course, then it will automatically end on the termination date specified on the agreement.

If the Tenant wants to stay in the property after the termination date, then a new tenancy agreement must be signed by both parties to start when the current agreement expires. If no agreement is signed, then both parties can reasonably expect the Tenant to move out of the house on the final date of the tenancy, and return the keys to the Landlord.

If a Fixed-term tenancy cannot be terminated by notice, how is it terminated?

1. The tenancy can be ended at any time by mutual agreement. That is, both parties agree in writing that it will end on an earlier date.
2. Replacement tenants can be found that are suitable to the Landlord to sign a new tenancy agreement for the balance of the fixed-term tenancy. The date that the replacement tenancy commences, the previous tenancy is automatically terminated.
3. The Tenancy Tribunal may terminate the tenancy prior to its expiry date if one party breaches the terms of the tenancy, and if the other party makes application to the Tribunal to have the tenancy terminated.
4. The Tenancy Tribunal may also reduce the term of a fixed-term tenancy under s66 of the Residential Tenancies Act. This section covers "unforeseen circumstances" and the nature of "severe hardship" suffered by both parties. It also provides for compensation to the other party if the application is successful.

Finding Replacement Tenants (Reason 2)

If the Tenant wants to move from the property before the expiry of the fixed-term, then they should advise Harcourts Accommodation Centre in writing that they are looking for replacement tenants to sign a tenancy agreement for the balance of the fixed-term.

It is the responsibility of the fixed-term tenant to find suitable tenants to rent the property, however Harcourts Accommodation Centre, or another such agent, may assist in this matter.

The Tenant accepts that any replacement tenants must complete all the necessary application forms and must be approved by Harcourts Accommodation Centre – with such approval not to be unreasonably withheld.

I/We (<enter all Tenant Names here> *the Tenants*) acknowledge that I/We have read, and understand, the rights and responsibilities of a tenant in a fixed-term tenancy, and that I/We have a copy of this document.

Signature of Tenants

Dated: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_