

FACT SHEET

Continuing a Fixed Term Tenancy Agreement

Under the *Residential Tenancies Act 1994* (the Act), a fixed term tenancy agreement must have specific starting and ending dates. In many cases, the tenant and lessor will want the tenancy to continue beyond the ending date of the agreement.

Extending a fixed-term tenancy agreement

At the end of a fixed-term tenancy, the parties may agree to extend the fixed-term agreement, rather than allow a periodic agreement to become established (see 'If you take no action at the end of a fixed term' on the second page of this Fact Sheet). This gives both parties the security of knowing the length of the tenancy.

Options for extending a fixed term agreement are:

- The parties may write letters to each other stating their willingness to amend the original agreement by extending the fixed term, specifying the further term and the new ending date.
- One of the parties may send two copies of a letter to the other party stating their agreement to an extension of the fixed term, specifying the further term and specifying the new ending date. The other party signs both copies of the letter, dates their signature and returns one copy to the sender for their records.
- The parties may write up, sign and date a statement agreeing to an extension of the fixed term, specifying the further term and specifying the new ending date. Copies of this written statement should be provided to all parties.

To avoid a tenancy continuing as a periodic agreement, one of the above options must be completed before the original fixed term expires.

If you are extending the agreement by one of the above options, it is not necessary to use a new tenancy agreement form (provided that the agreement is in the standard format required from July 1999). It is not necessary to complete a further *Condition Report* (Form 1a or 1b) for the premises, or to give the tenant another *Information Statement* (Form 17a or 17b) in any of the options above, unless these requirements of the Act were not followed when the original fixed-term tenancy agreement was established.

Establishing a new fixed term agreement

In some cases, a party may forget to extend the fixed term agreement or may wait until after the original fixed term agreement has expired to establish a new fixed term agreement. In these cases, a periodic agreement has come into place. At any time, the parties can terminate the periodic agreement by mutual agreement and establish a new fixed term agreement.

In this case, a new agreement must be completed, complying with the standard terms for a tenancy agreement. However, it is not necessary to complete a *Condition Report* (Form 1a or 1b) for the premises or to give the tenant an *Information Statement* (Form 17a or 17b) unless these requirements of the Act were not followed when the original fixed term agreement was established.

If you take no action at the end of the fixed term

If, at the end of a fixed-term tenancy, the tenant and lessor take no action either to draw up a new fixed-term agreement or to give notice that they wish the tenancy to end, the tenancy automatically becomes a periodic one, as stated in Clause 6 (part 2) of the standard agreement. The periodic agreement

continues under the same terms that applied to the fixed-term agreement, until varied by the parties or terminated in accordance with the Act. A special term of the original agreement may vary this.

Disagreements

There may be a disagreement by one party about whether the fixed term agreement will be extended or become a periodic agreement. If this cannot be resolved through discussion, either party can contact the RTA's Dispute Resolution Service or the telephone number at the bottom of the page for assistance.

Rent increases

Some lessors use the expiry of a tenancy agreement as an opportunity to review and possibly increase the rent.

- **Extended fixed term agreement**

Rent may only be increased in an extended fixed term agreement if the original agreement included a term about rent increases.

- **Periodic agreement**

Rent may be increased for a periodic agreement at any time by giving two months' written notice of the increase.

- **New fixed term agreement**

Where a fixed term agreement does not allow for a rent increase, the lessor may choose to formally terminate that agreement in accordance with the Act at the end of the fixed term. At the same time as terminating the agreement, the lessor can negotiate a new fixed term agreement with a rent increase.

The Act allows tenants to dispute a rent increase during a periodic agreement or during the term of a fixed term agreement if they believe it to be excessive.

Further Information

Further information about tenancy agreements is available in the RTA's *Tenancy Agreements Fact Sheet*. The *Residential Tenancies Act 1994* is the primary source material on the law and takes precedence over this Fact Sheet should there be any inconsistency between the Act and this Fact Sheet.

For more information about the *Residential Tenancies Act 1994*, contact the Residential Tenancies Authority. Contact details are at the bottom of this Fact Sheet.

Accessing RTA forms

The RTA's approved forms can be obtained by:

- visiting the RTA's website at **www.rta.qld.gov.au** and following the links to "e-Forms"
- calling the RTA's forms distribution service on **1300 136 939**
- faxing a *Request for Forms* to (07) 3216 2258, or
- posting a *Request for Forms* to PO Box 517, Virginia Qld 4034.

A selection of the most commonly used forms is also available at Australia Post offices around Queensland.

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