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| Slide 1 |  |  |
| Slide 2 |  | **[Instructor]:** We’ll talk about three main things relating to the termination of a lease. This is not going to touch on all the ins and outs of the eviction process; for more info on that you can visit Virginia REALTORS® website to look at all of their resources. |
| Slide 3 |  |  |
| Slide 4 |  | **[Instructor]:** For unpaid rent, the state code now requires that a tenant be given at least 14 days’ notice before the lease can be terminated. This takes the place of the old five-day “pay or quit” notice. There are other notice requirements that have to be met for unpaid rent. The notice must contain the contact information for legal aid and also provide the tenant with information regarding rent relief programs that might be available to them. For landlords who own five or more properties in Virginia, the notice must also provide the tenant with a payment plan to pay off the accumulated debt. |
| Slide 5 |  | **[Instructor]:** Other lease violations are governed by Virginia Code section 55.1-1245. For a violation that can be cured (like a noise complaint or an unauthorized pet), the tenant must get a notice stating the violation and giving them 21 days to cure. If the breach is not cured within 21 days, the landlord may terminate no less than 30 days from the date of the notice. For a non-remediable breach (such as damage to the apartment), there is no requirement that the tenant be given time to cure. Instead, they are given a notice stating that the lease will terminate in no less than 30 days. If the violation is one that is both nonremediable and is either criminal or poses a threat to health or safety, the landlord can send a notice terminating the lease immediately. Any illegal drug activity would be covered under this section. |
| Slide 6 |  |  |
| Slide 7 |  | **[Instructor]:** If the tenant does not vacate the property based on the notice provide, your next move is to initiate legal proceedings. An action for unlawful detainer basically allows a judge to issue an order (called a writ of possession) that states the tenant no longer has the legal authority to possess the property. Again, for more specific information on the eviction process, we recommend you check out some of the eviction materials on the Virginia REALTORS® website. Along with possession of the property, the landlord might have a separate claim for damages based on the breach of the rental agreement. These can be handled through the unlawful detainer process or, if the tenant has already vacated, can be handled through a separate action in General District Court. |
| Slide 8 |  |  |
| Slide 9 |  | **[Instructor]:** The law does allow for landlords to recover actual damages related to the breach of a rental agreement. “Actual damages” can include a claim for rent that would have accrued until the expiration of the lease term or until a new lease begins, whichever comes first. However, the law is clear that a landlord who terminates a lease mid-term cannot simply sit back and let the apartment sit empty while collecting the rest of the rent as damages. Landlords have an obligation to mitigate all damages, which means that they (and you as PMs) must take all efforts to market the property and get a new tenant into the space at something close to the same rent amount. This could prove a problem for landlords who attempt to put “liquidated damages” clauses into leases. These clauses say that if the lease is terminated through some fault of tenant, the tenant agrees to pay a certain fee (like forfeiting the security deposit and paying two-months’ rent). While that could be fine, a court could say that the penalty is unlawful if the unit is re-rented and there are no actual damages. |
| Slide 10 |  | **[Instructor]:** This is a real question that recently came in through the Virginia REALTORS® Legal Hotline. What do you think the PM should do? |
| Slide 11 |  | **[Instructor]:** Look at the lease to see what it says regarding early termination. This lease said that if the tenant terminates early, they are still on the hook for any rent until the end of the lease term. However, remember the requirement that landlords must mitigate any damages. If this PM was able to put someone else in that unit prior to the beginning of the original lease term, they wouldn’t really have any claim for lost rent damages. There could be fees for marketing, etc., that might still be available as damages, though. |
| Slide 12 |  | **[Instructor]:** For more information on evictions, terminations, and all things property management-related, you can visit these webpages on the Virginia REALTORS® site. For any suggestions regarding standard forms, email forms@virginiarealtors.org |