

BUYER INFORMATION SHEET

PURCHASING A TENANTED PROPERTY

Can we kick the tenant out once we have bought the property?

Maybe. There are two things to consider in this scenario:

1. The **type** of agreement in place, and
2. **When** the tenants moved in

By law in Queensland, a rental agreement secures an agreement between a tenant and the property – NOT the property owner. This means that when you purchase a property that has a signed rental agreement in place, you also inherit that rental agreement until its completion.

Having said that, there are commonly two kinds of lease agreements, fixed agreements and periodic.

Fixed agreements – means there are start and end dates to the agreement and this is set. The tenant has every right to stay until the end of this agreement.

Periodic agreements – often called a 'month to month' lease. In this case a Notice to Leave can be given to the tenant upon the signing of the contract of sale and a MINIMUM of 4 weeks can be given to the tenant to vacate the property.

In the case that a tenant has recently moved into a property before the decision to sell was made, they do have the right to end the lease early without penalty.

Here are the rules – if the tenant was NOT informed of an intention to sell at the time they signed the lease, and the property was listed for sale within the first two months of them signing the rental agreement, then the tenant has the legal right to give two weeks' written notice to leave without penalty. This may be an issue for an investor so clear communication with the selling agent is vital.

This scenario does not however, give the buyer the right to end the lease early – the decision has to be made by the tenant and only they can give a notice to leave, without penalty.



Can I encourage the tenants to leave?

Yes. Now that you have purchased the property, you may find that the tenant wants to move out and you can now release them of any penalty for moving early. If the tenant would prefer to stay, you may offer them compensation in order that they break their lease early – as well as incurring no penalty to them for this early vacancy. Keep in mind though, this will be a negotiation and the tenant has every right to reject your offer(s) and may choose to stay the full term of their lease.

How do I get rent money from the tenant?

Your tenant will most likely be paying rent to a property manager already. This is probably Absolute Real Estate as we are looking after the sale. While you are going through the purchasing process we will give you all the information you need to continue using our service to collect and distribute rent, as well as look after property maintenance, routine inspections and any disputes etc.

If you have any further questions, please call our office on the number below or send us an email to sales@absoluterealestate.com.au.

Please note: every effort has been made to keep this information sheet up to date, for the latest information please visit <https://www.rta.qld.gov.au/renting/during-a-tenancy/when-a-property-is-for-sale>

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