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## How to Break Your Lease

## **GENERAL OVERVIEW**

If you wish to move out before your lease expires, and do not wish to sublet, you can break your lease without too many problems. When you sign a lease, you are agreeing to pay rent for a certain amount of time, whether you occupy the place or not. If you do not pay, your landlord can sue you and try to collect the money. However, the law requires a landlord to take all reasonable steps to keep his losses to a minimum. This concept is known as *mitigation of damages*. (California Civil Code Section 1951.2) This means that if a tenant leaves before the lease is up, the landlord must make all reasonable effort to rent the premises to another tenant at the best price possible. If the place is re-rented quickly at the same price, the landlord does not lose any money, therefore the old tenant (you) doesn't owe the landlord anything. Since competition for rental units in the Bay Area is high, particularly in Berkeley, there shouldn't be much problem finding a new tenant. The result is that the old tenant (you) owes little or no money. The only thing you may be responsible for is advertising fees or any other administrative costs the landlord incurs during the process (i.e. time spent interviewing new tenants, etc.). If the place happens to be rented at a rate lower than the old tenant had been paying (which is almost never the case in this area), the old tenant is responsible for the difference.

To summarize, a fixed-term tenant who leaves before the end of the lease is responsible for:

- the remaining rent due under the lease, plus
- any reasonable expenses incurred in finding a new tenant, minus
- any rent the landlord can collect from a new tenant between the time the original tenant leaves and the end of the lease term.

Note: The landlord cannot legally take the amount of liquidated damages out of your security deposit. State law (cc 1950.5) strictly limits the ways a landlord can use the security deposits.

## STEPS TO TAKE:

- Notify your landlord in writing as soon as you know that you are going to move out before the end of a lease term. It may be a good idea to talk to your landlord also.
- It is also wise to try to find a new tenant yourself. Keep a list of all possible tenants and give it to your landlord. The only reason a landlord can refuse a tenant is if the tenant has bad credit.
- Keep a copy of everything (letter to your landlord, list of tenants)!

For more information and assistance contact

Renters' Legal Assistance

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