Tenancy Agreement

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**Executive Summary**

**Purpose**

This paper seeks to discuss a rental contract between a landlord and a tenant with an option to purchase the said property. Seddon (2015) holds that rental contracts are a legally binding agreement between a landlord and tenant to let, pay and utilize the said property. The contract has to meet all the legal elements of a contract, such as an offer, acceptance, and consideration among others for it to be enforceable as was held in Carlill vs. Carbolic Smoke Ball Co. Ltd [1892]. A contract or deed between a landlord and a tenant may be for a specific period or unspecified duration.

A landlord and a tenant may, without any kind of duress or misrepresentation, enter into a rental contract with the option of purchasing the property. These kinds of contracts should be drafted properly, have water-tight clauses that protect each party’s interest and well-executed. The parties may register the said agreement (Peterson’s, 2010).

**Problem**

A major challenge with rental contracts in the presence of an agent during the negotiation of the purchase or renting the property. Tenants bear the burden of meeting administration costs, contract costs, administration fees and at times the legal fee for all parties involved in the transaction.

Other problems or challenges would be poor maintenance of the premises by the Landlord, delayed repairs, lack of proper communication by the landlord, failure to issue a tenant his or her deposit for the house and utility costs back. Landlords, on the other hand, are not spared as they suffer a number of challenges while implementing their landlord-tenant agreement. Some landlords allow tenants to move in before signing an agreement, allowing tenants into their properties without receiving into their bank accounts the first rental payment and deposit.

**Solution or Plan**

Landlords should not let tenants into their properties without getting into a well-executed and legally binding tenancy or rental agreement. The agreements should have clauses which seek to protect and promote interests of both the landlord and the tenant (Peterson’s, 2010). In the event where a third party, such as an agent, is party to the agreement, a tenant should not bear the costs of the agent's services. This is because an agent, according to agency law, is an employee of the principal, that is, the Landlord.

**Conclusion**

Therefore, this paper shall seek to establish the relationship of a landlord and tenant in a rental agreement with an option to purchase it, the problems and challenges experienced by both parties and the available solutions.

References

Peterson’s, (2010). *Master the real estate license*. Lawrenceville: Peterson’s.

Seddon, N. (2015). *Seddon on deeds*. USA: Federation Press.