

An individual entered into an oral agreement with the owner of a residence to rent the residence for one year. They agreed that the individual was to pay a total of \$12,000 in rent, payable in monthly installments of \$1,000. The individual occupied the residence for one year but failed to pay the final \$1,000 installment. At the end of the one-year period, the individual moved out of the residence without giving the owner any notice of his intent to do so.

Has the individual's tenancy been terminated?

- A. No, because the individual failed to give the owner notice of his intent to vacate the residence.
- B. No, because the individual failed to make the final \$1,000 installment payment.
- C. Yes, because the agreement was oral.
- D. Yes, because the individual vacated the premises.

Explanation:

Types of tenancies

(leases on land)

Type	Creation	Duration	Termination
Term of years	Agreement (ie, lease)	Fixed period (eg, one month, three years)	End of term (automatic) Breach of certain covenants (eg, rent, habitability)
Periodic tenancy	Agreement Presumed when lease has no specified termination date Operation of law (eg, holdover tenant)	Periodically renews until terminated	End of period (proper notice) Breach of certain covenants
Tenancy at will	Agreement Implied when person allowed to possess premises without paying rent	Indefinite period	At any time (reasonable notice)
Tenancy at sufferance	Implied when tenant keeps possession after lease expires (ie, holdover tenancy)	Continues until terminated	Landlord evicts Tenant vacates Landlord accepts rent (forms periodic tenancy)

A **tenancy for years** is an estate measured by a **fixed and ascertainable amount of time**. This type of tenancy is created by an agreement between the landlord and the tenant and may be for any length of time (eg, one week, six months, five years). **Termination occurs *automatically* upon the **expiration of the term**, with **no notice required from either party**.** As a result, a tenant who remains on the premises after the term expires becomes a tenant at sufferance (ie, holdover tenant).

Here, the individual and the owner entered into a lease that created a tenancy for years with a one-year term. This tenancy terminated automatically at the end of the one-year term (**Choice A**). And since the individual vacated the premises, no tenancy at sufferance was created. Therefore, the individual's tenancy has been terminated.

(Choice B) The individual's failure to make the final \$1,000 installment payment is not a reason for the tenancy to continue. Instead, it was a breach of the lease agreement that gave the owner the right to take legal action to terminate the tenancy early. But the owner did not do so, and the tenancy terminated automatically at the end of the one-year period. However, the owner can still sue the individual to recover the unpaid rent.

(Choice C) The statute of frauds applies to a tenancy for years that is *longer than one year* (not seen here) and requires the lease agreement to be in [writing](#). However, a lease subject to the statute of frauds that does not comply with it may be enforceable as a periodic tenancy when, as here, the tenant occupies the premises with the landlord's permission and the landlord accepts rent from the tenant.*

*If the tenant also makes substantial improvements to the premises and thereby indicates that the parties contemplated a lease for more than a year, then the noncomplying lease is given full effect.

Educational objective:

A tenancy for years (ie, an estate for a fixed and ascertainable term) terminates automatically upon the expiration of the term without notice from either party.

References

Restatement (Second) of Prop.: Landlord & Tenant § 1.4 cmt. e (Am. Law Inst. 1977) (termination of tenancy for years).