

LEASE AGREEMENTS: ORAL OR WRITTEN

By Maryland law, a lease is any oral or written agreement, express or implied, that establishes a tenant-landlord relationship. The agreement extends to subleases (Real Property Article, Section 1-101 [h]).

Many tenants and landlords who contact BNI are often surprised that a lease can be an oral agreement. If a written contract does not exist, tenants often believe that they can leave the lease agreement at will. Landlords in a similar situation often believe that they can evict a tenant at will.

How can an oral lease be proven without a written document to back it up? BNI points out that if a tenant has possession of the premises, has usually been there for some months, holds rent receipts, and, in many cases, has witnesses who can attest to the tenancy, an occupant can prove tenancy without a written document. Furthermore, if you hold an oral lease, the tenant/landlord law of Maryland constitutes a written lease for you.

Most oral leases are for month-to-month tenancies. An oral lease can be held for a year or less – any lease that is for more than one year, if it is to be enforced, must be a written lease (Real Property Article, Section 5-101 and 5-102).

To be effective and without controversy, written leases should be signed by the tenant and by the landlord or landlord's representative. While witnesses are not necessary to the signing or notarizing of a lease, they can be a valuable asset should one party to the lease deny signing it.

The basic written lease outlines the relationship between the landlord and the tenant. It covers such items as the amount of rent and the security deposit, the rent due day, the beginning and the end of the tenancy, the notice requirement to end or renew the lease, late charges, etc.