**The Main Types of Leases Landlords Can Offer**

*There are four different types of leases you can offer tenants for your rental property. We explain the difference between each option to help you decide which is best for your rentals.*

**1. Month-to-Month Lease Agreement**

Unlike traditional lease agreements, month-to-month rental leases automatically renew each month until either the landlord or tenant provides a 30 days’ notice. They’re ideal for short-term rentals or landlords looking to fill a rental property for a short period. If you decide to offer month-to-month lease options, this can also make it easier to raise your rent price without losing tenants or to break the lease without any penalties.

While there are tons of benefits to this type of lease agreement, they also have their disadvantages. Since the lease ends at the end of each month, you’ll have a short amount of time to find a new tenant if your current one decides to move out. Month-to-month leases also come with a less stable rental income, since you never know when a tenant will decide to no longer continue the agreement.

**2. Short-Term Lease Agreement**

Short-term leases last anywhere from three to six months, and are also good options for landlords looking to rent their property to tenants for short periods. You can expect a more stable stream of income compared to month-to-month lease, but short-term leases often don’t automatically renew unless requested by the tenant.

There are some instances where offering tenants short-term leases may be a better option than long-term leases. Examples of tenants that can benefit from short-term leases are those relocating for a job, traveling overseas with a short-term visa, or temporarily visiting an area for a few months.

**3. Fixed-Term or Long-Term Lease Agreement**

A fixed-term lease, also called a long-term lease agreement, is generally 12 to 15 months long, or the specified amount of time determined by the landlord. Most landlords prefer this type of lease agreement, since it offers a stable income for a longer period compared to short-term options.

It’s important to include all the clauses, addendums, and disclosures you need to stay protected as a landlord, especially since fixed-term leases legally bind you to a tenant until the lease term ends or they’re evicted.

**4. Rent-to-Own Lease Agreement**

A rent-to-own lease agreement is when a buyer is given the choice to rent a property for a certain amount of time before buying it from the landlord. There are two types of rent-to-own agreements — a lease option agreement or a lease-purchase agreement. Lease option agreements set up buying the property as optional, while lease-purchase agreements require the tenant to purchase the property once the lease ends.

If you’ve been planning on selling your property, then this can be a great way to still generate rental income until the tenant is officially able to purchase the property. However, it’s important to choose the right type of rent-to-own agreement and inform the tenant on the difference between the two so they’re aware of the requirements.