

Rentals advice for landlords and tenants



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The following comments are from Dexter Leite, PGP's rental manager for the Cape Metro region.

It is essential that landlords/investors protect their assets to the fullest extent possible, avoiding the potential pitfalls when letting their [rental properties](#), thereby minimising their risk, financial and otherwise, inter alia, by way of adhering to the criteria listed below.

It is equally important that tenants ensure that their interests are adequately protected and that they minimise any potential risk, when leasing a home. Bear in mind that once you have entered into a lease it is generally not easy, other than as allowed for in terms of legislation, to terminate a lease during its tenure. Cancellation of a fixed term lease, as provided for in the Consumer Protection Act No 68 of 2008 can attract cancellation penalties, which can be costly.

Advice for landlords:

- Make use of a reputable, licensed estate agent with a valid fidelity fund certificate. They are able to offer professional advice to assist with all facets of the rental process, from assessing the property to drafting and settling a sound lease agreement. They can also ensure your compliance with all regulatory requirements, including relevant sections of the Rental Housing Act and the Consumer Protection Act.
- Investigate the track record and how established the company's rental division is. Ask what recent lets they have concluded in your area, and how long they have been working in that area. A company like PGP, as an example, has a dedicated rental division with specialist rental agents who know their areas thoroughly, and have an extensive back-office infrastructure.
- Insist on a written mandate with your rental agency, setting out all the terms, conditions and obligations for both parties. It should also specify what commission is payable in the event that a lease is concluded.
- Insist on a written lease being signed by all parties, before granting tenants access to the premises. The lease should also include (attached to the lease as applicable) any regulations which the tenant must abide by if the property is subject to the rules of a Homeowners' Association or Body Corporate- for example, whether pets are allowed on the property.
- Ensure that the agency has conducted appropriate credit and other checks on the prospective tenants, before entering into a lease.
- Ensure that you have adequate public liability and house-holders' insurance in place – and advise your insurers that the property is being let. They may treat the risk differently when the property is tenanted as opposed to owner-occupied.
- Ensure that you do the necessary ongoing maintenance of your property. This preserve the value of your asset and keeps it in a fit state to let.

Advice for tenants:

- Make sure that you have signed a proper written lease with due regard to relevant legislation, before taking occupation of the property. The lease should set out your rights and obligations as a tenant, as much as it sets out the rights and obligations of the landlord. Ensure that it has been drawn up by a reputable, licensed estate agent with a valid fidelity fund certificate. If in doubt, ask for proof that the agency/agent holds a valid fidelity fund certificate.
- Ensure that you have adequate insurance for your personal risks and belongings, which might not be covered by the landlord's own insurance
- Ensure that you have familiarised yourself with any rules set down by a Homeowners' Association or Body Corporate, if applicable.
- Conduct a thorough inspection of the property upon occupation- even if it is a brand new [property development](#)- as required in terms of the Rental Housing Act, to ensure that everything is in order as per the lease you have signed and to register any defects. The same should apply when moving out of the rented property.
- Communicate timeously and regularly with your landlord regarding any maintenance or repairs that might be required.
- Before signing a lease, make sure that the property adequately meets your needs, in terms of its size, location, security and maintenance/upkeep (i.e. that the property is in good order). Do not forget to check the commuting time to your place of work, schools etc, during peak hour traffic.
- Remember that services/utilities are payable in addition to the monthly rental. Ascertain the expected amount upfront, and ask for historic data, ie what has been payable previously, and how many people occupying the property.

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