

CHAS EVERITT
INTERNATIONAL PROPERTY GROUP

PROPERTY RENTALS

LANDLORD GUIDE

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1.



ACTS APPLICABLE TO THE RENTAL OF RESIDENTIAL PROPERTY

Residential leases are well regulated.

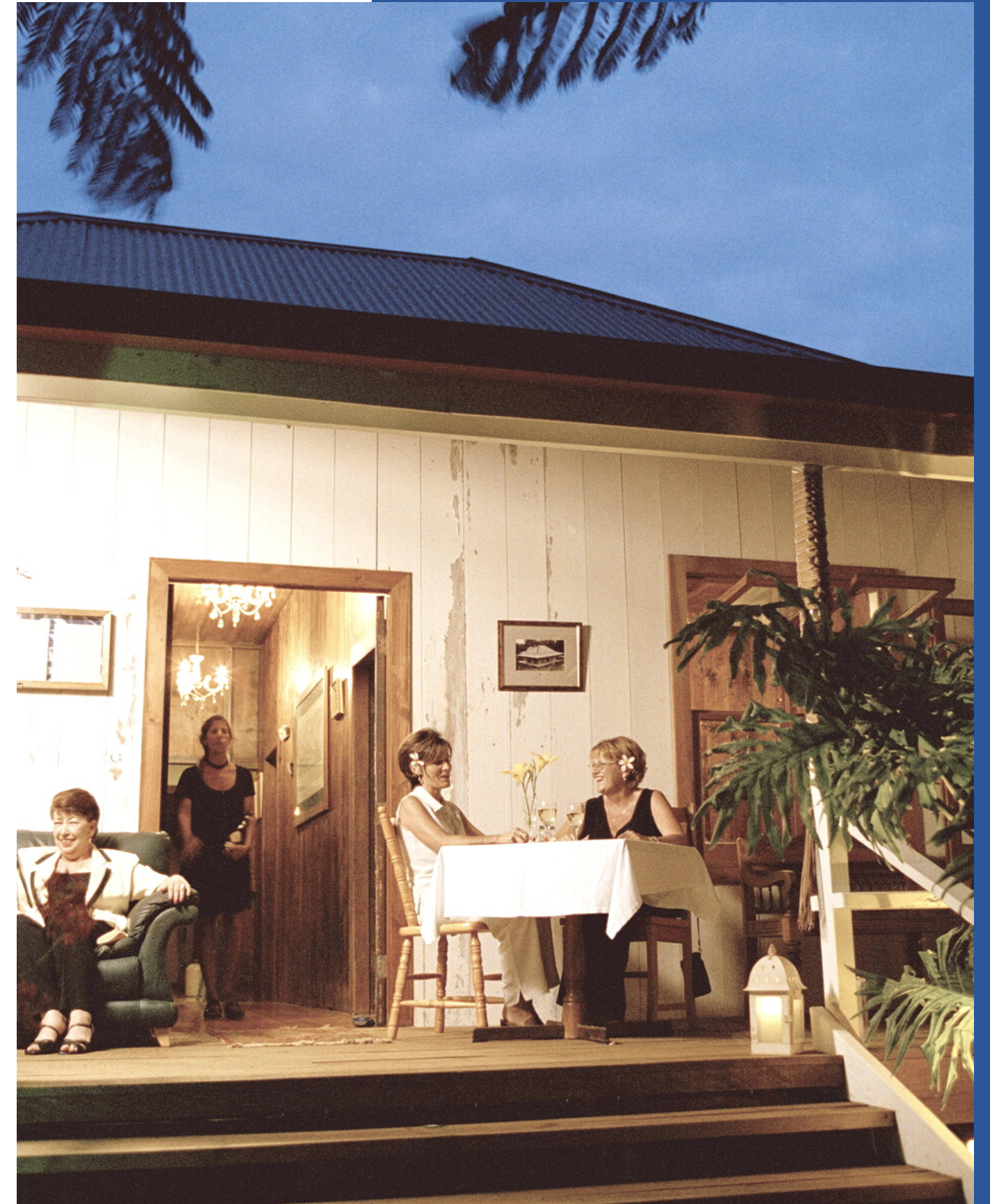
The Rental Housing Act 50 of 1999 and the Unfair Practices Regulations set out the obligations and procedures applicable to residential leases.

Another law that applies in the case of residential leases is the Consumer Protection Act 68 of 2008.

All of these laws impose very specific legal obligations for all the parties involved, particularly the landlord. It is therefore advisable to employ a reputable and knowledgeable rental specialist to make sure that, as the landlord, you comply with all the legislative requirements.

SCREENING TENANTS

- financial affordability assessments
- risk assessments
- credit profile assessment
- tenant profile assessment
- employment checks
- and much more



2. FINDING A SUITABLE TENANT

Screening of a potential tenant is one of the most important steps in renting out your property.

Making sure that you place a good quality tenant will save you a lot of trouble and considerably increase the likelihood of a hassle-free lease period.

Your Chas Everitt rental specialist is trained to be able to effectively screen applicants and make a professional recommendation to you as the landlord.



3. HOW TO DETERMINE THE RENTAL

FACTORS TO TAKE INTO ACCOUNT:

- COMPARABLE RENTALS IN THE REA, MACRO AND MICRO ECONOMIC FACTORS
- SUPPLY AND DEMAND
- INTEREST RATES
- AND MUCH MORE.

If your rental required is too high, it may mean that tenants are scared away and your property will remain untenanted. If the rental amount is too low, it might result in your bond repayment and associated expenses being more than your rental income (called negative gearing).

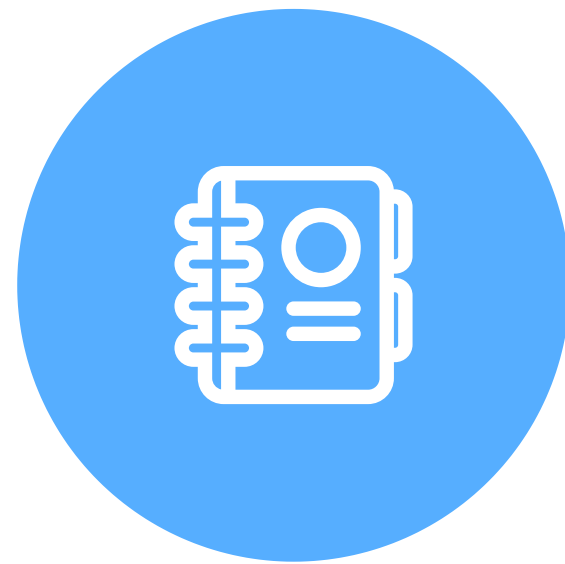


BENEFITS OF PROPERTY INVESTMENT

WHY IT'S A GREAT INVESTMENT OPTION



Passive Income



Growth Potential



Stability



Predictability



4.

TO MANAGE OR NOT TO MANAGE

Having a tenant in your property requires a lot of work. From receiving monthly rent and paying your suppliers/creditors to attending to maintenance related issues.

For any landlord this can be a very onerous task and this is where the service of a rental specialist comes in.

PROCUREMENT MANDATE

You will generally pay a professional real estate agent a procurement commission for finding a suitable tenant. This amount is payable on conclusion of a lease agreement and can, by arrangement, be taken off the first month's rent, which is normally paid in advance by the tenant.



MANAGED LEASE

USUALLY INCLUDES THE FOLLOWING PROFESSIONAL SERVICES



Collection
or Rent



Paying service
providers on
your behalf



Statutory
inspections



Investing of
the Deposit



Maintenance

Professional real estate agents will charge a management fee to manage the lease during for the period of the lease agreement. This professional fee will normally be a percentage of the monthly rent payable. These fees vary according to the real estate agent you appoint.

It is well worth appointing a professional real estate agent and paying a management fee to make sure that, as landlord, you have the peace of mind that your real estate investment is taken care of.

RIGHTS & OBLIGATIONS LANDLORD

As stipulated in the Unfair Practices Regulations, as a landlord you have a legal obligation to make the rental property available in a condition that is **reasonably fit for human habitation**. This, in most cases, this implies the provision of **basic services like water, sanitation and electricity**





Other obligations include;

- You must ensure that the tenant has undisturbed use of the premises.
- You must maintain the outside of the property including the walls and the roof and also maintain all electrical, plumbing, sanitary, heating, ventilation and air-conditioning systems on the property.
- You must provide a rubbish bin for the property.
- You must do the necessary repair and maintenance caused by fair wear and tear.

RIGHTS & OBLIGATIONS TENNANT

The Unfair Practices Regulations stipulate the rights and obligations of landlords and tenants.

The lease agreement might also contain further obligations.

The rights and obligations of the tenant in terms of the Regulations are:





- A tenant may only use the property for the purposes for which it is being let.
- A tenant must maintain the property in a clean and tidy state of repair.
- A tenant may not use the property in any unreasonable manner.
- A tenant may not intentionally or negligently damage your property
- A tenant must return the property at the end of the lease in the same condition as it was at the start of the lease, fair wear and tear excepted.
- A tenant is responsible during the lease for any short-term consumables, like globes, locks, handles and windows.
- A tenant must maintain the garden and keep it in a neat and tidy condition.
- A tenant must also maintain the swimming pool and cleaning equipment, if applicable

7.

DEPOSITS

It is not a legal requirement that the tenant must pay a deposit although it is good practice.

The deposit must be kept by the landlord or his agent in an interest bearing and interest must accrue to the tenant.

There are legal requirements and timeframes for the refunding of the deposit which your Chas Everitt agent will be able to advise you on.

Only certain items may be deducted off the deposit at termination of the lease.

It is sound advice to employ the services of a professional estate agent that understands these requirements and who uses legal agreements that protect your interest as a landlord.

8.

RENTAL PAYMENTS

A tenant must pay the rental amount as stipulated in the lease on the date agreed in the lease agreement, without demand.

Although rent is payable without demand, the Rental Housing Act stipulates certain requirements that have to be met by the landlord when rental is paid.

Your Chas Everitt estate agent is trained and fully equipped to make sure that all requirements are met. By maintaining a good relationship and constant communication with the tenant, Chas Everitt is able to pro-actively manage the timeous payment of rental and detect any early warning signs of potential problems.



9.

INSPECTIONS

In terms of the Rental Housing Act an inspection must be done by the landlord (or his agent) together with the tenant, before the start of the lease, to determine any defects. This inspection must be recorded on a list and attached to the lease agreement.





Although not a legal requirement, your Chas Everitt agent will, as mandated, do interim inspections to make sure your property is being looked after by the tenants.

At termination of the lease a joint inspection must again be done by the landlord (or his agent) within a certain timeframe to identify any damages that occurred during the lease. If the tenant refuses or neglects to attend an outgoing inspection the Rental Housing Act does allow recourse to the landlord.

Your Chas Everitt agent will, as your mandated managing agent, ensure that the outgoing inspection is done as required and a detailed list of any damages is recorded.

10. TERMINATION OF LEASE

Most residential lease agreements fall within the ambits of the Consumer Protection Act.

Section 14 of this Act provides very specific requirements for you as the landlord when it comes to notifying the tenant of the impending termination of the lease.

When we manage your lease, your Chas Everitt agent will and make sure that the timeframes and requirements required by law are complied with.



BECOMING A LANDLORD SHOULD BE HASSLE FREE.

It's an exciting step towards generating active and passive income and you should be able to enjoy the benefits with peace of mind, knowing that your asset and interests are being attended to by a team of real estate professionals.



Common Pitfalls to avoid



FAILING TO
RESEARCH



MISMANAGING
CASH FLOW



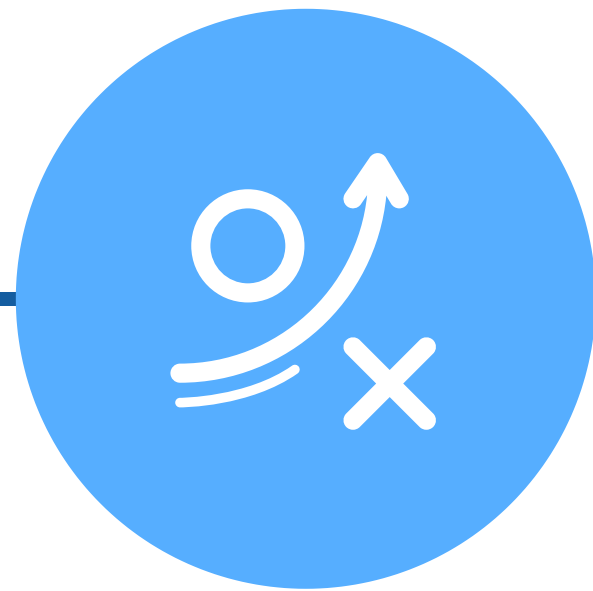
DECIDING
IMPULSIVELY



SELF-MANAGING
INSTEAD OF HIRING

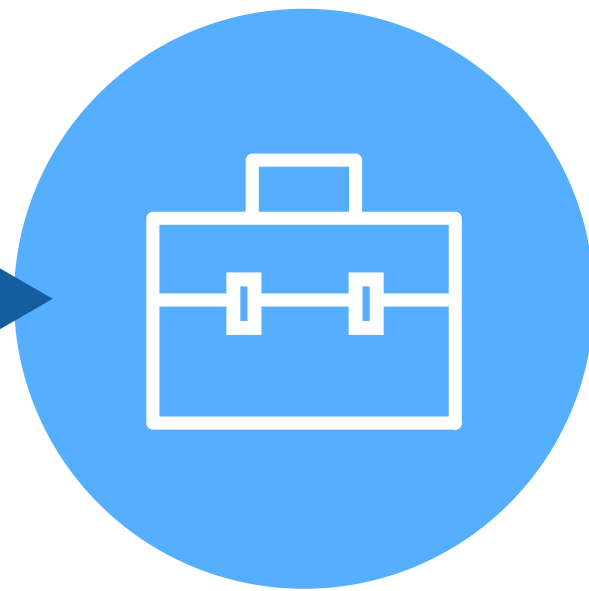
HOW WE CAN HELP

FROM PLANNING TO PROFIT



STEP 1

Readiness Check



STEP 2

Do your research



STEP 3

Preparation



STEP 4

Strategy and Goals

LET'S TALK ABOUT YOUR INVESTMENT!

HOW TO GET IN TOUCH

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The logo for Chas Everitt International Property Group is located in the top right corner. It consists of a blue rectangular box with a white curved border on the right side. The text "CHAS EVERITT" is written in a large, white, serif font, and "INTERNATIONAL PROPERTY GROUP" is written in a smaller, white, sans-serif font below it. A red and white curved graphic element is positioned at the top right corner of the blue box.

CHAS EVERITT
INTERNATIONAL PROPERTY GROUP

PROPERTY RENTALS

THANK YOU!

GUIDING YOU ALL THE WAY