

# Slow paying tenants should no longer be a landlord's headache

Owning a rental property is seen by many as an investment, but enter into discussion with a landlord and soon you will discover that it can also be a very frustrating experience.



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In many cases, the rent paid by tenants assists in reducing the landlord's mortgage on that property. If a tenant is not paying the rent on time, it might lead to the landlord defaulting on his own bond repayment. This can lead to the relationship between tenant, estate agent and landlord turning sour, as the one holds the other accountable for payments not received.

As landlords have discovered in recent years, slow payments have become increasingly common. When it occurs, it is important that you do not take the law into your own hands by changing locks or disconnecting the tenant's water or electricity. South African law protecting tenants against eviction is complicated and requires expert advice.

Marlon Shevelew, director of Marlon Shevelew and Associates, specialising in Rental Property, Commercial and Compliance Law said: "Our offices receive a number of instructions regarding perpetually slow payers of rent and utilities, which cause our landlord clients terrible stress. Often a slow payer forces a landlord to consider potentially cancelling a lease just to bring to an end the uncertainty of not knowing if rental will be available in time to settle other expenses. As opposed to a non-payer, which necessitates immediate action for the breach to be remedied, a slow payer causes the landlord to be in limbo, uncertain whether to spend time and money on reminding the tenant and chasing the payment, not to mention having to contend, on occasion, with a tenant who claims there is some grace period in law for the tenant to pay late. No such grace law exists!"

## Peace of mind

One solution to help landlords minimise the frustration, costs and loss of further potential rent income associated with slow payments is a product offering called Rentshield. Rentshield director Martin Goodman notes that the Rentshield offering protects the landlord against the stress associated with residential letting. According to him, it provides buy-to-let investors with some peace of mind concerning their investment, at no cost to the landlord.

Rentshield deals with these challenges efficiently, thoroughly and to the letter of the law. "What distinguishes us from rental guarantee products available in the market is that Rentshield is a product paid for by the tenant and not the landlord. Rentshield will pay the landlord's rent within 48 hours of the landlord lodging a claim, should the tenant not pay on the due date. If the tenant continues to default for three months, Rentshield will evict the tenant on behalf of the landlord," Goodman added.

Trafalgar Property and Financial Services recently announced that it will be offering its clients the benefits of Rentshield as an additional service. Andrew Schaefer, MD of Trafalgar Property and Financial Services, said: "Rentshield is an exciting entrant to the residential letting sector offering attractive benefits to all stakeholders: zero deposit for tenants, rental protection for landlords and vetting with inspection services for property managers. The mutually beneficial features should see this product gain traction and build momentum across South Africa."

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