

Rental agreements: 5 factors that tend to cause the most trouble

Anybody who has ever rented out a property is likely to have many stories about "tenant troubles", says Harry van der Linde, rentals principal at Leapfrog Moreleta Park in Tshwane. But forewarned is forearmed, he says, for both the tenant and the landlord, and a mutually beneficial arrangement often starts with ensuring that both parties are clear on the terms set out in the rental agreement.



Source: www.pexels.com

"Renting a property is often viewed as a temporary arrangement, which can mean the tenant is somewhat nonchalant about the agreement, and then gets caught off-guard when something goes awry," he says. "But by the same token, the landlord has a responsibility to ensure the terms of the agreement are unambiguous and discussed with the tenant."

Van der Linde shares that there are five main factors related to a rental agreement that tend to cause the most trouble for both parties. He advises tenants and landlords pay attention to the following:

Rental amount

Tenants should start by ensuring they understand exactly what is included and excluded in the monthly rental amount before signing the lease agreement.

"It may happen that costs like that of electricity, water, levies and maintenance are billed to the tenant as additional costs. Ideally, landlords should be very transparent about costs but it doesn't hurt the tenant to make doubly sure," Van der Linde shares. He adds that tenants may even be charged for once-off expenses like an admin fee for drawing up the lease agreement, the cost of having keys cut or the like.

For tenants, it is a good idea to ask the landlord to list each of the costs in writing, when it is payable as well as expected year-on-year percentage increases where relevant.



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Exit strategy

Landlords generally prefer that tenants sign a lease for a fixed period (say six or 12 months) rather than renting on a month-to-month basis. But it does happen that tenants need to exit the lease earlier.

It helps to be informed of the possible penalties payable upon early termination of the lease. Van der Lind explains that the terms in this regard tend to vary: "In some cases, the tenant automatically forfeits their security deposit, while in other cases the landlord will charge the tenant an 'early exit fee' for breach of contract, while some landlords only require that the tenant finds a suitable replacement in good time."

Tenants also need to take note of the notice period, as stipulated in the lease agreement. "It is useful to bear in mind that the Consumer Protection Act does make provision for the tenant to terminate the agreement upon giving 20 business days' notice, though the agent may then claim for any losses suffered Van der Linde explains.

A watertight rental contract will specify the course of action in case of such an event, but the onus is still on the tenant - the signatory on the contract - to ensure they're familiar with this particular clause and to confirm the ins and outs verbally with the landlord.



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Maximum rent increase

A fair landlord will want to "reward" their tenants by carefully controlling the annual rental increases by ensuring it remains in line with inflation and takes heed of market trends.

"I always advise tenants to ask the landlord if a maximum annual rent increase can be agreed upon to avoid unexpected or random price hikes. Similarly, I advise landlords to 'reward' the conscientious tenants by keeping the increases reasonable," Van der Linde says.

He adds that a reasonable and fair landlord usually won't have a problem with committing to raise the rent no more than say, 5-6% for the next 3-5 years if the tenant upholds their end of the bargain, i.e., paying on time and not causing unnecessary problems.

Landlord contact number

This may seem very obvious, but make sure you have the mobile contact number for the landlord. The landlord is the one ultimately responsible for the property and thus the first port of call when there is a problem.

"Make a point of asking the landlord for his/her cellphone number if you don't have it. An email address or

office number doesn't help much if the geyser bursts in the middle of the night or you're locked out early on a Sunday morning," Van der Linde says.

At the end of the day though, the lease agreement is a document that serves and protects both the tenant and the landlord. As such, the terms need to be reasonable and clearly understood by both parties.

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