

LETTING YOUR PROPERTY

Owner's Information Document



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About us

If you have to get a filling in a tooth, you would insist on your dentist being fully qualified and extensively trained. Shouldn't you be just as choosy in picking your property consultant? Terblanche Total Property Solutions (TTPS) is one of the leading residential and commercial letting agents and property managers in the Garden Route. We have offices across a number of towns in the Garden Route.

TTPS is a corporate member of the Institute of Estate Agents of South Africa, which gives you the assurance that our consultants are trained and fully qualified, legally registered and have access to all the supporting services that we need to provide you with the high standards of service you expect.

Our property consultants and property managers undergo continuous training to ensure they keep up with all the modern demands of the real estate industry to rent your house to the right tenant in the shortest possible time and at the best possible price. Trainee consultants work as interns under the constant supervision of senior consultants and the Principal.

Why is a guide like this necessary?

This guide has been designed to ensure that your experience as a property owner letting your home through us is a happy one. Experience has taught us that property owners have many questions. The intention is for this guide to provide you with the information you require to make informed decisions.

Property owners and investors require peace of mind. This essentially means reliable tenants, income-producing rentals and full occupancy rates. TTPS assist owners by steering them through the maze of legal and financial challenges to place expertly qualified tenants in their properties.

We take charge of the entire leasing process, from the property listing, which includes property assessment and advice, nationwide and international advertising on our website and marketing that guarantees prominent exposure, to securing leases at market-related rentals. We also provide extensive property management services to ensure you have peace of mind when you let your property.

Your letting consultant and property manager should make it easier for you and take care of all the little niggles that come from entrusting your property to other people. We will take care of your property as if it is our own.

“Nine-tenths of wisdom is being wise in time” – Theodore Roosevelt



Role

Most estate agents specialise in the selling or letting of residential property. Some estate agents also specialise in the selling or letting of commercial, industrial or agricultural properties. Our specialist property consultants will assist you with the sale or letting of either your residential or commercial properties.

Your property consultant is the link between you and the tenant. We will ensure your property is leased at the best possible price in the shortest possible time to a screened tenant in accordance with a proper lease agreement. We will also manage your lease agreement and ensure that your property is looked after.

For our professional services, we charge a professional fee, which is deducted from the Rent.

Benefits

Our consultants are experienced in dealing with the legal, financial and marketing issues of property letting. They have knowledge of different valuation models, best practices and relevant property laws. They are familiar with the local rental market, understand tenant behaviour and are able to communicate with people at different levels.

Your consultant will protect your interests to the best of his/her ability with due regard to the interest of all other parties concerned. Your consultant plays a vital role in ensuring the security of your big investment.

All our consultants are registered with the Estate Agency Affairs Board and are governed by a code of conduct, the provisions of the Estate Agency Affairs Act and other applicable laws. We are also members of the Institute of Estate Agents of South Africa.

Assessing your property

Your professional TTPS letting consultant will:

- View your property and provide you with an expert assessment of the rental potential thereof.
- Document whether or not any maintenance work is required to get your property ready for tenants. Where required and with your approval, our trusted maintenance partners will provide high-quality workmanship at preferential rates.
- Provide expert advice on achievable rental amounts. Our proprietary rental database will provide a clear picture of market-related rentals for all types and sizes of properties in all of our service areas. We add quarterly market data from the Tenant Profile Network (TPN).

Screening tenants

To ensure the right tenant for your property we will:

- Screen potential tenants in accordance with your requirements.
- Arrange to meet and personally demonstrate your property to potential tenants on prior appointment, where required.
- Perform full pre-agreement checks on potential tenants, which includes their credit records, employment status, rental profile and income and identity documents. Our TPN report combines information from sources such as Experian and TransUnion ITC to provide the most comprehensive credit history and rental behaviour profiles on tenants in the property industry. The TPN report shows a list of past rented accommodation, specialized default information from previous leases (e.g. used deposit as last month's rent, evicted from property etc.) and actual rental payment information (how the tenant has paid his rent in the past).

Listing and advertising your property

If you list your property with TTPS, we will:

- Take a detailed listing of your property with photographs to expose it to the widest audience.
- Expose your property to our extensive database of prospective tenants who might be looking for a place just like yours.
- Provide international exposure to your property on our website www.ttps.co.za, which automatically links to a number of other property websites and portals such as www.iolproperty.com and www.cyberprop.com. Our website is optimised to consistently rank in the top search engine results.
- Advertise your property in national and local newspapers such as Die Burger and the Mossel Bay Advertiser.
- Place a board outside your property (with your permission and where permitted by the authorities) to attract immediate interest. Our boards and colours have been designed to ensure maximum visibility.

Before the keys are handed to the tenant

For your peace of mind we will:

- Negotiate and sign a comprehensive lease agreement – drawn up by our in-house attorneys – with the tenant on your behalf. We are in association with a law firm, Terblanche Van der Berg Inc., which ensures that all agreements are always fully compliant with the latest legal requirements.
- Obtain payment from the tenant of the full breakage deposit, electricity and water deposit and first month's rental before handing over the keys.
- Pay the deposit, electricity and water deposit and the balance of the first month's rental to you if it should happen that you choose to manage the lease on your own.

Invoices and rent

In managing your lease, we will:

- Collect and keep the tenant's deposit in an interest-bearing account, as required by law.
- Issue monthly invoices and statements to your tenant as well as to you. Our advanced accounting systems provide for full, customised, financial reporting. We will furnish you on request with regular rental, financial and other customised reports. This includes rental income statements for tax purposes and expense and maintenance reports.
- Collect all rental payments in our trust account as they become due, clear such payments through our account and pay the required amounts to you.

Payments and communication

To ensure your lease is hassle-free, will:

- Pay recurring or once-off expenses on your behalf such as levies, electricity etc., as required by you. Municipal by-laws hold owners of rental properties responsible for water and electricity consumption on their properties. We often advise landlords to calculate an average water and electricity expense and to include this amount in their required monthly rental.
- Act as intermediary between you and the tenant in respect of all communication, issues and concerns. Some of our clients believe this alone renders the services of a professional property manager a necessity.
- Keep you well informed of all the pertinent matters regarding the lease of your property. We send out regular reports as well as a newsletter to keep you abreast of all changes to the rental market and applicable legislation.

Taking care of your property

To make sure your investment is protected, we will:

- Perform a comprehensive property inspection on your behalf every quarter or more, if required. The inspection report is furnished to you with our expert recommendations.
- Advise you of any repair work required from time to time. Where required and with your approval, our trusted maintenance partners will provide high-quality workmanship at preferential rates.
- Inspect the property on termination of the lease, arrange for the cleaning of the property, perform any maintenance work required with your approval and return the tenant's deposit. The deposit will only be returned after the tenant has paid the final month's rent, returned the keys and all maintenance and cleaning have been completed.

What if the tenant does not pay?

To ensure that your tenant pays the rent, we will initiate collection procedures immediately in the event of non-payment by tenants. Our proven collection procedure is designed to prioritise prompt payment by tenants. This includes monthly invoices and statements, automated text reminders before the rent is due, penalty reminders after the rent has become payable and prompt letters of demand.

It should be noted that we are in association with a firm of attorneys, Terblanche Van der Berg Incorporated, which will initiate further legal collection procedures (summons and judgement) if the tenant does not respond to the letter of demand. You will not be liable for the payment of the attorneys' professional legal fees as it is recovered from the defaulting tenants.

Values

As professional letting agents and property managers, TTPS is regulated by a number of laws, regulations and codes of conduct. This include the Rental Housing Act, the Estate Agents Act, the Financial Intelligence Centre Act and many more. We embrace these laws as a safeguard for the benefit of our clients. Upholding these standards should be the bare minimum you expect from your property consultants and managers.

Furthermore, we also strongly believe in upholding our own unique set of lasting values, which infuse everything we do and the way we conduct our business. These values are:

1. We will respect ourselves and others in equal measure.
2. We will always act with irreproachable integrity.
3. We will continuously strive for service excellence.
4. As a matter of course, we will always go the extra mile.
5. We will always add value to our clients and ourselves.

The mandate

- If you require us to find a suitable tenant for your property, you will appoint us with a written mandate.
- After receiving the signed mandate and required FICA documents from you, we are legally authorised to look for a suitable tenant in your property.
- The mandate will be for a specified period only. Because we want to keep our existing clients for life, this ensures you of our prompt and professional assistance.

The management agreement

- If you require us to look after your rental property and manage your lease, you will appoint us with the management agreement.
- This agreement regulates the relationship between you and TTPS. It prescribes our obligations as your duly appointed property managers and sets out the duration of the appointment.
- It gives us the authority to visit and enter your property on your behalf to perform regular inspections or maintenance, if required.
- The agreement further appoints us as your agent in dealing with all tenant queries and complaints.
- As required by law, the agreement contains a written authority to deal with receipts (such as rent payments) in our trust account on your behalf. This allows us to receive and collect rent payments on your behalf and to pay it to you.

Why do you need a lease agreement?

A verbal agreement is as binding as a written lease, but if your tenant insists on having something in writing, you must comply. It is, however, better for both of you to have your agreement in writing to set out the terms and conditions agreed upon. This may prevent later disputes.

The lease agreement binds you and the tenant. It is totally compliant with the Rental Housing Act and other legal requirements. The lease agreement is intended to protect you and the tenant. It ensures that important clauses such as deposits, rental increases, damage claims and maintenance responsibilities are dealt with in a fair, transparent and professional manner.

The lease agreement ensures that your tenant knows his rights and obligations, which safeguards your property investment.

What are the tenant's rights?

- The right to occupy the property on an ongoing basis while meeting his obligations under the lease agreement.
- The right to be consulted on matters that related to him as tenant.
- To have his/her basic rights acknowledged and respected.

What does the tenant agree to do?

- To pay the rent on or before the first day of each month, without deduction, demand or set-off.
- To use the property as a private dwelling only.
- Not to sub-let the property or any part thereof for any period.
- To maintain the interior of the property and to keep it in a good condition at all times.
- Not to do any alterations without your prior written permission.
- Not to overcrowd the property.
- To abide by the House or Body Corporate Rules at all times.
- Not to commit a nuisance.
- To return the property in a good condition (as it was found).

What do you agree to do?

- You must ensure that the property is available on the agreed date of occupation for the agreed purpose in the condition you agreed upon.
- As long as the tenant is not in breach of the lease agreement, he/she is entitled to you providing her with the undisturbed use and enjoyment of the property.
- You have to carry out urgent repairs that interferes with the tenant's use and enjoyment of the property. These repairs are not merely an inconvenience, but actually make the tenant's legal use and enjoyment of the property impossible.

Assessing the property

Your professional TTPS property consultant will:

- View your property and provide you with an expert assessment of the holiday rental potential thereof.
- Document whether or not any maintenance work is required to get your property ready for holidaymakers. Where required and with your approval, our trusted maintenance partners will provide high-quality workmanship at preferential rates.
- Provide expert advice on holiday rental amounts. Our proprietary rental database will provide a clear picture of market-related rentals for all types and sizes of properties in all of our service areas. We add quarterly market data from the Tenant Profile Network (TPN).

Collecting the security deposit and monies

- If a prospective holidaymaker is interested in your property, we will send a full quote and comprehensive terms and conditions of use and occupation of your property to him/her.
- The booking is only confirmed once the holidaymaker has paid 50% of the full quoted amount into our trust account (this account is audited annually). The balance plus a breakage deposit must be paid a week before the booked period. You will also receive a copy of the booking confirmation, which assures you that your money is safe in trust.
- We will pay the full amount due to you on the day of the holidaymakers' arrival. This ensures that nobody occupies your property without your payment being secured.
- The terms and conditions provide that the holidaymaker will be liable for a cancellation charge (payable to you) of up to 100% of the full amount payable if they cancel shortly before arrival.

Listing and advertising the property

If you list your property with TTPS, we will:

- Take a detailed listing of your property with photographs.
- Expose your property to our extensive database of prospective holidaymakers who might be looking for a place just like yours.
- Provide international exposure to your property on our website www.ttps.co.za, which automatically links to over 50 other property websites and portals such as www.iolproperty.com and www.cyberprop.com. Our website is optimised to consistently rank in the top search engine results.
- Advertise your property in national and local newspapers such as Rapport, Sunday Times and Beeld.
- Advertise your property in national magazines such as Country Life and Landbou Weekblad.
- Advertise your property in travel publications such as Your Travel Companion.

Taking care of your tenants and your property

- We will arrange cleaning services to your leased property before the holidaymakers arrive and after their departure.
- We will arrange for cleaning of the linen used in your holiday unit by our trusted service providers. Please ensure that you have at least two full sets of linen available for use.
- We will take a full inventory of your property before the holidaymakers arrive and on their departure.
- On the day of their arrival, we will receive your holidaymakers, ensure that payment is finalised and accompany them to your property.
- We act on your behalf in respect of all requests, queries and other issues raised by holidaymakers. You can just kick back, relax and enjoy your own holiday.

Placement only

- Let's imagine that you are a property owner with some time on hand so you want to perform most of the functions of an involved landlord yourself. You only need help to find a suitable tenant for your property with proper screening, collection of deposit and first month's rent and conclusion of a watertight lease agreement.
- Your investment for our professional placement services will be 6% plus VAT of the contract value of the lease. The placement fee is conveniently deducted from the first month's rental.
- Example: If your tenant signs a lease for a period of 6 months and pays rent of R4000 per month, the placement fee will be 6% of the rent multiplied by the period of the lease. In our example this would be $6\% \times R4000 \times 6 = R1440$ (plus VAT). This once-off fee is deducted from the rental in month 1 and we pay the balance to you.

Holiday Rentals

- In consideration of the professional services rendered by us in respect of your holiday unit, we charge a competitive fee of 15% plus VAT of the booking.

Management

- If you are a busy property owner who requires a fully integrated service offering by your property manager, we recommend that you make use of our combined offering to provide you with total peace of mind.
- There are no separate placement fees payable if we placed the tenant and provide the management services. Your investment for our combined placement and management services is a competitive 12% plus VAT of the rental per month.
- Example: If we manage your property and lease agreement with rent of R4000 per month, the management fee is calculated as 12% of the rent ($R4000$) = R480 plus VAT. This fee is deducted from each month's rent and the balance is paid to you.

Once-off payments and separate items

- Contract and FICA fee – R200 once-off at the commencement of the long-term lease. It is conveniently deducted from the rent so you are not out of pocket.
- Administration fee – R50 per month. This is charged to the tenant and covers bank charges, clearing fees etc.
- If required as part of our extended offering, inspection or inventory – R150 per inspection or inventory, which includes a full report to you with our professional recommendations.
- Cleaning – R180 per clean, which includes making the beds, washing the dishes, cleaning all the rooms and bathrooms, cleaning and defrosting the fridge, sweeping the floors, wiping the surfaces and collecting the linen.
- Linen – We make use of proven external service providers. One can expect to pay between R150 and R250 for washing the linen of a standard two-bedroom unit.

Twelve most frequently asked questions

Q: Am I obliged to insure the tenant's belongings as long as it is on my property?

No. The tenant must insure his/her own belongings. You are responsible for the insurance on the property itself.

Q: Should I insist on a deposit?

Most definitely. It's a good idea to put it in the lease agreement. The deposit must be put in an interest-bearing account for the duration of the lease and paid back to your tenant, plus the interest it has earned, when the tenant moves out. However, if your tenant still owes you money on moving out, or if the property has been damaged beyond normal wear and tear, you can use the deposit to pay for repairs or to cover the money owed to you if the lease agreement makes provision for it.

Q: By how much can I increase the rent when my tenant and I renew the lease?

It depends on the provisions of your lease agreement. If your agreement doesn't specify a reasonable escalation, you will have to negotiate an acceptable rent with the tenant. Our standard lease agreement provides specifically for annual escalations to the rent and the deposit.

Q: Can I increase the rent in the middle of the lease period?

Not unless your lease agreement specifically says you can. Of course, you can add a clause to the initial agreement listing specific reasons that would allow you to increase the rent (for example, if the municipal rates increase).

Q: Can I change the locks to the property and lock my tenant out if, say, he doesn't pay the rent?

No. That would be an illegal eviction. The Rental Housing Act requires you to give spare keys to the tenant if you change the locks.

Q: Will I be allowed to enter the property without my tenant's permission?

You have a right to enter the property to perform routine inspections and so on, but only after arranging with your tenant to do so at a reasonable time, and with reasonable notice. Your tenant does not have the right to deny you reasonable access. A well-drafted lease agreement will have a specific clause that will provide you with a right of reasonable access and entry.

Q: Can I take my tenant's possessions if he / she is in arrears with the rent?

Only after you have obtained a court order first. The Sheriff of the Court will then attach your tenant's property to the amount of the money due to you. Taking your tenant's possessions without a court order is regarded as theft.

Twelve most frequently asked questions (Continued)

Q: How do I evict my tenant?

You can never evict a tenant yourself. You can only seek a court order to evict a tenant if your tenant is in breach of contract.

Q: My tenant's lease expired a few months ago; how much notice should I provide?

Refer to the clause in the expired lease regarding the notice period, bearing in mind that if the lease has already expired another lease for the same period has automatically begun.

Q: If the holidaymaker books my holiday unit in advance by paying a deposit upfront, will I get that deposit immediately in my account even before the holidaymaker moves into my unit?

No, because the law states that the deposit must be put in an interest-bearing account and be paid back to the holidaymaker, plus the interest it has earned, if you are unable to provide occupation of the holiday unit when the time arrives. If the holidaymaker pays the deposit and books your unit, we will let you know with a booking confirmation. Our terms and conditions provide for a penalty fee, which could be as much as the entire booking amount, if the holidaymaker cancels shortly before arrival. Your interests are fully protected. You will receive the full amount on or shortly before the day of the holidaymaker's arrival.

Q: What are my maintenance and repairs responsibilities?

The landlord is legally obliged to maintain the premises internally and externally but the lease agreement may delegate certain responsibilities to the tenant. Tenants usually need to take care of the inside of the property. The landlord must make sure that the following is in good and safe working order: electricity, plumbing, ventilation, doors, windows. Never ignore your tenant's requests for repairs involving the habitability of the property. Remember, a happy tenant is a paying tenant.

Q: What happens to the lease if I sell my property before the lease period has ended?

Unless otherwise stated in the lease agreement, the principle of "huur gaat voor koop" applies. This legal principle means that the landlord may sell his property subject to the lease. The new owner will take over the tenant and the responsibilities of the lease for the remainder of that lease agreement.

Contact

If you want the professionals to take care of your lease, contact us today.

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“We have the experience and expertise to manage your property”



10. CONTACT DETAILS