

# Rental Amendment Act to help eliminate grey areas

Increasing the rights of tenants and obligations of landlords, the much-anticipated Rental Housing Amendment Act 35 of 2014 will help eliminate potential grey areas that could create disputes. The Act also aims at firming up the rules regarding inspections, deposits, the condition of a property and what should be included in the lease.



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Glenda Taylor, principal of Greeff Rentals, says, “This Act should improve landlord/tenant relationships and provides further protection than what is already contained in the Rental Housing Act, as well as the Consumer Protection Act. While the long-anticipated Amendment Act is yet to be gazetted, both landlords and tenants will be required to comply with the provisions of the Act immediately, for all new lease agreements, while existing lease agreements are to be updated within six months of the Act coming into effect. This Amendment Act basically stipulates a set of guidelines regarding the relationship between the landlord and tenant.”

## New requirements

The new legislation requires that the landlords must provide a written lease agreement as verbal agreements will no longer be binding. The landlord must ensure that the property is structurally sound, suitable for habitation, has adequate space, and provides basic services such as water and electricity. All these items should be addressed in the lease agreement.

## Deposits to be placed in interest-bearing accounts

It also addresses the fact that the landlord must place the tenant’s deposit in an interest-bearing account - the interest accruing for the benefit of the tenant. The deposit interest accrued should be refunded as soon as possible (usually seven days), after termination of the lease agreement. The deposit may be applied towards the payment of any outstanding amounts for which the tenant is liable under the lease agreement, including outstanding accounts for water/electricity and the reasonable cost of any repairs caused by the tenant to the premises.

## Rentals properties to undergo joint inspection at both the start and end of the lease

The Act also protects landlords from tenants who cause malicious damage to a rental property. The onus is on the landlord to inspect the property with the tenant at the start of the lease. Any defects or damages must be noted but not necessarily

rectified by the landlord and must be listed and attached to the lease agreement for later comparison. On exit, if a joint inspection does not take place, the property is assumed to be in good condition and the landlord may not withhold the deposit for repairs or damages.

## **Legal procedures must be adhered to**

The landlord cannot cut off utilities and services due to non-payment (this can only be done by the municipality) or lock a tenant out of the property without a court order, and is required to follow correct legal procedures even if the tenant is in breach. Tenants are entitled to privacy and landlords can inspect the property from time to time. Prior appointments must, however, be made with the tenants and unannounced inspections are not permissible.

Although the landlord's obligations are more onerous under the Amendment Act, the legislation protects the landlord's property interests as well, and going forward, tenants will have to comply with revised terms and conditions contained in their lease agreements. It's crucial for both parties to understand the Act, as well as their rights and responsibilities, and if both parties abide by the agreement, there is absolutely no cause for concern.

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