

**A critical evaluation of different models for the possible
privatisation of the management of state-assisted rental
housing in the Mangaung local municipal area**

By

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31 July 2002

To whom it may concern

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This work is of strategic importance.

It would be appreciated if the contents of this dissertation remain confidential and not be circulated for a period of five years.

Sincerely,

C.A. Gagiano

Declaration

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Dedication

This dissertation is dedicated to

Chiara and Chloe

Summary

State-assisted housing and low-cost rental housing are of high priority in South Africa as a result of the high unemployment rate, high poverty rate, and a critical undersupply of suitable housing. This became very important in 1994 with the first democratic election of South Africa. The aim of the newly elected government is to provide as many low-cost housing facilities to the poor as possible. A very fine balance should be achieved in the provision of low-cost rental housing and state-assisted housing to the poor.

This should be managed in such a way that it will be an ongoing facility and so that as many individuals as possible will be provided with suitable accommodation within the restraints of a limited budget. Management of the low-cost rental housing or state-assisted housing has become extremely important for local government. Effective management can make a major difference in client / tenant satisfaction and cost-effective practice.

The workplace challenge of the Mangaung local municipality represents a challenge experienced by many local municipalities in South Africa. The management of the housing portfolio is an impossible task for many. Variables to take into consideration are housing legislation, the national housing strategy, budgetary constraints, and the socio-economic status of the tenant.

A review of relevant management models was conducted. Models including those from the private practice were studied and compared. Special attention was given to all aspects of the management of the low-cost rental-housing portfolio of the Mangaung local municipality. A new model is proposed for the effective management of the Mangaung low-cost housing portfolio. This management model would be suitable for use by other local municipalities.

The model will address social upliftment, tenant involvement in management, private partnership agreements and market-related rentals to ensure continued economic viability.

Attention is given to feasibility and valuation. The implementation of the model and the timeframe for successful completion are discussed.

Table of contents

	Page
Title	1
Confidentiality clause	2
Declaration	3
Acknowledgements	5
Dedication	6
Summary	7
Table of contents	8
List of figures	10
List of tables	11
List of addenda	12
1. Introduction	
1.1 Political history – brief overview	14
1.2 Challenges associated with the legacy of apartheid	17
1.3 Purpose of this study	19
1.4 Significance	20
2. Comparison to other models	
2.1 Introduction	22
2.2 American resident management in public housing programmes	26
2.3 Cape Town Unicity council model	28

2.4 Mangaung local council model	29
2.5 Private sector models in the Mangaung local municipal area	31
2.6 Comparison	34
3. Methodology	37
Purpose, objective and scope	
4. Best practice	
4.1 Review of best practice in the industry	42
4.2 Corporate governance	47
4.3 Review of current administrative process	48
4.4 Review of the strategy of the housing department	51
5. The new model	
5.1. Presentation of the new model	52
5.2. Comparison with the American model	62
5.3 Comparison with the Cape Town Unicity model	63
5.4 Comparison with the Mangaung local municipality model	64
5.5 Comparison with the private sector model of the Mangaung local municipality	65
5.6 Feasibility and valuation	65
5.7 Timeframe and implementation	66
6. Conclusion	68
7. Bibliography	72

List Of Figures

1. **Figure 1.** The impact of the housing code and the national housing policy **14i**
2. **Figure 2.** The national organisation of the housing function in South Africa **15i**
3. **Figure 3.** Comparison of models **34i**
4. **Figure 4.** The model for management of the housing portfolio of the Mangaung local municipality **51i**

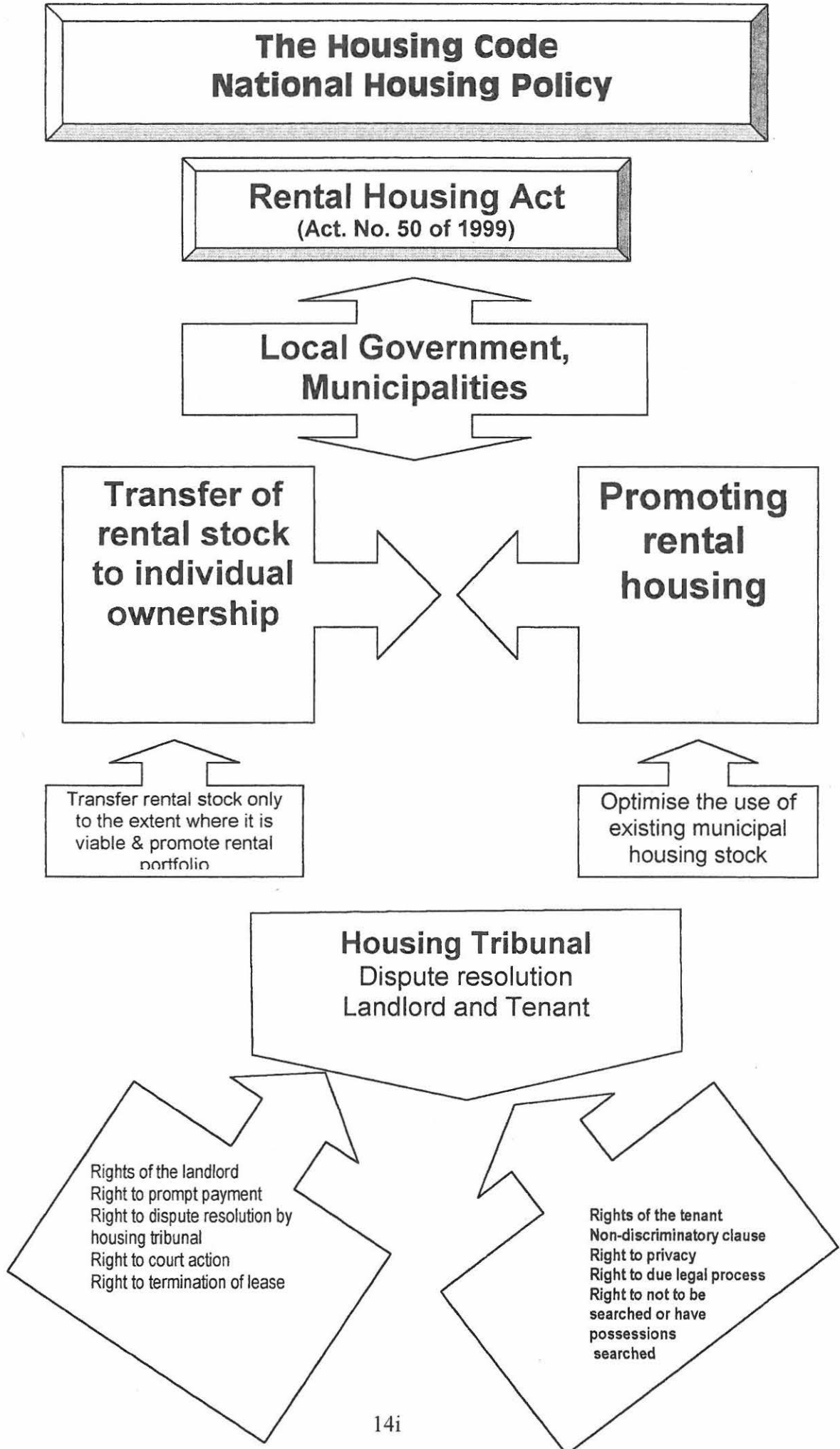
List of Tables

- **Table 1. Mean rentals** **58i**

List of addenda

Addendum A Overview of the housing code, the housing minister's speech, and other policy documentation	1a
Addendum B Questionnaire to the housing manager of the Mangaung local municipality	8a
Addendum C1 Questionnaire to the portfolio manager of Corwell Trust	26a
Addendum C2 Questionnaire to the portfolio manager of Trafalgar Property Management	37a
Addendum C3 Questionnaire to the portfolio manager of Ellenberger & Kahts	49a
Addendum D1 Data from the portfolio of Trafalgar Property Management	59a
Addendum D2 Data from the portfolio of Corwell Trust	59b
Addendum E1 Supporting documentation from Trafalgar Property Management (Including standard lease, application form and inspection report)	59c
Addendum E2 Supporting documentation from Corwell Trust (Including standard lease, application form and inspection report)	59d
Addendum E3 Supporting documentation from Ellenberger & Kahts (Including standard lease, application form and inspection report)	59e
Addendum E4 Supporting documentation from the housing department of the Mangaung local municipality (Including standard lease, application form and inspection report)	59f

Addendum F Housing Report from the Housing Manager of the Mangaung Local Municipality.	59g
Addendum G Cape Town Unicity department of housing, policy document.	59h
Addendum H Frequency histograms	59i
Addendum I Declaration of linguistic revision	



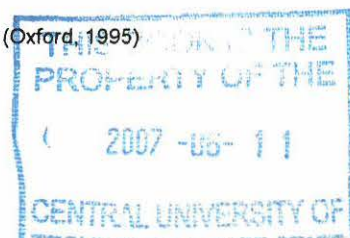
Soon a new concept known as apartheid* was born. This was maintained through a series of segregation laws.

It was through this concept, and various laws such as the Group Areas Act, that the ruling government controlled property rights and ownership. Black people were essentially denied all property rights or ownership rights in most areas in the country. The provision of housing was not seen as the national priority it is today. Different ethnic groups were kept separate and ownership rights were taken away from non-White groups.

The only housing provided for lower income groups with government subsidy or assistance was reserved for the lower income White groups. Government's mission was to improve the quality of life of poor Whites rather than that of all South Africans. It was not until the early nineties that this situation started to change, with the advent of the new political dispensation.

The majority ethnic group soon took over government with majority rule. The African National Congress (ANC) became the government of the day in 1994, and has survived an election since. Shortly before the 1994 elections, steps were taken specifically to alleviate the severe housing shortage. The Housing Accord was one of the first documents to formalise the national housing policy and was followed by the Housing White Paper, also in 1994. Section 26 of the constitution of the Republic of South Africa, 1996, states that all

Apartheid can be defined as "racial segregation or discrimination: (Oxford, 1995)



National organisation of the housing function in South Africa

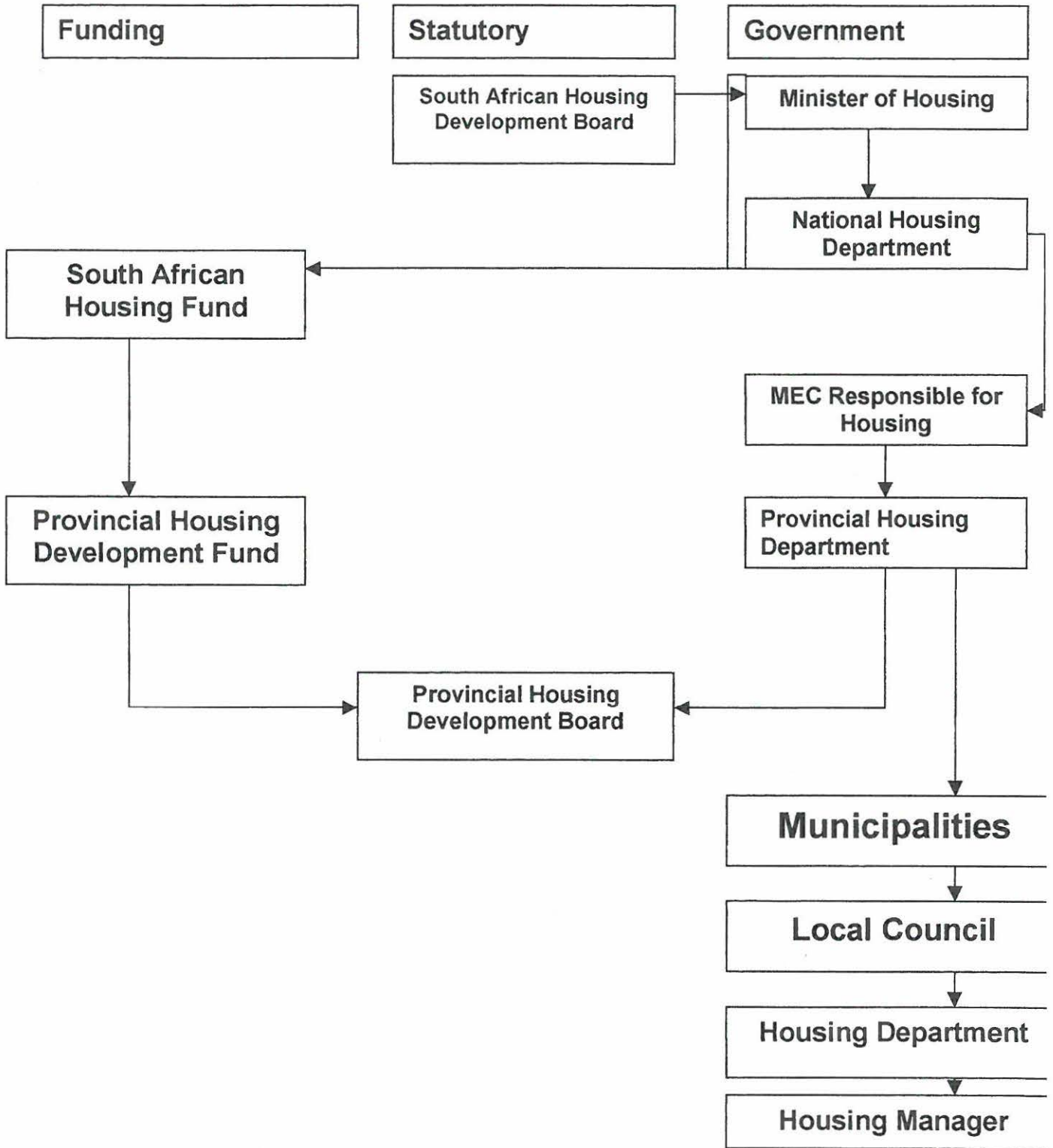
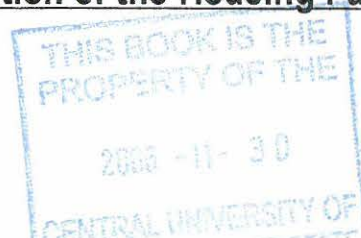


Figure 2

Adapted from “Rationalising Institutional Capacity, Fig. 5, User-friendly Guide - Housing Code” Shows the **National Organisation of the Housing Function.**



their home demolished, without an order of the court, after considering all the relevant circumstances. No legislation may permit arbitrary evictions.” This culminated in the promulgation of the Housing Act (Act No. 107 of 1997).

The biggest challenges facing the new government in alleviating the housing challenge were the severe shortages in housing.

According to an estimate done by the national housing department in 1997, there are 2.2 million people without adequate housing and they further estimated that this figure would grow by twenty thousand four hundred each year due to population growth (Knight, 2001: 1).

Another very serious challenge was the lack of affordability evidenced by the very large number of people living in the lower income bracket. According to the housing code, in 1996 fifty percent of families were living in the bracket that earned between zero and one thousand five hundred Rand per month.

Further historical challenges associated with this dilemma include the culture of non-payment for services and bonds and/or rentals. This is due to organised political boycotts in earlier years that put families in a position where they were unable to resume payments for housing or unwilling to do so. Associated with this challenge is also the challenge caused by past political history, namely inexperienced housing consumers.

This simply means that because of apartheid, many consumers have never rented or owned any housing or know anyone that has done so. Housing during the apartheid years was used as a control

This simply means that because of apartheid, many consumers have never rented or owned any housing or know anyone that has done so. Housing during the apartheid years was used as a control mechanism (Mthembi-Mahanyele, 2002). This was achieved by keeping certain population groups separate and by grouping certain communities and population groups in one area. Accommodation was reserved for specific groups of the population based on race. In addition to this, the HIV/AIDS pandemic is compounding the housing development challenge (Knight, 2001: 1). It is estimated that approximately 4.2 million people are presently infected with the virus, and this number is escalating. According to Knight (2001: 1) the estimated GDP will be 17% lower in 2010 than it would have been in the absence of the pandemic. The country in recent times has become a fully-fledged welfare state. According to Kemp (2000), South Africa spends a larger than normal portion of its GDP on welfare (about three percent in 1997). The majority of these funds go to pensions, disability and housing.

1.2 Challenges associated with the legacy of apartheid

Very little housing was built for Blacks in the years of apartheid. According to Knight (2001: 2) one brick house was built for every ten Black people compared to one brick house for every 3.5 White people in the years preceding 1994.

Due to the fact that the largest part of the population was previously disadvantaged (socially, legally and economically) a large number of

to the past. Their legacy will be with us for a considerable time, because the scars of consequential impoverishment and entrenched forms of behaviour heal slowly.” (Mthembi-Mahanyele, 2002)

“High unemployment worsens this situation, resulting in a population that cannot pay for services or housing – you cannot provide housing for a population that cannot afford it.” (Mthembi-Mahanyele, 2002)

According to the 1994 Housing White Paper, 70% of South Africa’s population is unable to afford finance and 10% to 15% is only able to afford limited finance.

A further undeniable factor according to Knight (2001: 4) is that some discriminatory practices from the apartheid era still remain and that Black South Africans are still denied loans, based on their colour or because of positioning.

According to the national housing code, housing goals are the responsibility of provincial governments and municipalities. The code also states that local government has the power to administer housing and related matters and that the national and provincial governments are required to lend support in this regard.

1.3 Purpose of this study

1.3.1 The purpose of this study is to search for possible solutions to the management challenge of the low-cost rental-housing portfolio of the Mangaung local municipality.

- 1.3.2** The purpose of this study is to develop a model within the framework of the national housing code. Care will be taken to promote the goals and strategies of the local government to provide affordable low-cost rental housing in an economically viable programme. Other models providing low-cost housing to lower income groups in South Africa and abroad will be considered to see how relevant, basic challenges are dealt with in different cultures and countries.
- 1.3.3** Attention will be given to the establishment of a market-related price for units, bearing in mind the responsibility of the local council to provide affordable rental housing to lower income groups.
- 1.3.4** The question of whether the management of the housing portfolio could be privatised effectively, resulting in significant cost savings, will also be addressed.

1.4 Significance

The significance of this study is:

- 1.4.1** To provide a framework for local authorities in South Africa, and specifically the Mangaung local municipality, to enable them to manage their low-cost rental-housing portfolio more effectively;

- 1.4.2 To provide local authorities with a reference on the industry's best practice with respect to the management of their low-cost rental-housing stock;
- 1.4.3 To promote the ideas contained in the Rental Housing Act (chapter 2b) " to facilitate the provision of low-cost rental housing in partnership with the private sector";
- 1.4.4 "To mobilise and enhance existing public and private capacity and expertise in the administration or management of rental housing";
- 1.4.5 To explore the possibility of privatising the administration and/or management of the low-cost rental-housing stock of local authorities and in this way relieve housing departments of an impossible workload and save costs for local authorities and central government.

If the above can be achieved, a significantly improved service will be rendered to low-income groups in local communities. By managing the low-cost housing portfolio in such a way that operational costs are significantly reduced, greater numbers of low-cost rental houses could be made available to the poor.

This contribution will lead to social upliftment, especially for the poor in local communities. In South Africa, with its high unemployment rate, low income per capita and serious housing shortage, this work is of major significance.

The process of addressing the workplace challenge of the housing department of the Mangaung local municipality has the potential to solve workplace challenges for housing departments of local municipalities countrywide.

2. Comparison to other models

2.1 Introduction

Models in different countries are discussed, as are different ways of dealing with the low-cost rental-housing challenge. Advantages and disadvantages of international as well as local models are highlighted. Comparisons are drawn on the local level between the existing model of the Mangaung local municipality and the private sector models. The Cape Town Unicity model is considered to be an example of efficient local municipality management of a rental-housing portfolio. An overall comparison of all the different models concludes the chapter.

2.1b Over the years the pendulum has been oscillating between rent-controlled* and public housing**. Varying preferences are encountered in different cultures and different countries. Numerous advantages and disadvantages can be listed for the two different strategies.

Jackson (2002) quotes an experienced executive assistant-director to Washington D.C.'s rent-control department as saying that it has become clear to him that rent control only hurts all those people that it was intended to help. In the same article Jackson voiced the opinion that rent control is not the answer to the challenge of curbing the undersupply of housing, but that an increase in the

Rent control – Is the imposition of a rent ceiling on a privately owned rental property (Moon & Stotsky, 1993:

1115)

Public Housing – Governmentally owned and operated housing (Koebel, 1997: 1)

supply of housing would be the only answer.

Moon & Stotsky (1993: 1115) argue on some of the main disadvantages of rent-controlled housing. Insufficient income of property owners is a major drawback of rent-controlled housing schemes. This often leads to neglect of maintenance of buildings, and a vicious circle where properties devalue and where resale values plummet is initiated. Due to insufficient income, property owners will give no consideration to the upgrading of complexes to create a stable and sustainable environment for tenants. As a result of the undersupply of suitable housing accommodation, tenants in the higher income brackets are willing to pay unrealistically high rentals. For the same reason tenants of rent control schemes often find it difficult to gain entry into a complex with suitable accommodation. To address these challenges, Jackson proposed an alternative to rent control, namely "rent stabilisation".

Despite the numerous disadvantages discussed above the city of Boston is reintroducing rent-controlled housing. According to Schweitzer (2002) officials and councillors widely support

Rent stabilisation – A measure that prevents owners from raising rent more than once annually (Jackson, 2002)

this programme. The investors (landlords) are, however, sceptical of markets with a potential for being overregulated. According to Schweitzer (2002) only two major cities in the United States still have some form of rent-controlled housing programmes, and both are in the state of New Jersey. Atkins (2002) advocates a free market system for rental housing because over regulation results in the critical shortage of rental apartments for the lower income group.

2.1c Public housing or subsidised housing.

In the International Social Security Review (Kemp, 2000) subsidised housing is described as supply side assistance. This assistance could be in the form of subsidy to a private landlord or to builders of low-cost accommodation. This is often coupled with some form of maximum price restriction as with rent control. Assistance could also be rendered through indirect subsidies such as tax relief. All the above-mentioned strategies make it possible for landlords to charge less than market-related prices for their rental units.

Another form of assistance is where the government subsidises the consumers directly to allow them to afford suitable housing. This will usually be income related and

based on a sliding scale, where the subsidy declines at the rate at which the income level increases.

Many countries are focussing their attention away from supply side subsidies and towards demand side subsidies.

(Kemp:2000)

These countries are especially focussing on income-related housing allowances. These trends are most evident in advanced welfare states. The developing world or the emerging welfare state cannot be classified in the same sphere.

According to Kemp (2000) this form of subsidy gives the consumer a far better choice, in that he/she can now rent at market-related rentals and does not have to be confined to the often stigmatised government-controlled schemes, thereby avoiding many of the social challenges associated with these social housing schemes.

This trend towards consumer subsidies or demand side subsidies has been gaining momentum in industrialised countries since the seventies.

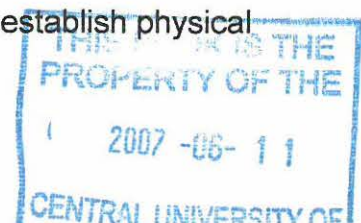
Kemp (2000) argues that income-based subsidy serves the purpose of the subsidy better in that it discriminates according to income. It recommends giving help where help is needed, rather than trying to help everybody that lives in a social housing scheme, irrespective of his or her income or housing need.

2.2 American resident management in public housing programmes

Property management of public housing sites deteriorated to such an extent in the United States of America (USA) that the only possible solution was to turn over the management of these buildings to the tenants themselves (Koebel & Etuk, 1998: 2). This process commenced in the late 1960's and came to an end in the early 1970's.

At first these initiatives were somewhat successful, and the resident management teams were able to get rid of most of the criminal and drug-dealing activity. They renovated deteriorated units and built additional housing. One of the results of these early successes of the 1980's was the US government's decision to formulate a policy on resident management of public housing. This was done to curb challenges such as escalating crime and deterioration of the assets, as well as non-delivery of services.

At the same time, important developments in the resident management programme were taking place. The concept was broadened to include community building and empowerment. This extended the responsibilities of the resident management teams, in addition to the usual property management tasks such as tenant selection, tenant management, rental collection, maintenance, etc. Community building and empowerment in this sense meant close co-operation between law enforcement officials to establish physical



security, as well as co-operation between residents and the public housing authority to help enforce the rules.

Co-operation was also fostered between residents and social service providers to increase education opportunities, job skills and employment possibilities.

According to Koebel & Etuk (1998: 4) "Tenant management by itself does not establish a management philosophy committed to consumer satisfaction". They assert that tenant management programmes have their own set of challenges in that these teams can also be unresponsive, and that the other tenants, when making normal property management decisions, may resent those in control. This results in the challenge of creating the perception that these tenant management teams are fair, unbiased and neutral.

The very nature of day-to-day property management tasks makes them difficult and can create the wrong perception of management among the other tenants. Several studies were undertaken on tenant management programmes, none of which conclusively supported or opposed the concept. One of the challenges identified in these studies was the high cost of implementation and the training of leaders. In a more recent study of Marcuse (1997) he concluded that tenant involvement in the management of their housing is critical to tenants in the lower income groups. He states that quality products, such as housing and effective and timely service, are more important factors. Tenants do not necessarily want to be involved in management or become "activists". The challenge seems to be that

management, when failing to achieve good-quality service, leaves little choice but to institute tenant-managed programmes. Koebel & Etuk (1998: 9) cite a few other studies, detailing experiences in the United Kingdom as well as the United States, which have ambiguous outcomes as to whether tenant-managed housing is the answer or not.

2.3 Cape Town Unicity council model

The Cape Town Unicity policy document follows the broader guidelines of national policy as set out in the various policy documents. It goes one step further in detailing operations and procedures in a comprehensive policy document (attached as Addendum G). This document outlines policy on waiting lists, illegal tenants, eviction policy, unauthorised structures, etc.

It is lacking in the area of rental determination and only makes brief reference to negotiating with other government spheres. The same applies to income assessments. The document seeks to pre-empt any eventuality and put in place standard operating procedures and policy to deal with all situations.

The policy, insofar as being lenient and accommodating to the needs of tenants, seeks to streamline the operation of rental-housing management.

The clear and unambiguous guidelines make operating far easier for management and staff. The size of the rental portfolio is far bigger,

thus operational procedure is far more cumbersome. The clear policy guidelines simplify this to a great extent.

As mentioned above the major shortcoming of this policy is in the determining of market-related rentals. Apart from the scientific or economic dilemma faced by administrators in determining these rentals, a highly sensitive political dilemma is also involved, no less complicated in the Cape Town case, which is characterised by a constant struggle for control by rival political parties.

The implementation of the policy in this municipal area has not been researched, as it is beyond the scope of this paper.

2.4 Mangaung local council model

The model currently prescribed to by the housing department of the Mangaung local municipality broadly follows the national housing policy.

The department has embarked on a programme of shrinking the rental-housing portfolio, although this process is difficult and administratively slow.

According to the Housing Report of 29/02/2000, the contents of which have not changed since, methods for calculating rentals were based on historical factors. The report mentions a number of factors that are considered when determining rentals.

As mentioned earlier, legislation makes it mandatory for municipalities to maintain and promote a rental-housing stock. This

should be done in a socially responsible, but also economically viable, way. This view is as expressed by the housing manager.

The key element is the determining of market-related rentals with a social responsibility discount factor. This is important for a number of reasons, the first being the preservation of the assets to enable the organisation to provide social housing or subsidised housing in the future. Furthermore, it is important to maintain social and natural environments to enable community stability and growth.

Two schemes were identified as key sustainable rental-housing schemes that had future potential as social housing schemes, while the rest of the portfolio was earmarked for transfer to individual ownership through subsidy schemes and mechanisms.

This process falls within the context of the national housing policy and the latest trend away from transferring all the available stock to individual ownership at all costs. The challenge presented by the determining of rentals is one of high complexity. As is referred to in the housing report, a situation has come about that allows people in comparatively affluent accommodation to pay less for accommodation, and this affluent accommodation houses fewer people than comparative accommodation that resembles squalor conditions. The goal is to determine a rental that is fixed within a small range for the size of a flat or unit (by number of bedrooms), taking the income level and the number of family members into account.

The municipality runs its own subsidy scheme and is responsible for maintaining a positive balance on the reserve fund.

Disposing of the identified properties to individual ownership in a timely manner, and raising the rentals in the remainder of the portfolio to acceptable market-related levels, are the indicated strategies of the housing department. This said, there is no physical strategy document that outlines strategy vision and mission.

2.5 Private sector models in the Mangaung local municipal area

This model was described following interviews with three prominent estate agents in the Mangaung local municipal area (Interview, Addendum C1 – C3). Responses varied, but the dominating factor was that of market forces that determine operational levels and standards of customer service. This is measured mainly by the growth of portfolios of residential managers and by the commercial success of the company.

The differing views of owners of blocks of flats or rental units that formed part of the portfolio dictated policy in a lot of cases. The portfolio manager has to keep “both sides” happy. On the one hand there are the owners that expect prompt payment and regular reporting. On the other hand are the tenants that expect clean living spaces with working plumbing, electrical and other installations. The biggest challenges in managing a rental-housing portfolio listed by these managers were exactly this non-payment of rentals on the one

hand and, on the other, the difficulty of convincing the property owners to authorise sufficient funds to maintain their buildings properly. This must be done while staying within the limits of the law and professional codes of conduct.

Varying levels of security were provided by the different owners of different blocks of flats; however, portfolio managers agreed that this is an issue that needs attention. The portfolio managers encouraged owners to erect safety fencing around their buildings.

Challenge buildings, when identified, were dealt with on a case-by-case basis and the help of the police was called in if necessary.

Another management tool used in this regard was the eviction of tenants found guilty of misconduct.

Practices include good record keeping, with records being updated as regularly as once a month in most cases. All three companies reported that they keep their records for a five-year period as legally required.

Apparent practices include very tight debtor control, with tenants receiving a telephone call at the beginning of the new month if they fail to pay their rental. This call is followed by a letter within two days.

The tenant is forced to make an arrangement to pay arrears and, if unable to do so, legal proceedings are instituted immediately. This results in a speedy eviction. The private portfolios surveyed had a very low bad-debt factor due to their tight control over payment.

Deposits are kept in a separate trust account and records in this

regard are kept up to date. Deposits typically include one month's rental, but this may vary according to the wishes of individual owners. Portfolio managers reported to two entities, namely the owner of the building on the one hand and the company owner (principal) on the other. The reports that they generated were essentially in the financial format. The information was communicated through a monthly owner's statement. The owner's statement would include a list of tenants, their current rental income, and payment of rates and taxes and water and electricity. This statement would also include information on any unforeseen expenses; these would, however, have been communicated to the owner telephonically at the time they were incurred.

Portfolio managers were generally in close contact with the owners of the buildings and communicated informally with them on a regular basis.

Systems estate agents employed varied from a sophisticated software program that largely automated the collection of rental and the transfer of funds to various bodies such as the local council for rates and taxes, as well as other levies that are paid, to systems that required much more manual attention in order to facilitate the process. Respondents attached a high priority to the keeping of financial records on the collection of rentals. None of the companies had an adequate risk management plan in place, and portfolio managers concerned were not sure what a risk management plan entails.

Social programmes or community upliftment were not high priorities. Understandably, due to the nature of a private rental portfolio, no attention was given to this aspect.

Portfolio managers were remunerated on a percentage of rental income basis. This amount varied between three and six percent commission, with one of the companies charging an additional six percent administration fee.

The companies in question belonged to professional bodies that govern the profession, including the Institute of Realtors and the Estate Agents' Affairs Board.

Training for personnel of the rental-housing departments of the estate agents questioned was usually non-formal experience based on job training. One portfolio manager provided personnel with the acts that govern the practice of real estate management, including the Rental Housing Act of 1999. Portfolio managers were themselves not formally trained in real estate management (this being apart from the estate agent's qualification, which is not an academic qualification but a statutory one).

However, other non-related tertiary qualifications were listed, and years of experience formed the basis of the competence for these managers.

Figure 3 Comparison Of Models

	Objectives	Service orientation	Affectivity & performance measurement
Public Sector Models	<p>To provide sustainable, affordable rental housing to lower income groups. To promote rental housing to the lower income groups.</p> <p><u>Social motive</u> Alleviate housing shortage.</p>	Tenants involved in management, low focus on service.	<p>Limited affectivity, no real performance measurement. Traditional measures of affectivity and political involvement.</p>
American		Low focus on service, social-level service.	
Cape Town Unicity		Low focus on service, social-level service.	
Mangaung Local Municipality			
Private Sector Models	<p>To manage a rental housing portfolio at a fee, and to maximise revenues through growth of the rental-housing portfolio that they manage.</p> <p><u>Profit motive</u></p>	High focus on service ,to tenant and owner of building.	<p>High affectivity measurement in monetary terms.</p>
Mangaung Local Municipality Private Sector Models			
The New Model	<p>To manage rental housing at a fee, in conjunction with local government and tenant committees.</p> <p><u>Profit motive, service driven</u></p>	Service driven, tenant feedback mechanisms and social upliftment.	High affectivity, subject to constant performance measurement.

2.6 Comparison

The main differences between the models can be found in the different motivating factors associated with each model. This stems from a difference in objective, with the most obvious difference in objective being between the private and public sectors. The public sector's objective ranges from providing social housing to lower income groups, to alleviating the shortage of affordable housing for lower income groups. The private sector, on the other hand, has a profit objective. The motivating factor for each individual landlord in the portfolios of the portfolio managers was the maximisation of profit. Landlords would spend only as much money on their buildings as was critical. Expenses would be delayed as far as possible, while still maintaining liveable conditions.

The private sector or estate agents that manage private rental-housing portfolios in the Mangaung local municipal area are motivated by growth of their portfolio and growth of their revenue streams, achieved by maximising income for the property owner on the one hand and maintaining good relations with tenants on the other.

The public housing portfolio manager is motivated by economic factors as well as social responsibility factors. Economic factors in this case are only motivation factors in as far as they make the books balance, that is, in ensuring that the expenditure does not exceed the income.

The various models that have been devised to try and overcome the challenges associated with public housing, government-sponsored housing or social housing all fail to completely address the challenge of poor service in this sector to residents or tenants. Communication or the lack thereof between governing bodies and tenants seem to be a constant challenge

The Mangaung local municipality portfolio is no exception to this. There are some positive elements to all the different models, and these can make a contribution to the management of these housing schemes in future.

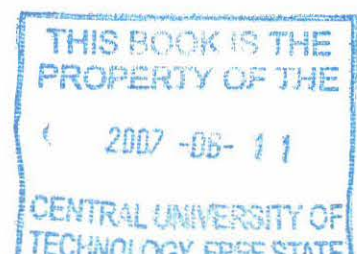
3. Methodology

A comparative study was conducted to compare similarities and differences between different models of government-sponsored housing. These models include the current Mangaung local municipality model, the Cape Town Unicity model, the American resident management model, and private sector models in the Mangaung local municipal area.

3.1 The workplace challenge to be addressed in this paper can be defined as follows:

The housing department of the Mangaung local municipality is experiencing a management challenge in its low-cost rental-housing portfolio. This comprehensive challenge includes the areas of administration, financial management and tenant management.

3.2 In the search for a solution to this challenge a literature review on the effective management of low-cost rental housing by local municipalities was conducted. Historic trends, both in South Africa and abroad, were reviewed. A management model for the management of the low-cost rental-housing portfolio of one of the larger cities in South Africa was reviewed.

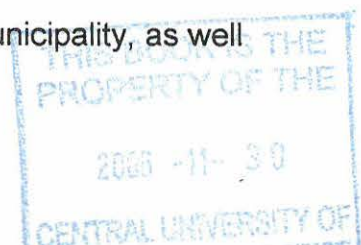


A management model for the management of low-cost rental housing in the United States of America was reviewed, as was the industry's current best practice for the management of housing portfolios. Finally the important statutory documents concerning the management of low-cost housing portfolios by government were reviewed.

- 3.3 This was followed by four personal interviews between the manager of the housing portfolio and the author of this paper. During the interviews the workplace challenge was discussed further, and more information regarding administration, financial and tenant management and the scope of the housing portfolio of the Mangaung local municipality was gathered.

Personal interviews were also conducted with the managers of the housing portfolios of the major estate agents with sizeable rental-housing portfolios in the Mangaung local municipal area. The reason for the interviews was to secure the managers' commitment to involvement in the study. All three private estate agents committed themselves to co-operation in the research project.

- 3.4 Using the information gathered from the above-mentioned literature reviews and unstructured personal interviews, a questionnaire was developed.
- 3.5 Formal appointments were then made with the manager of the housing portfolio of the Mangaung local municipality, as well



as the managers of the rental-housing portfolios of the three estate agents of the private sector, so that they could complete the questionnaires. The questionnaires for the private sector were adapted to exclude statutory issues not applicable to them. The questionnaires were completed in such a way that comprehensive information on all aspects of the management of the rental-housing portfolio would be gathered. All interviews were treated as strictly confidential and were conducted formally on an individual basis.

The information gathered from the private sector also included management of rental housing for the higher income bracket. By taking this into account, management practices can be compared. Statutory obligations should be allowed for, and social upliftment plays a more important role in the low-cost housing of the government.

3.6 In order to establish a measure of market rentals, data was collected on forty-four buildings. This data was sourced from the three estate agents interviewed. The estate agents asked to contribute figures are three of the major players in the market. The estate agents collected the data from their monthly owners' statements and compiled an abbreviated version of the figures for this paper, omitting sensitive information. The mean rental was calculated for each classification of unit (e.g. 1/2/3 bedroom) as well as for each area. An overall mean was then calculated per classification. The data was plotted as a frequency histogram.

A 95% confidence interval for the mean of the population was calculated using the formula:

$$\text{CONF}(\mu)_{1-\alpha} = \bar{x} \pm Z_{1-\alpha/2} \frac{s}{\sqrt{n}}$$

The standard error was calculated.

The results can be viewed in the attached table (Table 1).

- 3.7 By comparing the management principles and practices of the housing portfolio of the Mangaung local municipality with the information gathered through the literature review, personal interviews and questionnaires, important variables were highlighted. These variables should be addressed.
- 3.7.1 The development of more realistic and market-related rentals: An attempt should be made to make low-cost housing more economically viable. This could facilitate the upgrading of units and the creation of better facilities.
- 3.7.2 Exploring private partnership agreements: Privatisation of the management of the low-cost rental-housing portfolio should be considered if significant cost savings are to be achieved. Better co-ordination with the private sector should also lead to better service delivery and tenant satisfaction.

- 3.7.3 Improvement of management practices by implementing best practice principles.
 - 3.7.4 Active planning and implementation of social upliftment: Involve tenants in the management challenge. Develop day-care centres, adult training classes and organised recreational activities. Involve the community.
 - 3.7.5 Supporting documentation was gathered from the three portfolio managers interviewed; the same documentation was gathered from the housing manager of the Mangaung local municipality. These documents included an application form, an inspection report and an example of a standard lease agreement.
- 3.8 Taking all the above-mentioned variables into account, a new model is proposed. This model will aim to provide a solution to the management challenge and to put in place guidelines for a working relationship with the private sector. The nature of the relationship between local government and the private sector will require sensitivity to many issues, including political, legal and market conditions.

4. Best practice

4.1 Review of best practice in the industry

4.1.1 It has become exceedingly important for the management of all organisations, whether in the private or public sector, to benchmark themselves to the leaders in their industries. Managers need to develop best practice codes for their specific organisations. Best practice is more than this, though, and encompasses a range of quality measures, including total quality management and a process of continually striving to improve the operations of the organisation. A thread that runs through a range of different quality measures and best practice guidelines is the total focus on customer satisfaction and the commitment to treating every stakeholder to the organisation as if he/she were a customer.

“Best practice is an approach to productivity which focuses on the entire operations of an organisation, from top to bottom, from supplier to customer, looking at all aspects of the business in an integrated and cohesive manner.”

(Best Practice PSA, 2002)

“What distinguishes the best practice firms from others in their industries is that they see the various innovations not as independent solutions but rather as a coherent package of changes. Competitive benchmarking, team-based approaches to product and process development, closer relations with suppliers and customers,

satisfaction, flatter organizations, increased sharing of information, employee involvement in decision making, profit sharing, increased job security, a commitment to training, and continuous improvement – each of these features reinforces the others, and the entire organisation is affected by them.”
(Dertouzos, 1989)

4.1.2 According to an excerpt (What is Best Practice, 2002) the following are key elements to best practice: “management leadership and commitment, employee empowerment, team-based activities, co-ordination and integration and consultation and participation, training and education, innovation and technology, partnerships with suppliers and customers, international benchmarking, adding value for the customer in all activities, flatter structure, and integrating environmental management.”

These principles are equally valid in the private and public sectors. Their future being based on these principles, the management of the housing department of the Mangaung local municipality can largely benefit their operation. This includes better attainment of mission and vision and therefore the serving of all stakeholders.

4.1.3 As far as property management is concerned, there is a set of specific guidelines that should be followed as best practice; however, the principles are universal or generic.

Principles, according to Cain (2002), include the keeping of good records on financial aspects, buildings, tenants, suppliers, etc. It includes the need to realise the importance of the customer. This is an issue that can become very blurred in a state-assisted housing scheme. The best practice measure to use in this case is putting the customer first at all times. Managing the scheme for the bottom line is very important, even with the goal of providing social housing or subsidised housing. This is one of the most important aspects to which any property manager must attend.

Proper system: The establishment of effective systems will ensure the smooth operation of the organisation and such systems should be designed in such a way as to benefit the customer served by the organisation, as well as other stakeholders such as suppliers. It includes procedures for double-checking, checklists and IT systems, and a thorough knowledge of exactly how every detail in the system functions.

Training: Continuous training at all levels of the organisation. This includes specific training in the specialised field of property management, but also in related aspects such as dealing with customers' complaints, as well as financial and general management. Emphasis should be placed on training for all levels of the organisation, including the top manager.

Strategic plan: This will include the setting of clear, realistic and attainable goals that are measurable. It will also provide

the organisation with a clear idea of where the organisation is heading and what will be expected of everyone involved.

4.1.4 According to the Mthembi-Mahanyele (2002), “ In future, more attention will be paid to monitoring and performance evaluation to assess the various policies, strategies and programmes.” “to the streamlining of procedures, increasing administrative efficiency, ensuring quality housing products, better value for money and a broadening choice for our communities.”

The minister says that the current structure of subsidies promotes dependency on the state and that it negates self-sufficiency. He introduces a new subsidy structure whereby the individual now has an own contribution.

4.1.5 According to Koebel and Etuk (1998: 4) state-assisted rental housing creates a monopoly provider in the sense that choice is taken away from the consumer. The tenant effectively has to accept the housing provided by the landlord, irrespective of factors such as location or condition. This is the case because elsewhere the tenant would have to pay more for housing in the open market. This situation of monopoly provider has several associated challenges, not least of which is poor performance by the managers of these schemes. Managers do not have incentives to provide higher quality service such as would be the case in the free market. This, in combination

with the challenges associated with having a high concentration of lower income families, presents a serious challenge. Consumer satisfaction is the goal of all property managers (Koebel & Etuk, 2000: 4).

4.1.6 The following factors were extracted from the American National Association of State and Local Equity Funds' (NASLEF [n.d.]) best practice guidelines report, and include guidelines on the management of rental housing:

Tenant file reviews that should contain properly completed tenant applications, proof of verification of income and assets, proof of verification of qualification for subsidy if any, verification of the age of elderly tenants, and status of the rest of the household, e.g. student. It also includes **guidelines** on the management of the sites, including the physical management, a review of the condition of the neighbourhood and environment, and a comparison with other comparable properties.

In addition to this there is the **evaluation of services** available to tenants and the use of common spaces. Reports that are vital to best practice management of a housing portfolio include complete, up-to-date and timely **financial reports, maintenance reports, budgets, occupancy figures, incident reports** and **tenant complaints registers**. Top management should also make regular **personal visits** to each scheme. Adherence to **safety regulations**, including

current practice and performance against other organisations should be a regular undertaking by managers. Management should also prepare **annual reports**.

Independent external auditors should audit these activities and those of top management annually. Records should be retained for the prescribed legal period.

4.2 Corporate governance

According to Shleifer and Vishny (1997) “we look at state enterprises as a radical failure of corporate governance”. This statement does not bode well for state enterprise, or as in this case, the local government (Mangaung local municipality).

The King report on corporate governance for South Africa 2002 is a complete manual on what should be done by whom as far as corporate governance is concerned. It states that risk management is one of the key components “defined as the identification and evaluation of actual and potential risk areas as they pertain to the company or total entity, followed by a process of either termination, transfer, acceptance (tolerance) or mitigation of each risk.” (King, 2002: 73) It goes on to state that risk management entails a process of planning and controlling activities so as to minimise the total risk to the entity or organisation as a whole.

It also states that the code applies to “public enterprise and agencies that fall under the Public Finance Management Act and the local government, as well as the Municipal Finance Management Bill (still

government, as well as the Municipal Finance Management Bill (still to be promulgated), including any department of state or administration in the national, provincial or local sphere or any other functionary or institution.”

In addition, it states that the National Treasury will be issuing “good practice guides” as official directives to manage the financial affairs of such entities.

An additional issue covered by the King report is that of organisational ethics and the formulation of a code of ethics. The report states that “It should demonstrate its commitment to organisational integrity by codifying its standards in a code of ethics.” (King, 2002:37)

Best practice corporate governance can be considered as an important measure against which any organisation can compare itself.

4.3 Review of current administrative process

The housing department does not have expressed a strategy vision or mission. In the interview (Addendum B) the housing manager expressed an interest in developing a strategy for the future. The department follows broader guidelines provided by national government and seems to be plagued by the same bureaucratic challenges facing all government departments. The following factors were determined by means of an interview with the housing manager of the Mangaung local municipality:

- 4.3.1 Records are kept in the form of a file per unit, and the file remains with the unit even if tenants change. These files are updated on an *ad hoc* basis and are stored indefinitely.
- 4.3.2 Records of tenants' complaints, including maintenance complaints, are logged in a register after being received telephonically. These complaints are generally responded to within a week.
- 4.3.3 This is also the only system for tenant feedback, as no regular surveys are conducted except for spot checks at irregular intervals. During these spot checks a random number of tenants are asked whether they are satisfied with the service they receive from the housing department. This information is then conveyed to management.
- 4.3.4 In an effort to start dealing with tenant satisfaction issues, residents' committees are in the early stages of establishment. These committees are encouraged to become involved in the management of their immediate surrounds and to report unruly or criminal behaviour of other tenants or visitors to caretakers, who then report the incidents to municipal security or management.
- 4.3.5 Residents' committees are also used as a vehicle to communicate management's ideas to the community.
- 4.3.6 There are no measures in place that specifically aim to improve service, either on a once-off or continuous basis.

Tenants are not allowed any input in decision-making surrounding matters that affect them or their living conditions.

- 4.3.7 It was found that as far as social development is concerned, there were no programmes in place. No provisions had been made for the care of infants or for recreational facilities at any of the housing schemes of the housing department.
- 4.3.8 The administrative process and systems were found to be basic. The verification of tenant incomes is disallowed for the present time, as a moratorium was placed on the collection of a biannual income statement. This factor is crucial, as subsidies are currently based on income levels of the principle tenant. Incomes of other members of the household are not verified, and this leaves the system open for misuse.
- 4.3.9 Existing municipal systems for collecting payments, as well as the accounting systems are used and this results in slow reaction to day-to-day challenges such as non-payment.
- 4.3.10 Annual and biannual reports were limited in the information they provided the readers of the reports, which included internal housing inspectors. Financial reporting is limited to the minimum statutory requirements and no additional management information statements are prepared.
- 4.3.11 Guidelines for the number of tenants per household are not explicit and those of the health department and municipal laws are used. These guidelines are not enforced, and a blind eye is being turned. The trend in lower income group families is

for larger households to be housed in accommodation that is as economical as possible.

4.3.12 A waiting list is maintained and updated annually. One of the challenges faced by the housing department is fair allocation. The department has a one hundred percent occupancy rate in all of its housing schemes; thus the challenge is not one of the marketing of rental units, but rather the fair and equitable allocation of units that become vacant.

4.4 Review of the strategy of the housing department

There is no strategy documentation available, nor is a vision or a mission articulated. The strategy of the housing department is strongly dependent on the housing manager in person. From the interview with the housing manager it was clear that the management of the housing department involved a high percentage of time devoted to dealing with operational challenges, in addition to the day-to-day management tasks. Little or no operational strategy documentation exists.

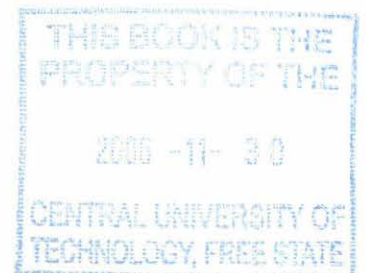
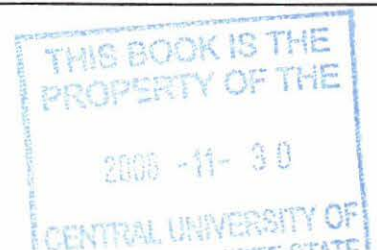


Figure 4



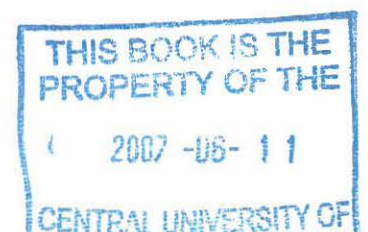
5. The new model

5.1 Presentation of the new model

The new model should comprise elements of all the models outlined above, and should take into account political, social, economic and legislated factors. The model will also be based on the broader guidelines of the national housing policy. The essential elements of this model can be described as the basic structures of a building.

First foundation: Sound administrative, operational and financial management

The new model is based on the foundations of **sound administrative, operational and financial management**. The objective of the model is based on setting clear guidelines for operating procedure and policy, and it is suggested that these could be based on the Cape Town Unicity model guidelines (attached as Addendum). These guidelines leave very little room for interpretation and make operating efficiency much easier to achieve. This extensive documentation should be developed in conjunction with management and should express the sentiment of the council for the future operation of the housing portfolio. Once these policy documents have been developed in fine detail, they should be communicated to all levels of the organisation concerned with the housing portfolio. Training of personnel in these new procedures and policies should be instituted at all levels of the organisation.



Commitment and support should be gained from top management and other levels of the organisation in order to ensure the success of the new policy.

Second foundation: The housing code, emerging national housing policy, legislation

This continues to build on the principles encompassed in the **housing code, legislation and emerging national housing policy.**

A brief summary highlighting the issues pertaining to rental housing management is included in Addendum A.

On these foundations, a “house” consisting of four pillars is built:

The four pillars are tenant management committees, a vehicle that will allow tenant involvement in matters that concern them. Closely associated is the second pillar namely social upliftment.

On the other side of the “house” is the third pillar that of the private partnership agreement, and lastly the fourth pillar – that of market related rentals.

The first pillar: Tenant management committees

These pillars are **tenant management committees** through which tenants can become involved in the management of their own circumstances as far as housing is concerned. This aspect involves community development and community involvement in some level of decision-making for tenants with respect to their own environment.

Challenges such as crime, vandalism, drug trafficking and housebreaking can be addressed, and the general safety of the environment in which the tenants live can be largely improved.

Where new policies are formulated a number of representatives will form the tenants' committee (elected leaders), while a contractor and representatives of the housing department of the local municipality will have powers of recommendation, endorsement or veto.

Documentation developed with regard to maintenance is important, because it will create the framework for the upgrading of the rental housing and is a major motivating factor in terms of support from tenants.

The second pillar: Social upliftment

Related to this pillar is the **social upliftment** pillar, which is very much dependent on the first pillar and is the factor whereby communities will develop themselves. The community could become involved in upliftment programmes, for example the establishment of day-care facilities for the children of the community, and could, with the help of the local government, institute further adult education and job readiness preparation. Programmes such as these could lead to job creation and social improvement. The transformation process is a key issue, but it will take time, and considerable resistance is anticipated from the affected communities. It is, however, imperative that this process be undertaken with great care and consideration for the affected tenants.

Information sessions outlining the long-term goal should be presented and campaigns should be launched to appeal for support from the community and their leaders. The obvious advantages should be highlighted.

The third pillar: Private partnership agreement

The third pillar is a **private partnership agreement** with the Mangaung local municipality. This agreement will be concluded between a private contractor that successfully negotiates a contract, and the Mangaung local municipality. Management of this portfolio could be more efficient and cost effective. The private partnership agreement is a business unit and profit centre. The principles of the free market system will be maintained. Through a system of measuring, the performance of instruments will be continually monitored. This will include the age of the debtors' book, measurement of levels of tenant satisfaction through regular tenant surveys, maintenance of a complaints register, and submission of a report by the tenants' committee of each scheme. Financial performance measures, such as speedy collection of rentals and proper management of the maintenance funds, will be required. It will also include adherence to safety measures such as health, fire and safety regulations, and will be dependent on timely and complete reporting from the private contractor disclosing the financial as well as operational measures that will be undertaken for each period. This partnership with local government and the housing department will have to be allocated to a suitable operator in the property market through one of the acceptable allocation practices, such as a private partnership agreement. A restricted time period will be recommended for the management contract. It is recommended that the renewal of the scheme be undertaken only after the performance criteria have

been met and that a management review committee oversees the reallocation of the contract.

The management of the portfolio's private side will have a flat structure, and an operator that is "close to the ground" will be needed. In other words, this person will have to be the operator of the business that is formed from the allocation of the contract. The private contract will be operated in accordance with the policy guidelines set out above and will be in line with all national housing policy. Close co-operation between the housing department and the private contractor will be essential. The housing manager will have to be consulted in all matters of dispute between tenants and the contractor that fall outside the scope of the detailed policy document (proposed above).

This will be a co-operative venture between the tenants' committees, the private contractor and the housing department. The private vendor will be remunerated through an administrative fee that is levied on top of the market-related rental. This levy is to be the essence of the private partnership agreement mentioned earlier. The private contractor will have an opportunity for extra revenue from administrative procedures such as the fees charged on the conclusion of each new contract, late payment penalties and other administrative procedures.

These fees should be determined in co-operation with the housing department management and should also be included as basis for the private partnership agreement.

The private contractor will drive the process of transformation. Emphasis should be placed on this part of the venture in the negotiation stages and it should be made a requirement that the contractor furnish proof of a majority part of community support with a suspensive condition. This condition should hold that if the contractor fails to secure majority community support within an acceptable timeframe, the contract lapses and the terms are to be renegotiated. A comprehensive survey of the building and all the apartments should be conducted prior to contractual obligation. This will be done in order to assess the current condition of the individual units, as well as the overall buildings.

A budget and work schedule should be drawn up. This work schedule should also be designed in conjunction with the housing department and management, and should contain realistic timeframes that take budgetary constraints into account. The outcome of the work schedule should be that all units are in a reasonable condition after the time limit and budgetary constraints have been met.

Priority should be given to urgent maintenance challenges, including running water, hot-water installations and electrical installations.

Related to this pillar, as well as intermingled with this pillar, follows the last pillar, namely **market-related rentals**.

The fourth pillar: Market-related rentals

Market-related rentals will ensure continued sustainability of the rental-housing portfolio. This is one of the key pillars of the model, as

it provides for long-term preservation of the assets of the rental-housing portfolio of the Mangaung local municipality.

A property asset that does not yield market income normally falls into a state of disrepair. The same can be said for community life and the kind of community spirit it fosters. If buildings are in a state of disrepair and are aesthetically displeasing, they have a negative impact on the morale of the community they house. If adequate provision is not made for the constant maintenance and even upgrading of the rental stock that remains in the control of the housing department, it will serve to defeat the purpose of the initial goal, namely to provide adequate and decent living spaces in sustainable rental-housing units for people in the lower income groups. Taking cognisance of this fact, one cannot lose sight of the objective and duty of the housing department, which is the provision of affordable rental housing to the lower income groups. This will be discounted from the market-related rental. Determining this factor presents a challenge, because an income-based sliding scale is currently used. See table for results of Market rentals (Table1)

On these four pillars rests the first pediment, which is related to and interacts with the first two pillars, namely social upliftment and tenant management committees.

Determining of market-related rentals

A guideline on which to base the rental structure of the rental units of the housing department was developed by means of this method. This was done in order to bring the rental charged by the housing

Table 1. Mean Rentals																
	One-bedroom Flats				Two-bedroom Flats				Three-bedroom Flats				Bachelor's Flats		Rooms	
		No. of units			No. of units			No. of units			No. of units			No. of units		
	CBD	922.15	40	36886	1053.03	67	90720	1550	2	3100	825.51	156	128780	470.91	22	10360
	Navalsig	808.89	9	7280	1146.66	24	27520	1749.03	31	54220	704.68	32	22550	480	58	27840
	Willows	1088.38	37	40270	1362.87	82	111755	1430	3	4290		0		470.92	22	10360
	Other/ Ger	917.85	45	41303	1316.89	45	59260	1600	5	8000	716.36	22	15760	470.92	22	10360
								6329.03			2246.55			1892.75		
			131	125739		218	289255		41	69610		210	167090		124	58920
	Total number of units	724	Mean	959.8397		Mean	1326.858		Mean	1697.805		Mean	795.6667		Mean	475.1613

n=	131	n=	218	n=	41	n=	210	n=	124
s=	155.2139	s=	149.2218	s=	115.4367	s=	102.5922	s=	43.45793
s/(n)^0.5	13.5611	s/(n)^0.5	10.10658	s/(n)^0.5	18.02819	s/(n)^0.5	7.079532	s/(n)^0.5	3.902637

986.4173	1346.667	1733.14	809.5425	482.8105
933.2621	1307.049	1662.47	781.7908	467.5121

A 95% Confidence interval places the rentals for each classification between the highlighted values.

department more in line with market-related rentals. Three prominent estate agents in the Bloemfontein area that specialise in rental-housing administration were asked to provide information on the bulk of their rental-housing portfolios.

Two of the companies, one of which is a national company, responded favourably and made useable data available. The third company's portfolio manager felt that the information requested was too commercially sensitive and made data of an inferior quality available. It was decided not to use the third company's data.

The data of the first two companies provided a sample of forty-four buildings.

The buildings were spread over a wide area within the Mangaung local municipality. There was a spread of different-sized units.

Data for seven hundred and twenty-four units was collected and used in total.

It should be noted, however, that a social obligation factor should still be deducted from each unit size and this should be linked to the salary of the principal tenant.

The mechanism to achieve a subsidy per unit and discount by income level scale is a rule that determines that certain income levels can only apply for a certain size unit in a certain housing scheme.

Applied properly this rule will rationalise a major current challenge, that is, tenants who occupy accommodation they cannot afford and who are subsidised beyond the normal obligations of the housing department.

The first pediment: Transfer of current rental stock to private ownership

The first pediment is **transfer of rental stock** to individual ownership. This step involves the rationalisation of the rental-housing portfolio in order to ensure sustainable delivery of service in terms of retaining a rental portfolio that is manageable in terms of resources, both financial and human. The next objective of the model is the transfer of all non-sustainable rental-housing stock to individual ownership. This includes mostly widespread loose-standing units with multifamily or single-family tenants. These units are spread over a large geographical area and are difficult to control, both administratively and operationally. The maintenance cost levels associated with such a widespread and diversified portfolio are high and cumbersome to administer. Levels of service to tenants are questionable at present.

The aim with the downsizing of the portfolio is to make the remainder of the portfolio more sustainable and, through ownership, to improve the circumstances of those tenants whose units will be transferred to them.

It is proposed that an action plan be drawn up that identifies all the challenges that hamper the speedy transfer of this rental-housing stock to the current tenants. Once all the challenges have been identified – and these may include cumbersome administrative processes, social challenges in the community, economic obstacles

and resource allocation challenges – concrete and progressive steps need to be outlined on how to deal with each of these issues.

Furthermore, a timeline must be identified and a definite, realistic time schedule must be developed in conjunction with the management of the housing department. The entire process must be conducted in conjunction with all other government departments that are involved, including the provincial housing ministry. The community should be consulted and informed at all levels and leaders should be included in the process. The process should also be undertaken according to the guidelines as set out in the housing codes and other policy documents of the national government.

The second pediment: Promotion of a viable rental portfolio

This step is not only legislated but is an essential service that the housing department provides to lower income groups that cannot be accommodated otherwise. The national housing minister clearly stated in his 2002 budget speech that too much emphasis has been placed on ownership in the past and that a healthy, sustainable rental-housing stock for lower income groups should be maintained and promoted by local municipalities.

The third pediment: Strategy, mission and vision

This leads to the next pediment that constitutes the model, namely one of an articulated **strategy, mission and vision** for the housing department, as well as for the model of co-operation for the private partnership agreement.

It is important for the housing department to articulate a clear strategy, mission and vision for the future.

The gable: Governance

Governing the model: The entire model falls under the auspices of the housing department, the housing manager, and the Mangaung local municipality. The result is a process of continuous interaction between the private contractor, the tenants through their management committees, and the local government entities.

5.2 Comparison with the American model

This new proposed model compares to the American model in as far as elements of resident management in public housing are used. A level of decision-making is proposed for the tenant management committees. The level of decision-making is limited to day-to-day management issues of each project. A committee, consisting of members of the tenant management committee, representatives of the housing department and representatives of the private sector, was proposed to discuss policy matters and veto new policy if necessary. This is in contrast to the American model where all day-to-day management and decision making was turned over to the resident management committees.

The new model will provide tenants with a sense of ownership and entitlement via the representatives elected to the committee. Tenants will not, however, be involved in the management of the rental-housing schemes, as the private contractor will deal with the day-to-day management and administration.

5.3 Comparison with the Cape Town Unicity model

The Cape Town Unicity model is strong in the explicit and clear operational guidelines that rule out much of the decision-making by personnel on the ground. This ensures a greater level of fairness in dealing with challenges, and this policy also rules out a lot of ambiguity in decision-making. Operational procedures are simplified and administration is streamlined.

The proposed use of most of the policy for guidelines in the operational policy of the new model to a great extent aligns the two. Obvious disparities include the fact that the Cape Town Unicity model makes no provision for social upliftment programmes or initiatives. This model does also not allow for any decision-making on the part of the tenants or residents. It also does not allow for any participation from the private sector. Only brief mention is made of the determining of rentals, and apparently a consultative process with other government departments and politicians will have to be engaged in before rental prices can be determined. The new model suggests a scientific determination of a market-related rental. These elements are the pillars on which the new model is based. Emphasis

in the Cape Town Uni-city model is placed on operational policies and procedures, rather than a wider view of the complete management challenge.

5.4 Comparison with the Mangaung local municipality model

Currently the Mangaung local municipality model is based on the broad policies of national government. No clear strategy is followed, but the new model provides clear guidelines for solving the challenges associated with the management of the portfolio. Co-operation with the private sector as proposed is aimed at reducing costs for the government and ensuring the continued viability of a sustainable rental portfolio. This is achieved partly through the adjustment of rentals to an acceptable level that is closer to market rentals than is currently the case. The current size of the portfolio of the Mangaung local municipality rental portfolio is a contributing factor to making it economically non-viable. The other factor results from the design and layout of some of the housing schemes within the portfolio, as well as cultural factors, resulting in the economic non-viability of these housing schemes.

The new model suggests that the rental-housing portfolio be somewhat aggressively rationalised, thereby ensuring a sustainable and economically viable portfolio. This remaining rental portfolio is to be managed as a three-way partnership between tenants, local government and the private sector.

5.5 Comparison with the Mangaung local municipality private model

Points of intersection between the new model and the private model of estate agents that manage rental-housing portfolios in the Mangaung local municipal area include: pursuance of good administrative practice, tight control over the debtors' book, quick response to tenants' complaints, and a general target-driven approach. Whereas the private estate agents' model schools itself purely on the free market principle (the market dictates the level of business and profit), the new model has built-in measures in the private partnership agreement that put in place certain performance measures whereby the private contractor's service could be measured. Negative results in these performance measures could result in the housing department cancelling the agreement, resulting in serious losses for the private contractor.

5.6 Feasibility and valuation

The new model proposed makes use of elements of different models and incorporates them in a management model that takes diverse factors into account. The new model is one of co-operation between different stakeholders that have differing interests and different agendas. The design of it is such that it facilitates co-operation between a private contractor, local government and tenants. The strength of the proposed model is that the knowledge and experience

available in industry have been evaluated, results have been compared, and the best variables selected for future practice. A process of learning will be undergone by all involved and sufficient liquidity of concepts needs to be built into the model and implementation phase in order to ensure successful transformation of the rental-housing portfolio. Challenges that will be incurred include resistance to change by tenants, housing department personnel and other stakeholders. Other challenges include difficulty in the transition stages in terms of the handing over of procedures. Administratively this could pose serious challenges to both the Mangaung local municipality housing department and the private contractor. Factors such as transfer of the debtors' book and maintenance schedule could pose serious challenges administratively. Other challenge areas include that of informing tenants of new procedures that are implemented, for example payment of rentals. The development of working relationships with personnel of the Mangaung local municipality housing department and the establishment of parameters of co-operation are areas that need special attention in order to avoid conflict.

5.7 Timeframe and implementation

This new model will have to be phased in over a period of time. Following negotiations with the Mangaung local municipality, the process of obtaining approval for the private partnership agreement

must be concluded. Indications are that this may take several months.

A process of informing stakeholders has to be launched. This process will begin with educating tenants, campaigning for support, implementing tenant management committees, and launching a general information campaign. This can best be done in the form of workshops and small group interaction.

Resistance to change is expected from tenants. Through several measures, some of which have been discussed above and which include the phasing in of change over a longer period of time, implementation could successfully be achieved. The private partnership agreement makes provision for the private contractor to furnish proof of having obtained support from the majority of the community concerned.

6. Conclusion

The housing portfolios of the Mangaung local municipality and other local municipalities in the country play a very important role in South Africa's new dispensation. Due to the high unemployment rate and high poverty levels, the provision of appropriate low-cost housing or state-assisted housing is of vital importance.

The management of the housing portfolio is very complicated and challenging. Some of the challenges presently experienced are

historically inherited. Management procedures are also historically inherited and either prove to be ineffective and unable to cope with the complexity of management or have not effectively been executed. The management procedures are also not fully adapted to the philosophy of the new democratic government.

As a result of the very important role played by low-cost rental housing in a service to the poor and in social upliftment, effective management is vital for this portfolio.

This study found that the management challenge experienced in the housing portfolio is not caused by a lack of management skills on the part of the manager, but rather by an inappropriate management system. An objective evaluation and rationalisation of the existing management model of the housing portfolio has to be done.

After studying various models for the management of low-cost rental housing in South Africa and abroad and comparing them with the models used by the Mangaung local municipality and the private sector, a new model was developed to address existing challenges. The four important pillars of the new model are social upliftment, management involvement by tenants, private partnership especially in the management of the portfolio, and market-related rentals, to ensure continued economic viability. These objectives are also in line with the national housing policy.

The model addresses the challenge of social upliftment, economic viability and sustainability at the same time it is unique in its approach to involve both the private sector and the local

communities. Fundamental to the success of the model is effective implementation and management. This model is developed against the background of the existing situation in South Africa.

Important variables taken into consideration are the high unemployment rate, low per capita income and poor living conditions. If implemented effectively it will transform the existing scene of rental housing portfolios for local governments.

By implementing an effective management programme, a win-win situation for everybody concerned will be ensured.

Private partnership can bring about management skills and knowledge, as well as skills in social upliftment. The state will benefit through cost saving and thus be in a position to make more units available for low-cost rental. Tenants and communities will benefit from social upliftment and increased accommodation. The private sector will benefit from possible job opportunities. To successfully implement the model the co-operation of the tenants, local communities and private sector is vital.

The model will address the existing management challenge experienced by the housing department of the Mangaung local municipality. It will also address similar challenges experienced by other local municipalities in South Africa. The private sector responsible for the management of rental housing will greatly benefit from this model. If implemented by the private sector, a transformation of the existing housing portfolios will take place with significant benefit to the consumer.

This research study gave the author insight into the complexity of the management of low-cost rental housing. Specialised skills and knowledge are required. The research also highlighted the need for co-operation between the state, the private sector, local communities and the housing consumer.

Private partnership agreements will make available the skills, knowledge and expertise of the highly competitive private sector and should be used to benefit both the state and housing consumers. Further research is indicated in the area of establishment and promotion of low-cost rental-housing schemes. The possibility of private-sector-driven portfolios should be examined. This is vital in a country like South Africa with limited per capita resources and a serious housing shortage. The area of social upliftment in the communities qualifying for low-cost rental housing deserves special attention from researchers in the field of behavioural science. Further research is also indicated for possibilities to transfer larger sections of low-cost rental housing to qualifying tenants. This will enable local municipalities to provide low-cost rental housing to new consumers, thereby promoting their rental-housing portfolios.

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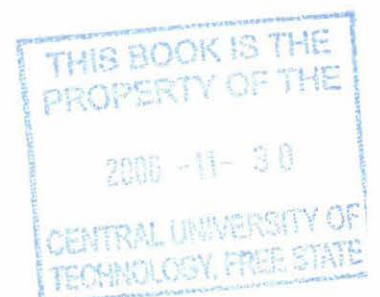
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Addendum A Overview of the housing code, the housing minister's speech, and other policy documentation.

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Addendum A

An overview of the housing code, ministerial speech, and other policy documentation pertaining to the management of a rental-housing portfolio for local government

The housing code – Brief overview

The housing code of South Africa is the documented expression of the total housing policy of government. It encompasses various other policy documents and acts that make up the housing code. It should be noted at this point that the mission and vision as expressed in the housing Code is very important, as outlined in the Housing Act (Act 107 of 1999): “The establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households, and communities, in areas allowing convenient access to economic opportunities and to health, educational and social amenities, in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to

- (a) permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements; and
- (b) potable water, adequate sanitary facilities and domestic energy supply.”

“The vision is also reinforced in the urban and rural development frameworks, which extend the vision to focus on improving the standard of living of all South Africans, with particular emphasis on the poor and those who have been previously disadvantaged.” Housing code

The history of the housing code and its formulation commences prior to the 1994 general elections and continues to this day. It is a living document that is revised annually. The formation of the National Housing Forum signified the start of this process. It comprised nineteen different stakeholders who represented business and government developers, etc., but it was a non-governmental body.

The government of national unity in 1994 used these negotiations to formulate the national housing policy. The National Housing Accord was signed in October 1994 and articulated the common vision of all stakeholders that represented the South African national housing policy. This document, the National Housing Accord, was soon followed by the Housing White Paper (Dec. 1994). The White Paper sets out the framework for the national housing policy, and all guidelines that followed new policy documents fell within the framework of the White Paper. (User-friendly Guide)

The Housing Act of 1997 followed (Act No. 107 of 1997). This Act legislated and formalised the national housing policy and also clarified some roles and responsibilities of different levels of government. This was followed by the Rental Housing Act of 1999 (Act No. 50 of 1999). There are also a number of housing initiatives that form part of the framework of the housing policy. These include the Reconstruction and Development Programme (RDP), the Growth, Employment and Redistribution Strategy (GEAR), the urban and rural development frameworks, as well as white papers and policy frameworks pertaining to local governments and the public service.

Excerpt from the housing minister's 2002 budget speech with regard to rental housing

Indications were that too much emphasis was placed on ownership in the early stages, due to obvious historical factors.

A more balanced view is now held and attempts are under way to normalise the rental-housing market. According to the minister there is a lack of comprehensive housing policy and steps are being taken to change this situation. He refers to the Rental Housing Act of 1999 and the way it entrenches institutional mechanisms to hold and manage housing stock on a sustainable basis. A draft social housing policy is being completed and this will be the initiative from government's side to promote rental housing.

(Mthembi-Mahanyele, 2002)

The housing code pertaining to the problem of rental-housing portfolios of local authorities in South Africa

The Housing Act, section 32 (b), states that the minister must set broad national housing delivery goals and that, in addition, provincial governments and municipalities must also set housing goals. The white papers referring to local governments have relevance and bearing on this paper. The Act also states that local government or municipalities are responsible for administering housing and all other related matters. The most important document relating to housing rental is, of course, the Rental Housing Act of 1999, discussed in more detail below. The housing code also has as a strategy and a goal, namely the transfer of rental housing stock of local councils to ownership of individuals. To date, 370 000 of these units have

been transferred to private ownership, while another 350 000 are also scheduled to be transferred.

There were initiatives to support this, including the discount benefit scheme, which promotes home ownership for long-term tenants occupying the state-financed rental stock since before 15 March 1994, as well as the housing subsidy scheme. The other act contained within the housing code is the Local Government Transition Act of 1993 (Act No. 209 of 1993). This Act requires municipalities to prepare integrated development plans, as well as land development objectives developed in terms of the Development Facilitation Act. Key principles subscribed to by the housing code are partnerships and people-centred development, skills transfer and economic empowerment, fairness and equity, choice, quality, innovation, transparency, accountability and monitoring, sustainability, and fiscal affordability.

The fourth chapter of the Housing Act of 1997 outlines the role of local government with regard to the housing issue. It states that municipalities should promote the development of housing for those people that did not previously have access to housing.

Transfer of rental stock to private ownership

In his paper on the housing code, Knight (2001) states that 370 000 units of rental stock have already been transferred to full private ownership, but that there is a further 350 000 units to be transferred nationwide. This seems to be a conservative estimate, as a high number has been identified for transfer by the Mangaung local council housing department alone. As mentioned earlier in the budget speech of the minister of housing, the emphasis is shifting away

from an attempt to transfer state housing-stock to full private ownership at all costs.

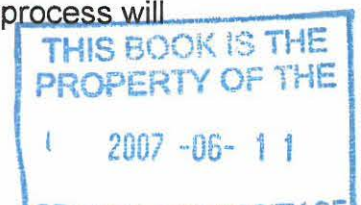
This does not mean that the council will be halting the transferral of large sections of its rental housing stock, but it does mean the careful evaluation of schemes that would be viable to continue as rental stock and those that must be transferred to private ownership.

This transfer of housing is a slow and administratively tedious process. According to the housing code this process is achieved through several mechanisms. The discount benefit scheme is of importance to this paper. This scheme applies to tenants who have been occupying a state-financed rental-stock unit since before March 1994.

Formal housing is predominantly involved in this process. Tenants receive a maximum discount of up to seven thousand five hundred Rand. This is calculated according to the historic cost of the property. Balances above the subsidy have to be financed by the tenant through his/her own resources or a home loan.

Out of the full portfolio, the majority of units that have been identified for transfer are single, loose-standing units, including buildings that are free standing and which are shared by two families. These shared units still pose a problem for the council, which is looking for ways to bring the process closer to the transfer stage. The units identified for transfer are spread over a large area.

Two schemes have been identified as strong possibilities for continuing the rental portfolio of the council. This is largely due to viability factors such as the actual structure of the buildings as well as their position. The process will



leave the council and the housing department with a relatively small portfolio of approximately four hundred units comprising bachelor and one-, two- and three-bedroom units. The buildings are in a fairly good condition and show potential for upgrading and renovation.

The Rental Housing Act of 1999

This Act is important in defining the government's role in the rental of housing and also in assigning government's responsibilities towards this issue. The preamble to the Rental Housing Act is described as a key component of the housing sector in South Africa.

Chapter two of the Act describes government's responsibility to promote rental housing. It starts by saying that the government must, through the introduction of incentives, mechanisms and other measures, promote a stable rental environment that meets the demand for affordable rental housing, especially among previously disadvantaged communities.

In the following subsection it states specifically that the government must facilitate the provision of rental housing in partnership with the private sector. It goes on to say that these measures mentioned above have to optimise the use of existing municipal infrastructure. It also wants government to "mobilise and enhance existing public and private capacity and expertise in the administration or management of rental housing", an important factor to this paper.

In the next section the Act states that the minister, as part of a national housing programme, may introduce a rental-housing subsidy or other

assistance measures to stimulate the supply of rental-housing property for low-income persons.

In general the Act seeks to prioritise the provision of additional rental housing for the lower income groups through co-operation between the private and public sectors and the implementation of various mechanisms to fund this. Chapter three of the Act deals with the relationship between landlords and tenants specifically in terms of the lease agreements. Here we need to highlight a few issues, the first being a non-discriminatory clause, and then, as far as tenants' rights are concerned, the following clauses: the right to privacy, the right not to be searched, the right not to have possessions seized without due legal process, and the right not to have privacy of communication infringed.

As far as the rights of the landlord are concerned, the Act includes the right to demand prompt and regular payment of rental or any other charges that may be payable in terms of the lease. It also makes provision for the recovery of unpaid charges through the housing tribunal. It gives the landlord the right to terminate the lease and to repossess the property in a case where a court order has been granted. It grants the landlord the right to receive the property back, in good order, upon termination of the lease, and the right to claim damages should it not be in good order. The Act then follows with a few references to the lease itself. Chapter four deals with the rental housing tribunal and the way in which it will operate.

Addendum B Questionnaire to the housing manager of the Mangaung
local Municipality.

Addendum B

The housing manager for the housing department of the Mangaung local municipality completed this questionnaire.

Questionnaire

Question 1

Is the municipality in a process of transferring rental stock to long-term tenants, and if so, through which programmes?

Yes, the housing department is in the process of transferring units to private ownership. This is done through the model where, when long-term tenants that occupy houses of which the stock is worth R7500 or less, the units are transferred free of charge. However, there are no more subsidies from central government.

How many units is the municipality planning to transfer, and could you identify them?

There are only two housing schemes that were identified for long-term development as rental stock. If possible we would like to see the transfer of most of the other units to individual ownership. The two schemes that we would like to keep for rental stock are Brandwag and Bloemhof.

Question 2

Is the municipality part of any national housing subsidy scheme in terms of the Rental Housing Act of 1999, and if not, where does the funding come from? Please give details.

No. There are no more subsidies available from national government. The housing department handles its own financing and there is a reserve fund that losses or profits are played off against.

Question 3

Does the housing department have a strategic plan in place as far as its rental-housing portfolio is concerned? Does the housing department have an operational plan in place as far as the rental-housing portfolio is concerned?

No. We would like to see the development thereof and it is definitely planned for the future.

Question 4

Is there a record of tenants' complaints, e.g. a complaints register?

Yes.

Question 5

Are there records of maintenance requests by tenants?

Yes.

Question 6

Are there records of criminal activity at the different rental schemes?

Sometimes.

Question 7

Is there a list of late payers as well as non-payers?

Yes.

Is there a tenant profile record regarding financial compliance?

Yes.

Question 8

How regularly are reports compiled on each scheme and what factors do you include in those reports?

Yes. Biannually.

Question 9

How long are records stored, and what records are included?

Indefinitely, one file per unit.

Question 10

Are records concerning fire and safety matters kept?

Yes.

Question 11

To what extent are the incomes of different families verified?

In the past tenants were required to complete an income statement biannually. A moratorium has been placed on this practice since, for an indefinite period.

How often are these records updated?

Records that are available on file are used.

Question 12

Is there a waiting list of tenants wanting to obtain rental housing?

Yes.

What details are entered into this list?

What criteria must be met before you can enter someone on the waiting list?

Married. Single with dependants staying with you, to whom you make financial contributions.

Are records kept of tenant application forms?

Yes.

How often is the waiting list updated?

Annually.

Do records include details on the entire household or only on each principal tenant?

Records mainly include details on the principal tenants.

Are details of elderly, disabled and student status of each member recorded?

Yes.

Are application forms properly completed?

Yes.

Question 13

Are physical, signed leases kept, and if so, how often are these files updated?

Yes, leases are kept in the unit files. We try to update them with annual inspections.

Are all the leases current?

Most are.

What is the term of the standard lease?

The leases are open-ended, the tenants have unlimited time in the units. This is something we would like to change.

What percentage of units is still occupied by the person who holds the original lease?

These problems come to our attention with our biannual inspections.

Approximately 90% of the tenants are the original tenants.

Do you experience problems in this area?

We do experience lots of problems in this area.

Question 14

How often are properties and individual units inspected?

Individual units are inspected once every six months, as well as when complaints are received.

Are inspection records kept, and if so, what details do they record?

Yes. They are detailed documents on all faults per unit.

Are properties physically inspected when there is a change of tenant and are records kept?

Yes.

Question 15

Do tenants have to pay deposits, and if so, how are deposits calculated?

Yes. The deposits equal one month's rental to a minimum of four hundred Rand.

Are these deposits kept in a separate account?

Yes, deposits are kept in a separate account.

Are records regarding deposits maintained, and if so, what is the procedure?

Yes, these records on the deposits are kept through the accounting system whereby every unit has a separate vote number.

Question 16

Are housing department personnel trained in the principles of real estate practice?

No.

Is management trained in the principles of real estate management?

Management was trained in the principles of real estate management to a limited extent.

How many levels of management are there within the housing department structure, and what are the minimum academic requirements for each level?

There are many levels in the housing department. Training levels range from standard eight to tertiary qualification.

Are there programmes in place to develop the staff of the housing department?

We have a training and information session planned with the University of the Free State.

Question 17

What records are kept on physical site management?

Caretakers are in charge of site management: no actual record is kept.

What records are maintained on the condition of the neighbourhood?

There are no records kept on the neighbourhood at present.

How often are these records updated?

Not applicable

Question 18

Who is responsible for housing reports and the preparation thereof?

Housing inspectors, and the council has to be reported to. The housing department manager prepares the reports.

How regularly are reports prepared?

The reports are prepared every six months.

Question 19

Are regular budgets prepared for each housing scheme?

Yes, budgets are prepared annually with financial year-end.

Who prepares the financial statements?

The housing department manager prepares the statements.

Are regular audits conducted on the financial affairs of the department and any funds that it administers?

Audits are conducted annually. An internal audit is followed by an external audit.

Question 20

What efforts are being made to maintain good relations with tenants?

We want to get the establishment of residents' committees under way as soon as possible.

What efforts are being made to ensure good service?

Complaints get noted on both the unit files and in a book; additionally “spot checks” are undertaken monthly. This entails visiting random units at different housing schemes and obtaining a clear impression of tenant satisfaction.

How are service complaints dealt with?

Service complaints are received both telephonically and noted in a book. They are dealt with later.

Are surveys measuring consumer satisfaction conducted?

No, there are no formal surveys.

Question 21

Are tenants allowed any input regarding decision-making in matters that affect them or their living conditions?

Tenants are not allowed any input at this stage, but we are working towards that point through residents’ committees.

Question 22

Are penalties imposed on late payment?

No.

How are these administered?

Not applicable.

What steps are taken in terms of the collection of outstanding rental?

Tenants get a monthly statement. After the tenant is in arrears for three months he gets a notice. If the tenant is still not compliant and arrangements are not made for the paying of arrears, the tenant is then handed to the

external legal team for collection. The legal team follows that course of the law.

Question 23

How soon do you respond to tenants' complaints?

We try and respond within one week.

Question 24

What is the eviction policy of the housing department?

The housing department does not have an eviction policy, apart from what was described above in the legal procedures.

What is the procedure followed?

After the tenant has not complied with demands after three months he is handed over to the legal team.

Question 25

Has the housing department ever considered privatisation of the management of its rental-housing portfolio?

Yes. We have never successfully negotiated with a private contractor.

The proposals that we have seen, have never met our criteria.

Does the housing department use the services of external consultants to improve its operations?

No.

To what extent does the housing department see itself co-operating with the private sector?

If we were to co-operate with the private sector, a private contractor would have to take over the complete administrative function.

What advantages might privatisation hold for the housing department?

The co-operation agreement, or pp, could result in cost savings that in turn could lead to a situation where the portfolio is operated in a positive financial manner. This said, the aim of the housing department is not to make a profit but to be able to provide an efficient service to all, without this costing money in terms of subsidising the portfolio.

Through what mechanisms could the co-operation with the private sector be initiated? (e.g. tenders)

This will be done through “pp’s” or private partnership agreements.

Question 26

What duties and responsibilities would the housing department like to see a private contractor take over?

The complete administrative function would have to be taken over by a private contractor.

What guidelines or policies govern this procedure?

The mechanism that is used is private partnership agreements; the parties involved must negotiate the terms of which.

Question 27

Who would make decisions regarding privatisation?

The council would make decisions regarding privatisation.

What is the process that would have to be followed?

The process will include negotiation of the contract, recommendation by the housing department manager and the approval of the contract by the council.

What would be the timeframe for this process?

Three months at most.

What are the major obstacles to privatisation?

Council approval; no other obstacles that come to mind.

Question 28

In terms of administration, what systems are in place? How are rentals collected?

Tenants must pay their own rentals at municipal cashiers.

Are there systems in place to enable tenant feedback?

The only system in place for tenant feedback is the complaints register.

Question 29

How does the housing department deal with crime and criminal activity in Mangaung local council housing schemes?

The municipal security department deals with criminal activity within the housing schemes.

What programmes are in place for community upliftment?

None. The residents' committees are being established to deal with these issues.

Are there programmes in place to facilitate adult learning?

No.

Are there community-based day-care centres for tenants?

No.

Are there social care programmes in place?

No.

Are alternative arrangements made for accommodation for evicted tenants?

No. Not at this stage, this could lead to problems in the future, however, and plans will have to be put in place to deal with this problem.

Question 30

What is the process for transferring rental-housing stock to individual owners?

The process involves extensive consultation with politicians and the community.

How many units are in the process of being transferred to private ownership and what is the timeframe for this process?

It is a slow process and not as many are in the transfer process as we would like to see. This said, it is important to bear in mind that the housing department needs to promote and maintain a rental-housing stock to fulfil the need for housing of the lower income group.

What are the problems associated with this process?

Problems include disputed claims of ownership among family members, as well as units that multiple families occupy.

Are subsidies available to facilitate this process?

No subsidies are available from national government to transfer council housing stock.

How does the housing department calculate selling prices of rental units?

The selling prices of units are calculated according to historic cost method. If the historic cost is not available, current municipal valuations are used.

Are prices based on historic cost?

In some instances prices are based on historic cost.

How are plans to sell rental stock communicated to tenants?

The plans to sell units in a scheme are communicated through political channels first. Information is then sent to each tenant regarding selling price, as well as the different payment options available to the tenant.

Are there any formal plans regarding the transfer of these rental units?

Not at this stage.

Question 31

How are rentals calculated?

It is mostly a historic figure without any market-related value; these historic rentals are increased annually with a percentage.

What are the plans for determining rentals in the future?

No formalised plans exist; rentals should be more market related.

What factors are considered when determining subsidy levels?

Income.

What other factors might be included for future determinations?

The income of the personnel and the size of the unit are factors that should be included in rental determinations.

What are the guidelines or restrictions on the number of occupants per unit?

Not very strictly adhered to at this stage.

How does this affect subsidy levels?

The number of occupants does not affect the subsidy.

How does the council deal with a household with more than one income?

Income of only the principal tenant is verified.

How does this affect their subsidies?

This does not affect the subsidy.

How are households with different sources of income subsidised?

Different sources of income are not verified.

How are incomes verified? Is this done for all the occupants of a unit?

Previously tenants were required to complete an income statement biannually. A moratorium was placed on this process, however.

Question 36

What are the biggest challenges in managing the rental-housing portfolio?

The economic aspects; there is not enough money coming in to make the portfolio a sustainable, viable one.

Question 37

Are there guidelines governing tenant behaviour?

These guidelines are communicated to the tenants through the lease that they sign.

Are these guidelines made known to the tenants?

As above.

What disciplinary action is taken when rules are transgressed?

Tenants are warned, and a notice of wrongdoing is delivered to them in writing. If the problems persist they are given notice to vacate the premises.

Question 38

Are recreational facilities available at any of the housing schemes, e.g. tennis courts, swimming pools, or games centres?

No.

Question 39

Are any provisions made for the aged and disabled?

There are requests from time to time for special arrangements for the disabled. These requests are then dealt with on a case-to-case basis.

Are the buildings designed to be user-friendly for these target groups?

The cases mentioned above will in certain circumstances merit the changing of individual units to suit the needs of the person in question.

Are subsidies in place to supplement old-age pensions and disability grants?

There are no subsidies available through the housing department.

Will the above assure basic quality of life for these target groups?

No.

Question 40

What provisions are made for tenant safety and security?

Municipal security ensures a presence through patrols and by responding to incidents or complaints. Plans are under way to secure many of the schemes by fencing them off.

Addendum C1 Questionnaire to the portfolio manager of Corwell Trust.

Addendum C (1)

Three commercial estate agents with sizable rental portfolios completed this questionnaire.

Corwell Trust

Questionnaire

Question 1

Is there a record of tenants' complaints, e.g. a complaints register?

Yes.

Question 2

Are there records of maintenance requests by tenants?

Yes.

Are there records of criminal activity at the different rental schemes?

No.

Question 3

Is there a list of late payers as well as non-payers?

Yes.

Is there a tenant profile record regarding financial compliance?

Yes.

Question 4

How regularly are reports compiled on each scheme and what factors do you include in those reports?

Financial reporting only, on a monthly basis.

Question 5

How long are records stored, and what records are included?

Five years. All correspondence and leases, as well as financial records are stored.

Are records concerning fire and safety matters kept?

Yes, these records are kept with the maintenance records.

To what extent are the incomes of different families verified?

Tenants are required to complete personal details and furnish proof of income. This is done in the form of a salary advice document or a bank statement.

How often are these records updated?

These records are updated on a monthly basis, or when outstanding rentals are collected.

Question 6

Is there a waiting list of tenants wanting to obtain rental housing?

There are no waiting lists. Rental units are allocated on a first-come-first-served basis.

What details are entered onto this list?

N/A

What criteria must be met before you can enter someone on the waiting list?

N/A

Are records kept of tenant application forms?

Yes.

How often is the waiting list updated?

N/A

Do records include details on the whole household or only of each principal tenant?

Normally only the details of the principal tenant are kept.

Are details of elderly, disabled and student status of each member recorded?

Yes.

Are application forms properly completed?

Yes.

Question 7

Are physical, signed leases kept, and if so, how often are these files updated?

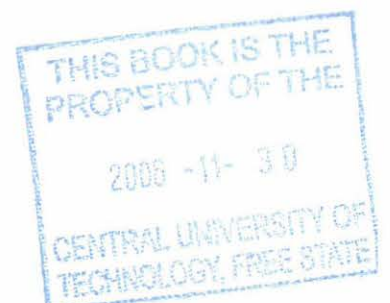
Yes, leases are kept. The files are not updated other than on a per-incident basis. There is a two-month notice period.

Are all the leases current?

Yes.

What is the term of the standard lease?

Two-month notice period.



What percentage of units is still occupied by the person who holds the original lease?

Almost one hundred percent of tenants hold the original lease.

Do you experience problems in this area?

No.

Question 8

How often are properties and individual units inspected?

Inspections are carried out once upon occupation and once upon vacation, and there is a visual inspection once every six months.

Are inspection records kept, and if so, what details do they record?

Yes. Details are as in the example supplied.

Are properties physically inspected when there is a change of tenant and are records kept?

Yes on both counts.

Question 9

Do tenants have to pay deposits, and if so, how are deposits calculated?

Tenants have to pay a deposit equal to one month's rental.

Are these deposits kept in a separate account?

Yes.

Are records regarding deposits maintained, and if so, what is the procedure?

Yes. A record of all deposits in and out of an account is kept in a cashbook system. Individual deposit records are kept with the tenant deposit record.

Question 10

Are personnel trained in the principles of real estate management?

Personnel have mainly undergone experience based on the job training.

What records are kept on physical site management?

None.

What records are maintained on the condition of the neighbourhood?

None.

How often are these records updated?

N/A

Question 11

To whom do the portfolio managers report, and who is responsible for preparing these reports?

Reports are made to owners of building as well as to the principal of the company they work for. Reports to owners are made once a month in the form of an owner's statement. Reporting to the principal is on a more informal basis and this happens once a week.

How regularly are reports compiled?

As above.

Question 12

Are regular budgets prepared for each housing scheme?

No, budgets per project are prepared; however a monthly budget is prepared for the company.

Who prepares the financial statements?

An outside accountant prepares the financial statements.

Are regular audits conducted on the financial affairs of the company and rental department and any funds it administers?

Yes, yearly external audits are undertaken.

Question 13

What efforts are being made to maintain good relations with tenants?

The company is small enough to react quickly to situations.

What efforts are being made to ensure good service?

Weekly training sessions with personnel have been instituted to instruct them in the principles of good service.

How are service complaints dealt with?

Complaints are dealt with on an individual basis, according to the merit of the situation.

Are surveys measuring consumer satisfaction conducted?

Surveys are not conducted; however the success of the company is measured by the growth of our company over the past three years. The growth over the past three years has been phenomenal.

Question 14

Are penalties imposed on late payment?

Yes.

How are these administered?

The rental collection department handles these penalties.

What steps are taken in terms of the collection of outstanding rental?

Telephone calls and letters of demand followed by legal action.

Question 15

How soon do you respond to tenants' complaints?

Immediately.

What timeframe do you allow for the handling of complaints?

Depending on the unique circumstances of each case, we try to respond immediately.

Question 16

What is the eviction policy of the company?

Non-payment of rental or any cause of disturbance results in eviction. Eviction is the last resort, however. A process of written and verbal warning and notification is followed. If no response is received the legal process is followed and after a court order has been obtained and there is still no positive response, the tenant is evicted.

What is the procedure followed?

As above.

Question 17

In terms of administration, what systems are in place?

There is a semi-automated system in place: the rental payment of every tenant in the portfolio is controlled manually.

Question 19

When last were valuations on the buildings done? What method was used to calculate the values?

Individual valuations are done as owners request them, or when they are needed for tax proposes.

Is an up-to-date asset register available?

No.

Question 20

Does the housing department have a risk management plan in place?

How was this developed?

No.

Question 21

What are the biggest challenges in managing the rental-housing portfolio?

Non-payment of rental is one of the biggest problems experienced, as is securing co-operation from owners of buildings as far as spending on maintenance is concerned.

Question 22

Are there guidelines governing tenant behaviour?

Yes, these guidelines are contained in the agreement of lease.

Are these guidelines made known to the tenants?

Yes, these guidelines are made known to the tenants through the agreement of lease.

What disciplinary action is taken when rules are transgressed?

Notification letters are sent to the tenant outlining the problem. If the problem persists the lease is cancelled, and the tenant is asked to leave.

Question 23

Are any provisions made for the aged and disabled?

In some cases provision is made for these groups, but it depends on the individual building and the owner.

Are the buildings designed to be user-friendly for these target groups?

As above.

Question 24

What provisions are made for tenant safety and security?

No special arrangements are made for tenant security.

Question 25

Do you have any comments regarding best practice and the management of rental-housing portfolios?

The following factors are important in my view: tight credit control, excellent service, and helpful and friendly staff.

Question 26

To which professional bodies or governing bodies of the industry does your company belong?

Board of Estate Agents.

Question 27

Are all employees well versed in the laws that govern the practice of real estate management?

Yes.

Addendum C2 Questionnaire to the portfolio manager of Trafalgar
Property Managers.

Addendum C (2)

Three commercial estate agents with sizeable rental portfolios completed this questionnaire.

Trafalgar Property Management

Questionnaire

Question 1

Is there a record of tenants' complaints, e.g. a complaints register?

Yes.

Question 2

Are there records of maintenance requests by tenants?

Yes.

Are there records of criminal activity at the different rental schemes?

No.

Question 3

Is there a list of late payers as well as non-payers?

Yes.

Is there a tenant profile record regarding financial compliance?

Yes.

Question 4

How regularly are reports compiled on each scheme and what factors do you include in those reports?

Weekly to monthly inspections are undertaken by the residential letting department. Reports are submitted to owners quarterly or as often as requested by owners.

Question 5

How long are records stored, and what records are included?

Records are stored for at least fifteen years; this includes all record keeping of the residential letting department.

Are records concerning fire and safety matters kept?

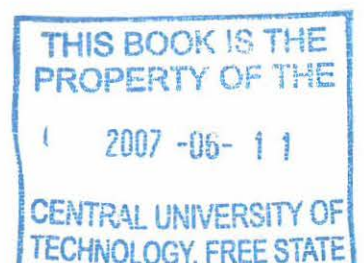
Yes.

To what extent are the incomes of different families verified?

Salary advice forms are handed to the department by the applicant, and spot checks are done on these to see if they are authentic.

How often are these records updated?

These reports are updated occasionally, when general inspections are executed or when the tenant changes his or her banking details, as well as in cases where the tenant asks us to perform maintenance or repairs on the property.



Question 6

Is there a waiting list of tenants wanting to obtain rental housing?

Yes, there is awaiting list, but it only pertains to certain properties in the portfolio.

What details are entered onto this list?

Name, telephone number, preferred property, and rental amount.

What criteria must be met before you can enter someone on the waiting list?

None.

Are records kept of tenant application forms?

The only records kept of tenant application forms are the ones that are approved (successful application). The applications that are not approved are discarded, as the information they contain is personal.

How often is the waiting list updated?

The waiting list is updated as tenants advise us, or if we contact the tenant and he/she advises us that he/she has found something else.

Do records include details on the whole household or only of each principal tenant?

Records only include details of the principal tenant.

Are details of elderly, disabled and student status of each member recorded?

No.

Are application forms properly completed?

Yes.

Question 7

Are physical, signed leases kept, and if so, how often are these files updated?

Yes, when tenants give notice and another lease is signed by a new tenant, and a newly updated version of our lease has since been developed, or otherwise an addendum to lease agreements is signed and attached.

Are all the leases current?

Yes all the leases are current.

What is the term of the standard lease?

Terms: Either two months notice period on either side, or 4 or 6 months, or any other terms agreed to by the owner, the tenant and the agent.

What percentage of units is still occupied by the person who holds the original lease?

According to our records 100% of our units are still occupied by the persons holding the original lease. We investigate cases that come to our attention.

Do you experience problems in this area?

Yes.

Question 8

How often are properties and individual units inspected?

Properties are inspected when tenants give notice, again with the new tenant upon occupation, and whenever the owner requests it. These inspections are also done when we suspect any sort of discrepancy, or when we wish to determine a rent increase.

Are inspection records kept, and if so, what details do they record?

Records are kept and the details include: condition of the property, outside, inside, garden, the number of people staying on the property, as well as any repairs that need to be done.

Are properties physically inspected when there is a change of tenant and are records kept?

Yes. Yes.

Question 9

Do tenants have to pay deposits, and if so, how are deposits calculated?

Deposits are kept and, depending on the policy of the owner, can range from one month's rental to one and a half months' rental, and even double the rental in some cases.

Are these deposits kept in a separate account?

Yes, the deposits are kept in a separate account and tenants are paid interest on their accounts.

Are records regarding deposits maintained, and if so, what is the procedure?

Records are kept on the deposits. Tenants are required to increase their deposits as the rental increases.

Question 10

Are personnel trained in the principles of real estate management?

Yes.

What records are kept on physical site management?

None.

What records are maintained on the condition of the neighbourhood?

Owners are informed of the possible deterioration of the neighbourhoods.

How often are these records updated?

These records are updated with inspections.

Question 11

To whom do the portfolio managers report, and who is responsible for preparing these reports?

The manager of the portfolio reports to the company director, in addition each employee reports on his work monthly to the department manager, and a compilation report is submitted to the company director on a monthly basis.

How regularly are reports compiled?

Monthly.

Question 12

Are regular budgets prepared for each housing scheme?

Yes.

Who prepares the financial statements?

The residential letting department and the company accountant are responsible for preparation of the financial statements.

Are regular audits conducted on the financial affairs of the company and rental department and any funds it administers?

Yes. Annual audits are conducted.

Question 13

What efforts are being made to maintain good relations with tenants?

Staff members are trained to understand the needs of the client and how to address them. Questionnaires are sent to tenants to determine their opinions on certain matters.

What efforts are being undertaken to ensure good service?

Records are kept of each complaint, and written answers are sent to tenants.

How are service complaints dealt with?

Complaints are handled within the shortest possible time.

Are surveys measuring consumer satisfaction conducted?

Yes.

Question 14

Are there penalties imposed on late payment?

Yes.

How are these administered?

A written warning is delivered to the tenant's doorstep followed by telephone calls, after which the tenant is handed over to the attorneys.

What steps are taken in terms of the collection of outstanding rental?

As above.

Question 15

How soon do you respond to tenants' complaints?

We respond to tenants' complaints immediately.

What timeframe do you allow for the handling of complaints?

In the case of repairs to a property the approval of the owner is normally required, therefore time has to be allowed for this. If it is an urgent matter or the safety of a tenant is involved, we act expediently. The owners are required to give us a mandate to act in emergencies.

Question 16

What is the eviction policy of the company?

Evictions are treated on a case-by-case basis, as there are unique circumstances surrounding each incident.

What is the procedure followed?

After the tenant has been served with all the notices and the legal process has been concluded, the tenant is evicted with a court order.

Question 17

In terms of administration, what systems are in place?

All systems are in place and are updated regularly. This includes all aspects such as receipt of money, issuing of receipts, transfer of owner's money, payment of contractor, and payment of levies, rates and taxes. It also includes systems that are in place for keeping records and data on the rental portfolio.

A state-of-the-art computer system controls most of the activities.

How are rentals collected?

The rental arrears list is checked and updated daily.

Are there systems in place to enable tenant feedback?

Yes.

Question 18

How does management deal with crime and criminal activity in its portfolios?

Owners are informed of such problems if they occur in their blocks or units, and safety precautions are taken.

What programmes are in place for community upliftment?

None.

Are there programmes in place to facilitate adult learning?

No.

Are there community-based day-care centres for tenants?

No.

Are there social care programmes in place?

No.

Are alternative arrangements made for accommodation for evicted tenants?

No. If a tenant is evicted by the agents there can only be certain reasons, e.g. non-payment of rental, or criminal activity, or breach of contract, and in most cases the tenant is given sufficient time to find alternative accommodation.

Question 19

When last were valuations on the buildings done? What method was used to calculate the values?

Valuations are done on properties from time to time by our valuation department, normally at the request of owners.

Is an up-to-date asset register available?

No.

Question 20

Does the housing department have a risk management plan in place?

How was this developed?

No.

Question 21

What are the biggest challenges in managing the rental-housing portfolio?

Non-payment of rentals is the biggest problem we face.

Question 22

Are there guidelines governing tenant behaviour?

Yes, these guidelines are contained in the leases.

Are these guidelines made known to the tenants?

Yes, these guidelines are made known to the tenants in their lease agreements.

What disciplinary action is taken when rules are transgressed?

The tenant is notified in writing, and if he/she is non-compliant, steps are taken to cancel the lease with that tenant.

Question 23

Are any provisions made for the aged and disabled?

No.

Are the buildings designed to be user-friendly for these target groups?

It will depend on individual buildings and the owners of these buildings.

Question 24

What provisions are made for tenant safety and security?

Wherever possible, burglar proofing, security systems and security gates are put in place.

Question 25

Do you have any comments regarding best practice and the management of rental-housing portfolios?

There are only a few very important principles, which are honesty, good service, and having both the owner's and the tenant's interests at heart.

Question 26

To what professional bodies or governing bodies of the industry does your company belong?

Board of Estate Agents.

Question 27

Are all employees well versed in the laws that govern the practice of real estate management?

Yes.

Addendum C3 Questionnaire to the portfolio manager of Ellenburger & Kathes.

Addendum C (3)

Three commercial estate agents with sizeable rental portfolios completed this questionnaire.

Ellenberger & Kahts

Questionnaire

Question 1

Is there a record of tenants' complaints, e.g. a complaints register?

No.

Question 2

Are there records of maintenance requests by tenants?

No.

Are there records of criminal activity at the different rental schemes?

No.

Question 3

Is there a list of late payers as well as non-payers?

Yes.

Is there a tenant profile record regarding financial compliance?

Yes

Question 4

How regularly are reports compiled on each scheme and what factors do you include in those reports?

Monthly owners' reports are compiled and details include financial details, as well as a list of tenants.

Question 5

How long are records stored, and what records are included?

Records are stored for 5 years; these records include all record keeping at the firm.

Are records concerning fire and safety matters kept?

Yes.

To what extent are the incomes of different families verified?

Applicants for rental housing are required to hand in a payslip.

How often are these records updated?

Monthly.

Question 6

Is there a waiting list of tenants wanting to obtain rental housing?

No.

What details are entered onto this list?

N/A

What criteria must be met before you can enter someone on the waiting list?

N/A

Are records kept of tenant application forms?

Yes.

How often is the waiting list updated?

N/A

Do records include details on the whole household or only of each principal tenant?

Details are primarily obtained on the principal tenant, but occasionally the spouse's details are requested.

Are details of elderly, disabled and student status of each member recorded?

No.

Are application forms properly completed?

Yes.

Question 7

Are physical, signed leases kept, and if so, how often are these files updated?

Signed leases are kept and their standard term is a six-month notice period.

Are all the leases current?

Yes.

What is the term of the standard lease?

Six months.

What percentage of units is still occupied by the person who holds the original lease?

One hundred percent of the units are still occupied by the original tenant.

Do you experience problems in this area?

We are not currently experiencing problems in this area.

Question 8

How often are properties and individual units inspected?

Annual inspections take place; inspections are also conducted when there is a change of tenant.

Are inspection records kept, and if so, what details do they record?

Yes. Inspection records include a full list of problems of each unit, as well as whether keys are available.

Are properties physically inspected when there is a change of tenant and are records kept?

Yes, properties are inspected when there is a change of tenant and a full record is kept.

Question 9

Do tenants have to pay deposits, and if so, how are deposits calculated?

Tenants have to pay a deposit. Under normal circumstances it is equal to one month's rental.

Are these deposits kept in a separate account?

Deposits are kept in a trust account.

Are records regarding deposits maintained, and if so, what is the procedure?

Yes, full records on each tenant and their deposits are kept and updated regularly.

Question 10

Are personnel trained in the principles of real estate management?

Yes.

What records are kept on physical site management?

None.

What records are maintained on the condition of the neighbourhood?

None.

How often are these records updated?

N/A

Question 11

To whom do the portfolio managers report, and who is responsible for preparing these reports?

The manager of the portfolio reports to the directors of the company on an informal basis. This takes place daily.

How regularly are reports made?

Day to day.

Question 12

Are regular budgets prepared for each housing scheme?

No.

Who prepares the financial statements?

The portfolio manager prepares the financial statements.

Are regular audits conducted on the financial affairs of the company and rental department and any funds it administers?

Audits are undertaken annually. An external auditor does this.

Question 13

What efforts are being made to maintain good relations with tenants?

Friendly service.

What efforts are being made to ensure good service?

Training of personnel.

How are service complaints dealt with?

They are dealt with on an individual basis. Complaints are handled as they come in.

Are surveys measuring consumer satisfaction conducted?

No.

Question 14

Are penalties imposed on late payment?

Yes.

How are these administered?

Late payment results in the payment of a penalty.

What steps are taken in terms of the collection of outstanding rental?

The tenant is warned by letter in the first week, followed by a phone call, a personal visit, and a final attempt to secure payment. After this process the tenant is handed over to the legal team.

Question 15

How soon do you respond to tenants' complaints?

Immediately. We do not generally take longer than 24 hours to respond to a complaint.

What timeframe do you allow for the handling of complaints?

One day is allowed in normal circumstances.

Question 16

What is the eviction policy of the company?

If there is non-compliance from a tenant in financial or disciplinary terms, after every effort has been made to rectify the situation the tenant is handed over to the legal team, and cancellation of the lease and eviction is sought.

What is the procedure followed?

As above.

Question 17

In terms of administration, what systems are in place?

A computerised system handles the collection of rentals. Manual systems supporting this system are in place.

How are rentals collected?

Tenants have a choice of paying by debit order, with cash at the company cashiers, by debit or stop order, or by issuing of a cheque.

Are there systems in place to enable tenant feedback?

No.

Question 18

How does management deal with crime and criminal activity in its portfolios?

We rely on the police to deal with problems.

What programmes are in place for community upliftment?

None.

Are there programmes in place to facilitate adult learning?

No.

Are there community-based day-care centres for tenants?

No.

Are there social care programmes in place?

No.

Are alternative arrangements made for accommodation for evicted tenants?

No.

Question 19

When last were valuations on the buildings done? What method was used to calculate the values?

Valuations are done at the request of the owners of individual buildings.

Is an up-to-date asset register available?

No.

Question 20

Does the housing department have a risk management plan in place?

How was this developed?

No.

Question 21

What are the biggest challenges in managing the rental-housing portfolio?

Unpaid rental is the biggest problem.

Question 22

Are there guidelines governing tenant behaviour?

Yes.

Are these guidelines made known to the tenants?

These guidelines are communicated to the tenants through the lease agreement.

What disciplinary action is taken when rules are transgressed?

A written warning is issued, and if the behaviour persists cancellation of the lease is sought.

Question 23

Are any provisions made for the aged and disabled?

No.

Are the buildings designed to be user-friendly for these target groups?

Depending on the individual buildings and their owners, provision is made.

Question 24

What provisions are made for tenant safety and security?

Owners are encouraged to supply and install fencing for their buildings.

Question 25

Do you have any comments regarding best practice and the management of rental-housing portfolios?

Important factors are good service and tight control over unpaid rental.

Question 26

To which professional bodies or governing bodies of the industry does your company belong?

Board of Estate Agents and the Institute of Realtors.

Question 27

Are all employees well versed in the laws that govern the practice of real estate management?

Yes.

Addendum D 1 Data From the Portfolio of Trafalgar Property Management.

RESIDENSIËLE PERSELE

PERSEEL	STRAAT ADRES	TOTALE	GROOTTE	HUUR Per Eenheid	Parkering by w/blok	Park insl by huur	Sekuriteit by blok	Water insl	Elekt insl	Aant. Eenh in blok	
1	ANMAR	Vicoriaweg, Willows	18 X 2 Slpk Grond 1ste Verd.	R 1,410.00 R 1,370.00	Ja Ja	Ja Ja	Ja	Nee	Nee	18	
2	ASHMYRN	Barnesstraat, Westdene	8 X 2 X 6 X	Bach 1 Slpk 2 Slpk	R 730.00 R 890.00 R 1,150.00	Ja Ja Ja	Nee Nee	Ja	Ja	Nee	16
3	BLOEMOORD	Cromwellweg, Navalsig	1 X 3 X 6 X	Bach 1 Slpk 2 Slpk	R 830.00 R 760.00 R 1,250.00	Ja	Nee	Ja	Nee	Nee	10
4	BONARIA	King Edwardweg, Willows	21 X	2 Slpk	R 1,440.00	Ja	Ja	Ja	Nee	Nee	21
5	CHARLEENHOF	King Edwardweg, Willows	10 X 6 X	1 Slpk 2 Slpk	R 1,030.00 R 1,350.00	Ja	Nee	Ja	Nee	Nee	16
6	CHESTER HILL	Gordonstraat, Stad	78 X	Bach	R 900.00	Ja	Nee	Ja	Ja	Deels	78
7	DE LOY	Elizabethweg, Stad	40 X 13 X	Bach Kamers	R 750.00 R 520.00	Nee	Nee	Ja	Ja Ja	Nee Ja	40
8	DESPINA	Fairviewstraat, Navalsig	27 X 4 X	Bach 2 Slpk	R 700.00 R 1,225.00	Ja	Nee	Ja	Nee	Nee	31
9	ELITEHOF	Tweedelaan, Westdene	1 X 8 X 1 X	1 Slpk 1 Slpk 3 Slpk	R 950.00 R 1,220.00 R 1,550.00	Ja	Ja	Ja	Nee	Nee	10
10	ELSHAVEN	Tweedestraat, Arboretum	5 X 5 X	2 Slpk 3 Slpk	R 1,450.00 R 1,600.00	Ja	Nee	Ja	Nee	Nee	10
11	FLAME LILY	King Edwardweg, Willows	8 X 3 X	2 Slpk 3 Slpk	R 1,210.00 R 1,430.00	Ja	Ja	Nee	Nee	Nee	11
12	FOR FAR PLACE	St. Georgesstraat, Stad	26 X	2 Slpk	R 1,280.00	Ja	Nee	Nee	Ja	Nee	26

13	GABLE VIEW	Cromwellweg, Navalsig	1 X	1 Slpk	R 980.00	Ja	Ja	Ja	Nee	Nee	6
			3 X	2 Slpk	R 1,100.00						
			2 X	3 Slpk	R 1,300.00						
14	GOLDNAT GARDENS	Andries Pretoriusstr, Navalsig	2 X	2 Slpk	R 1,560.00	Ja	Ja	Ja	Ja	Nee	31
			29 X	3 Slpk	R 1,780.00						
15	GODDARD HEIGHTS	Goddardstraat, Stad	10 X	Bach	R 940.00	Ja	Nee	Ja	Ja	Nee	40
			10 X	1 Slpk	R 1,175.00						
16	CATHY'S VILLA	Krausestraat, Stad	30 X	2 Slpk	R 1,500.00	Ja	Ja	Ja	Nee	Nee	30
17	GWENRO	Voortrekkerstraat, Stad	6 X	Bach	R 730.00	Nee	Nee	Ja	Nee	Nee	8
			1 X	1 Slpk	R 820.00						
18	JASAMHOF	Voortrekkerstraat, Stad	3 X	Bach	R 740.00	Nee	Nee	Nee	Nee	Nee	8
			3 X	1 Slpk	R 832.00						
			2 X	2 Slpk	R 1,070.00						
19	JUDITH HOF	St. Georgesstraat, Stad	3 X	Bach	R 600.00	Nee	Nee	Nee	Nee	Ja	5
			1 X	1 Slpk	R 800.00				Ja	Ja	
			1 X	2 Slpk	R 1,000.00				Ja	Ja	
20	KILLARNEY	Kellnerstraat, Westdne	1 X	Bach	R 815.00	Ja	Nee	Ja	Ja	Nee	23
			1 X	1 Slpk	R 1,070.00						
			1 X	2 Slpk	R 1,335.00						
			20 X	3 Slpk	R 2,450.00						
21	MARCELHOF	Fairviewstraat, Navalsig	58 X	Kamers	R 480.00	Ja	Nee	Ja	Ja	Ja	58
22	MINUET	Faurelaan, Willows	14 X	2 Slpk Grond	R 1,440.00	Ja	Ja	Ja	Nee	Nee	14
				1 ste Verd.	R 1,375.00						
23	NEW HAVEN	Vyfde Straat, Arboretum	10 X	2 Slpk Grond	R 1,450.00	Ja	Ja	Ja	Nee	Nee	10
				1 ste Verd.	R 1,370.00						
24	PRETORUIS	Voortrekkerstraat, Stad	9 X	Kamers	R 400.00	Nee	Nee	Nee	Ja	Ja	28
			14 X	Bach	R 650.00				Ja	Nee	
			5 X	1 Slpk	R 750.00				Nee	Nee	

25	ROXANA	Alexandrалаан, Navalsig	2 X	Bach	R 610.00	Ja	Nee	Ja	Ja	Nee	11
			1 X	1 Slpk	R 500.00						
			8 X	2 Slpk	R 1,000.00						
26	KAPLENS GEBOU	Hangerstraat 43/ 43A, Stad	5 x	1 Slpk	R 710.00	Nee	Nee	Nee	Ja	Nee	5
27	SUNRAY MANSIONS	Cromwellweg, Navalsig	5 X	2 Slpk Grond	R 1,180.00	Ja	Ja	Ja	Ja	Nee	15
			10 X	1 ste Verd.	R 1,155.00						
28	LOCH LOGANPARK	Nelson Mandelarylaan, Westdene	15 X	Bach	R 950.00	Ja	Ja	Ja	Ja	Nee	219
			32 X	1 Slpk	R 1,200.00						<i>Ons admin</i>
			32 X	2 Slpk	R 1,450.00						<i>87 in</i>
			8 X	2 Slpk (hoek)	R 1,550.00						<i>totaal</i>
29	WESTDENE MANSIONS	h/v Eerstelaan & Kellnerstraat	6 X	Bach	R 800.00	Nee	Nee	Ja	Ja	Nee	12
			2 X	1 Slpk	R 1,000.00						
			4 X	2 Slpk	R 1,200.00						
30	WESTVILLE	Zastronstraat, Westdene	2 X	1 Slpk	R 1,100.00	Ja	Ja	Ja	Nee	Nee	6
			4 X	2 Slpk	R 1,500.00						

Addendum D2 Data From the portfolio Corwell Trust.

Ellen Court
Ella Sreet
Willows
BLOEMFONTEIN
9301

Ellen Court - Rent Statement

Jun-02

NO	TENANT	B/F	ADJ	RENTAL	TOTAL	PAID	BAL	SIZES
Sh01	N J Chemicals	0.00	0.00	1710.00	1710.00	-1710.00	0.00	
SH03	Cell Shack	0.00	0.00	4000.00	4000.00	-4000.00	0.00	
1	Mr E.P. Van Wyk	0.00	0.00	1250.00	1250.00	-1250.00	0.00	2Bdr
2	Mr H.T Louw	57.00	0.00	1250.00	1307.00	-1307.00	0.00	2Bdr
3	Mnr G.D Peterson	0.00	0.00	1140.00	1140.00	-1140.00	0.00	1Bdr
4	Mr R B Tsoai	0.00	0.00	1250.00	1250.00	-1250.00	0.00	2Bdr
5	Mr P L Wapad	0.00	0.00	1250.00	1250.00	-1250.00	0.00	2Bdr
6	Mr M J Momtshiwa	0.00	0.00	1250.00	1250.00	-1250.00	0.00	2Bdr
7	Miss S U Matthys	597.00	0.00	1140.00	1737.00	-1737.00	0.00	1Bdr
8	Mr C M Rex	0.00	0.00	1140.00	1140.00	-1140.00	0.00	1Bdr
9	Mr M. Islam	0.00	0.00	1140.00	1140.00	-1140.00	0.00	1Bdr
10	Mr M R Majolo	0.00	0.00	1250.00	1250.00	-1250.00	0.00	2Bdr
TOTALS		654.00	0.00	17770.00	18424.00	-18424.00	0.00	

Total rental received	-18424.00	
Collection Fee	921.20	
VAT on Collection Fee	128.97	
Credit on Commission Cell Shack	-100.00	
Rates Ellen & Parkview - 020/1365/07/2	5785.48	
Sanitation Ellen & Parkview - 020/1365/07/2	981.51	
Water 0578/092/0/023	2430.25	
Electricity 0578/092/0/023	157.32	
Supreme Handyman - 3 - Repaint Flat	928.16	
Supreme Handyman - 3 - Repair Geyser Ball Valvet	110.00	
Supreme Handyman - Repair locks, Jail lock Light switch	269.10	
Cheque Herewith	6812.01	02/06/14
DUE BY OWNER	0.00	

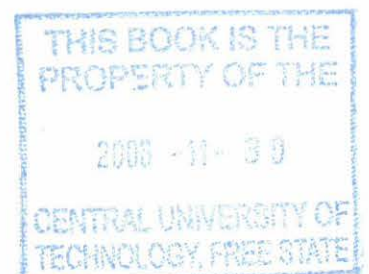
Ellen Investment Company
C/o Park Road Butchery
Ella Street
Willows
BLOEMFONTEIN
9301

Parkview - Rent Statement

Jun-02

NO	TENANT	B/F	ADJ	PARKING	RENTAL	TOTAL	PAID	BAL	SIZES
1	Mr M P Lethebele	0.00	0.00	0.00	1180.00	1180.00	-1180.00	0.00	1Bdr
2	Mr L N Kunane	-242.00	0.00	0.00	1300.00	1058.00	-1300.00	-242.00	2Bdr
3	Mr V Kamlouk	0.00	0.00	0.00	1050.00	1050.00	-1050.00	0.00	2Bdr
4	Mr K K Reid	200.00	0.00	0.00	1250.00	1450.00	-1450.00	0.00	2Bdr
5	Me L.M. Tshilate	0.00	0.00	0.00	1250.00	1250.00	-1250.00	0.00	2Bdr
6	Mr X Tutu	-5.00	0.00	0.00	1140.00	1135.00	-1140.00	-5.00	1Bdr
7	M.S. Maine	57.00	0.00	0.00	1150.00	1207.00	-1150.00	57.00	2Bdr
8	Mrs M A Makhetha	0.00	0.00	0.00	1250.00	1250.00	-1250.00	0.00	2Bdr
TOTALS		10.00	0.00	0.00	9570.00	9580.00	-9770.00	-190.00	

Total rental received	-9770.00	
Collection Fee	488.50	
VAT on Collection Fee	68.39	
Water General - 0578/063/0/009	699.05	
Electricity General - 0578/063/0/009	173.58	
Supreme Handyman - Flat 8 - Replace pipe & Zink P Trap	202.84	
Cheque Herewith	8137.64	02/06/14
DUE TO OWNER	0.00	



Stadium Inn
Park Road
Willows
BLOEMFONTEIN
9301

Stadium Inn Rent Statements

Jun-02

NO	TENANT	ADJUST	BAL B/F	RENTAL	TOTAL	PAID	BAL	SIZE
1	*****OWNER****	0.00	0.00	0.00	0.00	0.00	0.00	1bdr
2	H & S van Wyk	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1 bdr
3	L.B. Thole	0.00	0.00	1300.00	1300.00	-1300.00	0.00	2bdr
4	D P Sicwebu	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
5	S C Kobo	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
6	M M Moruku	0.00	0.00	1300.00	1300.00	-1300.00	0.00	2bdr
7	*****OWNER****	0.00	0.00	0.00	0.00	0.00	0.00	1bdr
8	R P S Mokhemisa	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
9	Ya Ya	0.00	0.00	0.00	0.00	0.00	0.00	2bdr
10	Thulo	0.00	0.00	0.00	0.00	0.00	0.00	1bdr
11	K.K. Bosman	0.00	-60.00	1000.00	940.00	-663.00	277.00	1 bdr
12	*****OWNER****	0.00	0.00	0.00	0.00	0.00	0.00	2bdr
13	M L Soaisa	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
14	F Abou	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
15	K C Tikane	0.00	0.00	1300.00	1300.00	-1300.00	0.00	2bdr
16	*****OWNER****	0.00	0.00	0.00	0.00	0.00	0.00	1bdr
17	S.D. Kelehe	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1 bdr
18	S M James	0.00	0.00	1000.00	1000.00	-1000.00	0.00	2bdr
19	K S Motlogedi	0.00	990.00	0.00	990.00	-990.00	0.00	1 bdr
20	S Buka	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
21	J Melsh	0.00	0.00	1300.00	1300.00	-1300.00	0.00	2bdr
22	T R Mohajane	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
23	L J Mangwegape	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
24	*****OWNER****	0.00	0.00	0.00	0.00	0.00	0.00	2bdr
25	J V Eiman	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
26	G S M Sery	0.00	0.00	500.00	500.00	-500.00	0.00	1bdr
27	P M Koenane	0.00	434.00	1300.00	1734.00	-1734.00	0.00	2bdr
28	L.L. Chaka	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1 bdr

29	T N Malatji	0.00	0.00	1000.00	1000.00	-1000.00	0.00	1bdr
30	M V Mafatle	0.00	300.00	1300.00	1600.00	-1000.00	600.00	2bdr
TOTAL INCOME		0.00	1664.00	23300.00	24964.00	-24087.00	877.00	

Total received for building	-24087.00	
Collection Fee	821.37	
VAT on Collection fees	114.99	
Coert Herbst	1000.00	
Electricity Collected from tenants	-2667.18	
Electricity Paid by the Building	4183.54	
Brought Forward	-256.32	
Electricity Final Account J May - 19	81.00	
Deposit Refund J May Flat 19	705.00	
Flat 26 - G S M Sery (Moosa) paid to owner	500.00	
Paid to owner	2000.00	02/05/22
Paid to owner	8000.00	02/06/03
Paid to owner	7500.00	02/06/05
Paid to owner	1000.00	02/06/10
Paid to owner	1124.04	02/06/14
Paid to owner	875.96	02/06/14
Due by owner	895.40	

Bayfair Wes
Tournay Street
Bayswater
BLOEMFONTEIN
9301

Bayfair West CC Rent Statement

Jun-02

NO	TENANT	ADJUST	B/F	RENTAL	PARK	TOTAL	PAID	BAL	PARK	SIZE
SH1	****VACANT****	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
SH2	Ridcor	0.00	2850.00	2850.00	0.00	5700.00	-5700.00	0.00		
SH3	****VACANT****	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
101	M L Badenhorst	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	C8	2/Bdr
102	E Van Vuuren	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	G4	2/Bdr
103	A E Lombaard	0.00	100.00	1220.00	0.00	1320.00	-1320.00	0.00	G3	2/Bdr
104	H C Vinagre	0.00	0.00	800.00	0.00	800.00	-800.00	0.00	C/P4	Bach
105	J G Chadina	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	O/C5	2/Bdr
106	R Roelofse	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	C6	2/Bdr
201	H Looek	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	C/P3	2B/dr
202	J J oosthuisen	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	C7	2B/dr
203	Nick Marangelis	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	G2	2B/dr
204	S C Jeffreys	0.00	0.00	800.00	0.00	800.00	-800.00	0.00	C10	Bach
205	F Jansen	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	C/P2	2B/dr
206	M Van Onselen	0.00	0.00	1220.00	0.00	1220.00	-1220.00	0.00	PAR	2/Bdr
TOTALS		0.00	2950.00	16650.00	0.00	19600.00	-19600.00	0.00		

Total rental received	-19600.00
Collection Fee	836.00
VAT on Collection fees	117.04
Wages - Samuel	800.00
Supreme Handyman - 2 - Replac Thermostat	162.95
Paid into Standard Bank	17684.01 Internet Transfer
Balance due by Owner	0.00

Parking codes Bayfair East / West	
Open Cage	O/C
Lock up Cage	C
Garage	G
Carport	C/P

Bayfair Investments CC
P O Box 13189
NOORDSTAD
9305

Bayfair East CC Rent Statement

Jun-02

NO	TENANT	ADJUST	B/F	RENTAL	PARK	TOTAL	PAID	BAL	PARK	SIZE
SH1	L & M Butchery	0.00	0.00	3511.20	0.00	3511.20	-3511.20	0.00		
SH2	Delamont	0.00	0.00	1596.00	0.00	1596.00	-1596.00	0.00		
SH3&4	Bayswater Hard.	0.00	12194.45	5643.00	0.00	17837.45	-6168.75	11668.70		
SH5	Bayswater Bottle	0.00	0.00	500.00	0.00	500.00	-500.00	0.00		
1	L S Greyling	0.00	0.00	1070.00	0.00	1070.00	-1070.00	0.00	C/P1	2/Bdr
2	J F Pretorius	0.00	0.00	1000.00	0.00	1000.00	-1000.00	0.00		1/Bdr
3	M M Botha	0.00	0.00	1150.00	0.00	1150.00	-1150.00	0.00	C9	2/Bdr
4	M D C McLachlan	0.00	-70.00	1050.00	0.00	980.00	-1050.00	-70.00	G1	1/Bdr
5	C C M Viviers	0.00	0.00	1020.00	0.00	1020.00	-1020.00	0.00		1B/dr
6	L Castleman	0.00	0.00	1140.00	0.00	1140.00	-1140.00	0.00		2/Bdr
TOTALS		0.00	12124.45	17680.20	0.00	29804.65	-18205.95	11598.70		

Total rental received	-18205.95
Collection Fee	836.00
VAT on Collection fees	117.04
Mangaung Local Council	4614.66 (See payment list for Bayfair East & West)
Casual Wages	700.00
Paid into Standard Bank	11938.25 Internet Transfer
Balance due by Owner	0.00

Don`s Building
Toon van der Heever Street
Dan Pienaar
BLOEMFONTEIN
9301

Don`s Building - Rent Statement

Jun-02

NO	TENANT	BAL B/F	RENTAL	TOTAL	PAID	BAL	SIZE
SH01	Bloemdal Vleismark	0.00	4200.00	4200.00	-4200.00	0.00	
SH02	Video Town	0.00	5250.00	5250.00	-5250.00	0.00	
SH03	E-zy Computers	0.00	1938.00	1938.00	-1938.00	0.00	
SH04	R S Electronics	0.00	770.00	770.00	-770.00	0.00	
SH05&6	Popeyes	2150.00	3000.00	5150.00	0.00	5150.00	
SH07	Nail Shop (Rana)	0.00	1100.00	1100.00	-1100.00	0.00	
1	W J Thompson	0.00	700.00	700.00	-643.00	57.00	Bach
2	FF. Koning	0.00	1000.00	1000.00	-1000.00	0.00	2Bdr
3	Hewelsig Spar	0.00	0.00	0.00	0.00	0.00	2Bdr
4	S J Kruger	0.00	1000.00	1000.00	-1000.00	0.00	2Bdr
	TOTALS	2150.00	18958.00	21108.00	-15901.00	5207.00	

Total Rental Received	-15901.00
Administration Fee	543.81
VAT on Collection fees	-76.13
Supreme Handyman - Eazy Computers - Repair Lights	197.15
Eazy Computers - Paint to repair premises	887.54
Supreme Handyman - Repair Leak to Cooler System	80.00
Paid to Owner	4000.00
Repairs to Lawnmower	180.00
Deposit into Standard	10088.63 Internet dep
Balance by Owner	0.00

Nitsa Court
Warden Street
Noordhoek
BLOEMFONTEIN
9300

NITSA COURT - RENT STATEMENTS

Jun-02

NO	TENANT	ADJUST	BAL B/F	RENTAL	CP/GAR	TOTAL	PAID	BAL
SH1	Johnny's							
SH2	Delamont CC	0.00	0.00	700.00	0.00	700.00	-700.00	0.00
FL1	A M De Vries	0.00	0.00	645.00	0.00	645.00	-645.00	0.00
FL2	W W Kleingeld	0.00	460.00	645.00	55.00	1160.00	-1160.00	0.00
FL3	R W N Prior	0.00	0.00	645.00	0.00	645.00	-645.00	0.00
FL4	A Gwelpa	0.00	216.65	590.00	45.00	851.65	-851.65	0.00
TOTALS		0.00	676.65	3225.00	100.00	4001.65	-4001.65	0.00

Total rental received	-4001.65	
Collection Fee	182.48	
Rates & Taxes	1048.02	
Cheque herewith	2771.15	02/06/05
NETT INCOME	0.00	

Mulape Court
Second Street
BLOEMFONTEIN
9300

MULAPE RENT STATEMENT

Jun-02

NO	TENANT	ADJUST	B/F	RENTAL	PARK	TOTAL	PAID	BAL	PARK	SIZE
1	H.M. Kitching	0.00	0.00	900.00	0.00	900.00	-900.00	0.00		1 b/r
2	du Preez	0.00	0.00	700.00	0.00	700.00	-700.00	0.00		bach
3	W.A. Vermeulen	0.00	0.00	700.00	0.00	700.00	-700.00	0.00		bach
4	A.J. Jonker	0.00	0.00	700.00	0.00	700.00	-700.00	0.00		bach
5	S.J. Scheepers	0.00	0.00	400.00	0.00	400.00	-400.00	0.00		bach
6	E. Mostert	0.00	0.00	900.00	60.00	960.00	-960.00	0.00	6	1 b/r
11	S. v/d Merwe	0.00	0.00	900.00	0.00	900.00	-900.00	0.00		1 b/r
12	S.L.Janse v.Vuuren	0.00	0.00	700.00	0.00	700.00	-700.00	0.00		bach
14	A. Blake (Pro Rata)	-116.00	0.00	700.00	0.00	584.00	-584.00	0.00		bach
15	H.J. Wolfaardt	0.00	0.00	700.00	0.00	700.00	-700.00	0.00		bach
16	A. J. Radley	0.00	0.00	700.00	60.00	760.00	-760.00	0.00	3	bach
17	F.C. Louw	0.00	0.00	900.00	60.00	960.00	-960.00	0.00	4	1 b/r
21	V. Peters	0.00	75.00	900.00	0.00	975.00	-600.00	375.00		1 b/r
22	Grobler	0.00	0.00	700.00	60.00	760.00	-760.00	0.00	5	bach
23	L. Kruger	0.00	0.00	700.00	0.00	700.00	-700.00	0.00		bach
24	J.T. Whyte	0.00	0.00	700.00	0.00	700.00	-700.00	0.00		bach
25	J. Landsman	0.00	0.00	700.00	60.00	760.00	-760.00	0.00	1	bach
26	S M van Zyl	0.00	0.00	900.00	60.00	960.00	-960.00	0.00	2	1 b/r

TOTALS	-116.00	75.00	13500.00	360.00	13819.00	-13444.00	375.00		
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Total rental received	-13444.00
Collection Fee	613.05
VAT on Collection Fee	85.83
Rates & Taxes & Water & Lights	0.00
Wages	500.00
Loan - Repayment of loan in May 2002	-100.00

Distriksraad Motheo	19.88	
Cleaning Materials	0.00	
Deposit into Absa	12325.25	02/06/05
Balance due to Owner	0.00	

Pelopi Court
Warden Street
Noordhoek
BLOEMFONTEIN
9300

Pelopi Court Rent Statement

Jun-02

NO	TENANT	ADJUST	BAL B/F	RENTAL	CP/GAR	TOTAL	PAID	BAL	SIZE
SH1&2	*****VACANT*****	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SH3	Three Rings Bottle Store	0.00	0.00	2000.00	0.00	2000.00	-2000.00	0.00	
SH4	North Village Superette	0.00	57.00	2000.00	0.00	2057.00	-2057.00	0.00	
SH5	Noordhoek Butchery	0.00	0.00	1800.00	0.00	1800.00	-1800.00	0.00	
FL1	G Thackeau	0.00	0.00	775.00	0.00	775.00	-775.00	0.00	1Bdr
FL2	J H F Naudé	0.00	0.00	775.00	45.00	820.00	-820.00	0.00	1Bdr
FL3	R J J Kalp	0.00	0.00	775.00	0.00	775.00	-775.00	0.00	1Bdr
FL4	J J Kotze	0.00	0.00	775.00	45.00	820.00	-820.00	0.00	1Bdr
FL5	Mnr R Engelbrecht	0.00	0.00	1100.00	0.00	1100.00	-1100.00	0.00	2Bdr
FL6	T Tzoannos	0.00	0.00	1210.00	0.00	1210.00	-1210.00	0.00	2Bdr
FL7	E C M Bredenkamp	0.00	0.00	775.00	0.00	775.00	-775.00	0.00	1Bdr
FL8	M J Nel	0.00	0.00	775.00	0.00	775.00	-775.00	0.00	1Bdr
FL9	S Van Niekerk	0.00	0.00	775.00	55.00	830.00	-830.00	0.00	1Bdr
FL10	*****Vacant*****	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1Bdr
FL11	W E van der Westhuizen	0.00	0.00	1210.00	0.00	1210.00	-1210.00	0.00	2Bdr
FL12	C H & L Van Heerden	0.00	0.00	1210.00	55.00	1265.00	-1265.00	0.00	2Bdr
TOTALS		0.00	57.00	15955.00	200.00	16212.00	-16212.00	0.00	

Total rental received	-16212.00	
Collection Fee	739.27	
Water & Lights Acc 0544/061/0/107	1377.88	
Rates & Taxes Acc 011/04379/00/5	1464.62	
Water & Lights Shop 1 & 2 0544/065/0/099	148.20	
R S C Levy Pelopi/Nitsa	0.00	Not Received Yet
Cheque Herewith	12482.03	02/06/05
NETT INCOME	0.00	

Standard Bank Maitland Street
Current Acc - 041084748
Branch - 05034

Outspan Lodge
Unielaan
Arboretum
BLOEMFONTEIN
9301

OUTSPAN LODGE RENT STATEMENT

Jun-02

NO	TENANT	ADJ	BAL B/F	RENTAL	PARK	TOTAL	PAID	BAL	PARK	SIZE
1	O.N. Funbakubi	0.00	0.00	1300.00	0.00	1300.00	-1300.00	0.00		2 b/r
2	A Eggett	0.00	75.00	800.00	75.00	950.00	-950.00	0.00	G4	1 b/r
3A	Miss R Preamdut	0.00	0.00	960.00	0.00	960.00	-960.00	0.00		1b/r
3B	A.Z. Mbokodi	0.00	0.00	800.00	0.00	800.00	-800.00	0.00		bach
4	C. Sitima	-1906.35	-1077.85	1750.00	0.00	-1234.20	257.30	-976.90		2 b/r
5A	P.P. Nkosi	0.00	0.00	0.00	0.00	0.00	0.00	0.00		1 b/r
5B	N. Nkwanyane	100.00	0.00	800.00	50.00	950.00	-900.00	50.00	C/P7	bach
6	M.T. Ntshole	-982.35	-1077.85	1450.00	0.00	-610.20	296.30	-313.90		2 b/r
7	A.Jansen v.Vuren	0.00	0.00	1500.00	75.00	1575.00	-1575.00	0.00	G3	2 b/r
8	P.S. Mokwena	0.00	55.00	800.00	75.00	930.00	-930.00	0.00	G1	bach
9A	N.S. Grobler	0.00	0.00	1008.00	75.00	1083.00	-1083.00	0.00	G2	1 b/r
9B	N. Viviers	0.00	4131.03	800.00	0.00	4931.03	-900.00	4031.03		bach
10	D.E. Sierra	0.00	0.00	1400.00	0.00	1400.00	-1400.00	0.00		2 b/r
11	M. Koloj	0.00	0.00	1450.00	50.00	1500.00	-1500.00	0.00	C/P5	2 b/r
12	Y. Smith	0.00	0.00	1400.00	50.00	1450.00	-1450.00	0.00	C/P6	2 b/r
13	M. Mahoboyane	0.00	0.00	690.00	0.00	690.00	-300.00	390.00		bach
14	S.S. Mokobe	0.00	100.00	700.00	0.00	800.00	-600.00	200.00		bach
15	M.S. Ntukela	0.00	460.03	700.00	0.00	1160.03	-700.00	460.03		bach
TOTALS		-2788.70	2665.36	18308.00	450.00	18634.66	-14794.40	3840.26		

See Correction on the statements enclosed for no: 4 and 6 in the adjustment columns
4 & 6 Electricity transferred out of the rental to the electricity accounts

Total rental received	-14794.40	
Collection Fee	887.66	
VAT on Collection fees	124.27	
Rates - 001/03267/00/9 - Outspan Lodge	809.53	
Sanitation - 001/03267/00/9 - Outspan Lodge	412.52	
Water - 0618/160/0/035 - Outspan Lodge	0.00	
Electricity - 0618/160/0/035 - Outspan Lodge	672.67	
Electricity Collected from Tenants	-2968.58	
Electricity paid by Building for the flats	1330.81	
Outspan Lodge - 13 - Replace pressure valve & thermostat	346.23	
Deposit Refund - 3A - R R Moodaley	960.00	
Electricity Kholoane 5A to deduct from deposit with owner	303.52	
Supreme Handyman - Removal of Furniture	160.00	
Deposit into Standard Bank	0.00	02/06/21 Internet
Balance due by Owner	-11755.76	

pler Court
 irview Street
 oretum
OE FONTEIN
 0

EPLER COURT RENT STATEMENTS

02

JO	TENANT	ADJ	B/F	RENTAL	PARK	TOTAL	PAID	BAL	PARK	SIZE
1	A.J. Oosthuizen	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	6	1b/r dp
2	C.P.B.vSchalkwyk	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	13	1b/r dp
3	F.H. Coetzer	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	14	1b/r dp
4	L. van Wyk	0.00	0.00	830.00	0.00	830.00	-830.00	0.00		1b/r dp
5	J. van Rooyen	0.00	0.00	930.00	0.00	930.00	-930.00	0.00		1b/r dp
6	M.B. Eageyton	0.00	0.00	880.00	0.00	880.00	-880.00	0.00	15	1b/r dp
7	C. Nieman	0.00	0.00	1000.00	0.00	1000.00	-1000.00	0.00	24	1b/r dp lar
8	L. Posthumus	0.00	0.00	1000.00	0.00	1000.00	-1000.00	0.00		1b/r dp lar
9	E.A. de Lange	0.00	0.00	1000.00	50.00	1050.00	-1050.00	0.00	2	1b/r dp lar
10	J.A. Meyer	0.00	700.00	850.00	0.00	1550.00	-1550.00	0.00		1 b/r
11	M Oosthuizen	0.00	0.00	770.00	0.00	770.00	-770.00	0.00	23	bach
12	W.P. Mellowes	0.00	0.00	980.00	0.00	980.00	-980.00	0.00	21	1 b/r
13	E Cillers	0.00	0.00	980.00	50.00	1030.00	-1030.00	0.00	1	1 b/r
14	T. Raath	0.00	0.00	980.00	50.00	1030.00	-1030.00	0.00	3	1 b/r
15	E. Muller	0.00	0.00	980.00	0.00	980.00	-980.00	0.00		1 b/r
16	W.L. Myburgh	0.00	0.00	980.00	50.00	1030.00	-1030.00	0.00	17	1 b/r
17	F.C. Bamard	0.00	-50.00	980.00	50.00	980.00	-980.00	0.00	11	1 b/r
18	L.M. de Wet	0.00	0.00	980.00	100.00	1080.00	-1080.00	0.00	G2	1 b/r
19	Y. van den Berg	-261.00	0.00	980.00	0.00	719.00	-719.00	0.00		1 b/r
20	C. Theron	0.00	0.00	930.00	100.00	1030.00	-1030.00	0.00	G4	1b/r dp
21	S.J. Esterhuizen	0.00	0.00	930.00	0.00	930.00	-930.00	0.00		1b/r dp
22	S.E. Davis	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	12	1b/r dp
23	E. de Villiers	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	16	1b/r dp
24	A.C. van Graan	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	10	1b/r dp
25	J.W.J. Erasmus	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	19	1b/r dp
26	C.F.M. Nigrini	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	9	1b/r dp
27	A. Badenhorst	0.00	100.00	930.00	50.00	1080.00	-1080.00	0.00	4	1b/r dp
28	J.J. Pansegrouw	0.00	0.00	930.00	50.00	980.00	-980.00	0.00	18	1b/r dp
29	F.A. Benson	0.00	0.00	1200.00	50.00	1250.00	-1250.00	0.00	7	2 b/r
30	Van Heerden/Lessir	0.00	0.00	1200.00	25.00	1225.00	-1225.00	0.00	20	2 b/r
31	G.I. Peacock	0.00	0.00	1200.00	0.00	1200.00	-1200.00	0.00		3 b/r
ff 8	F Roodt	0.00	0.00	391.67	0.00	391.67	-391.67	0.00		
11/12	C A D Solutions	-284.47	284.47	905.00	0.00	905.00	-905.00	0.00		
	TOTALS	-545.47	1034.47	31156.67	1025.00	32670.67	-32670.67	0.00		

Vacant

Garage No: 1

Open Parking: 24 / 25 / 26 / 27

Total rental received	-32670.67	
Collection Fee	980.12	
VAT on Collection Fee	137.22	
Rates - 004/24903/06/8	2093.10	
Sanitation 004/24903/06/8	749.90	
Water - 0622/141/0/017	1359.18	
Electricity - 0622/141/0/017	525.97	
Electricity Offices - 0622/120/0/049	444.63	
Wages - Petrus	1000.00	
U I F on Wages	0.00	
Metropolitan Life - Petrus Policy - 4138553995	337.57	
Chubb Alarms - Ch 1135 - April 2002 Statement	225.00	
Caretaker Fee	0.00	
Telephone Calls & Plants Bought	0.00	
Rite Glass Alluminium - Flat 13 - replace window	209.49	
A.J. Boshoff - Flat 11 - Replace front door & lock	568.00	
Cleaning Materials	8.20	
A J Boshoff - Flat 23 - Replace toilet Flush Master	370.00	
Petty Cash Joannette	39.46	
Carpet & Keys CAD Solutions	224.95	
Balance brought forward	112.82	
Deposit into Standard Bank	23285.06	02/06/20
Balance due by Owner	0.00	

Standard Bank

Bloemfontein

Current Acc - 041006232

Olympos Court
Church Street
BLOEMFONTEIN
9305

Olympos CC Rent Statement

Jun-02

NO	TENANT	ADJUST	B/F	RENTAL	TOTAL	PAID	BAL	SIZE
SH1	Rite Glas & Aluminium	0.00	0.00	4950.00	4950.00	-4950.00	0.00	
SH2	Copy Shop	0.00	0.00	2850.00	2850.00	-2850.00	0.00	
SH3	L & P Stationers	0.00	0.00	5016.00	5016.00	-5016.00	0.00	
Base	Hunday	0.00	0.00	1881.00	1881.00	-1881.00	0.00	
FL1	R D Isaaks	0.00	0.00	1650.00	1650.00	-1650.00	0.00	3/Bdr
FL2	V E Vermeulen	0.00	1220.00	1220.00	2440.00	-2440.00	0.00	2/Bdr
FL3	D N Setouto	0.00	0.00	800.00	800.00	-800.00	0.00	Bach
FL4	T J Moetsi	0.00	0.00	1020.00	1020.00	-1020.00	0.00	1/Bdr
FL5	P.C. Lesia	0.00	0.00	1020.00	1020.00	-1020.00	0.00	1/Bdr
FL6	G S Thlalosi	0.00	380.00	1020.00	1400.00	-1400.00	0.00	1/Bdr
FL7	K.V. Sigenu	0.00	0.00	1220.00	1220.00	-1220.00	0.00	2/Bdr
FL8	G N & T Letsaba	0.00	0.00	1450.00	1450.00	-1450.00	0.00	3/Bdr
FL9	A Arko - Cobbaa	0.00	40.00	1220.00	1260.00	-1260.00	0.00	2/Bdr
FL10	T. Zandini	0.00	0.00	880.00	880.00	-880.00	0.00	Bach
FL11	M T Masilo	0.00	0.00	1020.00	1020.00	-1020.00	0.00	1/Bdr
FL12	D Moloto	0.00	0.00	1020.00	1020.00	-1020.00	0.00	1/Bdr
FL13	E.K. Mooko	0.00	0.00	1020.00	1020.00	-1020.00	0.00	1/Bdr
FL14	P A Setai	5.00	-5.00	1300.00	1300.00	-1300.00	0.00	2/Bdr
TOTALS		5.00	1635.00	30557.00	32197.00	-32197.00	0.00	

Total rental received	-32197.00
Collection Fee	760.00
Mangaung Local Council	4774.49
Wages - John - May 2002	600.00
Loan John - Nick Note	150.00
A J Boshoff - Flat 6 - Replace pipes under bath - blocked	525.00
Cleaning Materials	35.90
Deposit into Absa	25351.61
Balance due to Owner	0.00

Cecilia Court
Cromwell Road
Navalsig
BLOEMFONTEIN
9300

RENT STATEMENT - CECILIA COURT

Jun-02

NO	TENANT	B/F	ADJ	PARK	RENTAL	TOTAL	PAID	BAL	SIZE
101	M Labuschagne	0.00	0.00	0.00	880.00	880.00	-880.00	0.00	1Bdr
102	D Kritzinger	0.00	0.00	80.00	880.00	960.00	-960.00	0.00	1Bdr
103	M Botha	0.00	0.00	40.00	1200.00	1240.00	-1240.00	0.00	2Bdr
104	P Jonas	0.00	0.00	0.00	1200.00	1200.00	-1200.00	0.00	2Bdr
201	L Esterhuysen	1048.80	0.00	0.00	800.00	1848.80	-1200.00	648.80	Bach
202	Mr M D Maphakisa	0.00	0.00	0.00	880.00	880.00	-880.00	0.00	1Bdr
203	T.M. Djebi	0.00	0.00	0.00	1200.00	1200.00	-1200.00	0.00	2Bdr
204	N G Joubert	0.00	0.00	0.00	1200.00	1200.00	-1200.00	0.00	2Bdr
205	T Shelleng	0.00	0.00	0.00	1200.00	1200.00	-1200.00	0.00	2Bdr
301	Mr J Bessaar	0.00	0.00	0.00	800.00	800.00	-800.00	0.00	Bach
302	S Moeti	0.00	0.00	0.00	880.00	880.00	-880.00	0.00	1Bdr
303	W J de Koker	0.00	0.00	40.00	1200.00	1240.00	-1240.00	0.00	2Bdr
TOTALS		1048.80	0.00	160.00	12320.00	13528.80	-12880.00	648.80	

Total rental received	-12880.00	
Administration Fee	772.80	
Vat on Collection Fee	108.19	
Cleaning Services - David Ntosome	180.00	02/05/10
Cleaning Services - David Ntosome	180.00	02/05/24
Water - 0606/053/0/022	588.92	
Electricity - 0606/053/0/022	261.22	
Rates - 004/24940/04/7	521.87	
Sanitation - 004/24940/04/7	301.50	
P J Handyman Services - Gates & Fences - Part Deposit	2500.00	
Supreme Handyman - 202 - Geyser Cold Repair wiring	80.00	
Supreme Handyman - 103 - Kitchen Light & Bathroom Taps	165.75	
Supreme Handyman - 101 - Kitchen & sitting Romm Lights	125.75	
Extreme Handyman - Repair Geyser element	80.00	
Cleaning Materials	8.36	
P-J Handyman Services - Gates & Fences	1283.62	
Paid to N B S Bond Account	0.00	02/06/21
Due by Owner	-5722.02	

Kenlin Court
Peet Avenue
BLOEMFONTEIN
9301

Kenlin Court - Rent Statement

Jun-02

NO	TENANT	ADJUST	B/F	RENTAL	TOTAL	PAID	BAL	SIZE
Sh03	Rufus Motors (Goodstuff)	0.00	0.00	5700.00	5700.00	0.00	5700.00	
2	V Suka	0.00	0.00	890.00	890.00	-890.00	0.00	
3	K E Lemme	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
4	K M Diba	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
5	M E Ndara	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
6	S J Tsaoane	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
8	S G Matsaba	0.00	100.00	1050.00	1150.00	-1150.00	0.00	2Bdr
9	F R Sello	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
10	L Pitso	0.00	34.00	890.00	924.00	-924.00	0.00	1½Bdr
11	K E Leshoro	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
12	A S Naedimane	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
13	K M Dube	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
14	M A Rangetanyane	0.00	150.00	890.00	1040.00	-1040.00	0.00	1½Bdr
15	N G Skosana	0.00	150.00	850.00	1000.00	-1000.00	0.00	1Bdr
16	M S Majola	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
17	A M C da Cumha	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
18	A K Malato	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
20	H Mutombo	0.00	0.00	1050.00	1050.00	-1050.00	0.00	2Bdr
21	S A Mahlatsi	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
22	M S Mani	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
23	N C Luzipo	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
24	T S Makuna	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
25	W N Xaba	0.00	0.00	890.00	890.00	-890.00	0.00	1Bdr
	TOTALS	0.00	434.00	25320.00	25754.00	-20054.00	5700.00	

Total rental received
Collection Fee

-20054.00
1002.70

VAT on Collection Fee	140.38	
Electricity Shop 3 - 0641/025/0/091	978.68	
Water - Shop 3 0641/025/0/091	0.00	
Assuransie - Global Financial Services	385.68	
Supreme Handyman - 3 - Repair Geyser	120.00	
Supreme Handyman - 9 - Repair Plugs	172.37	
Supreme Handyman - 21- Repair Plugs in Kitchen	181.07	
Deposit into Bank	17073.12	02/06/21 Internet Transfer
Balance due to Owner	0.00	

Kenlin Court
Peet Avenue
BLOEMFONTEIN
9301

Kenlin Court - Rent Statement

Jun-02

NO	TENANT	ADJUST	B/F	RENTAL	TOTAL	PAID	BAL	SIZE
Sh03	Rufus Motors (Goodstuff)	0.00	0.00	5700.00	5700.00	0.00	5700.00	
2	V Suka	0.00	0.00	890.00	890.00	-890.00	0.00	
3	K E Lemme	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
4	K M Diba	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
5	M E Ndara	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
6	S J Tsaoane	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
8	S G Matsaba	0.00	100.00	1050.00	1150.00	-1150.00	0.00	2Bdr
9	F R Sello	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
10	L Pitso	0.00	34.00	890.00	924.00	-924.00	0.00	1½Bdr
11	K E Leshoro	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
12	A S Naedimane	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
13	K M Dube	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
14	M A Rangetanyane	0.00	150.00	890.00	1040.00	-1040.00	0.00	1½Bdr
15	N G Skosana	0.00	150.00	850.00	1000.00	-1000.00	0.00	1Bdr
16	M S Majola	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
17	A M C da Cumha	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
18	A K Malato	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
20	H Mutombo	0.00	0.00	1050.00	1050.00	-1050.00	0.00	2Bdr
21	S A Mahlatsi	0.00	0.00	890.00	890.00	-890.00	0.00	1½Bdr
22	M S Mani	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
23	N C Luzipo	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
24	T S Makuna	0.00	0.00	850.00	850.00	-850.00	0.00	1Bdr
25	W N Xaba	0.00	0.00	890.00	890.00	-890.00	0.00	1Bdr
	TOTALS	0.00	434.00	25320.00	25754.00	-20054.00	5700.00	

Total rental received

-20054.00

Collection Fee

1002.70

VAT on Collection Fee	140.38	
Electricity Shop 3 - 0641/025/0/091	978.68	
Water - Shop 3 0641/025/0/091	0.00	
Assuransie - Global Financial Services	385.68	
Supreme Handyman - 3 - Repair Geyser	120.00	
Supreme Handyman - 9 - Repair Plugs	172.37	
Supreme Handyman - 21- Repair Plugs in Kitchen	181.07	
Deposit into Bank	17073.12	02/06/21 Internet Transfer
Balance due to Owner	0.00	

Addendum E 1 Supporting documentation From Trafalgar Property Management. (Including standard lease, application form and inspection report)



PLEASE NOTE: This is only an application form. A photocopy of the ID of the applicant, as well as photocopies of the ID's of all persons who will be staying in the premises, as well as the latest salary statement of the applicant must accompany this form. Only When your application has been approved, and only after you have signed a contract and paid for it, you will be the legal tenant of the premises. The completion and handing in of the Application form is *no* proof that you are the legal tenant of the premises.



APPLICATION FOR ACCOMMODATION

Full Names and surname _____

Identity Number : | | | | | | | | | | | | | | | | | |

E-mail address (if any): _____

Marital Status: Married in/out of Community of Property / Unmarried / Divorced / Widowed

Age (if under 21) : _____ Permission of guardian obtained? Yes/No

Present Home Address: _____

Present Landlord/Agent: _____

Name of Employer: _____ Tel Nr _____

Work address : _____

Occupation/Title: _____ Monthly Income: R _____ Period: _____

Name of Spouse : _____ ID No. _____

Name of Spouse's Employer: _____ Tel Nr _____

Occupation/Title: _____ Monthly Income: R _____ Period: _____

Have you ever been or are you about to be declared insolvent? Yes / No

Have you been ever been placed under administration or are you about to be placed under administration? Yes / No. If yes, give details: _____

Number of people to live on premises : _____

NAMES & I.D. NUMBERS OF PERSONS WHO WILL STAY IN THE FLAT/TOWNHOUSE/HOUSE

References: 1. Immediate Family _____ Tel _____
 2. Accounts: _____ Tel _____
 3. Friends: _____ Tel _____

Hire purchase/other loans: _____

I/WE DO HEREBY OFFER TO HIRE FLAT/HOUSE _____ subject to the conditions stated herein. Until signature of the Lease Agreement I/We acknowledge that, upon acceptance hereof I/we shall be bound by the Agreement thus arising. I/We acknowledge further that completion of this application and the payment of any deposit and/or lease fees and/or stamp duty by me/us does not constitute acceptance of this offer by the landlord or his agent, who reserves the right to refuse any application without having to offer any reason for such refusal. I ALSO CONFIRM THAT I HAVE PERSONALLY SEEN THE INTERIOR OF THE PREMISES AND THAT I AM SATISFIED WITH THE CONDITION THEREOF.

YES/NO (SIGNATURE) _____

MONTHLY RENTAL MUST BE PAID BY DEBIT ORDER

I/We the undersigned, herewith declare that the aforementioned is correct. The applicant will provide Trafalgar Property with whatever additional personal or other information may be reasonably required to consider the application. While Trafalgar Property will ensure any personal information so obtained remains confidential, the applicant thereby consents to:

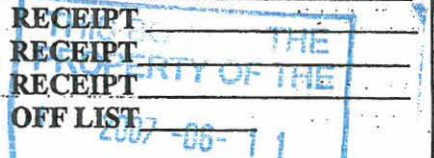
- * Trafalgar Property having access to personal and commercial information which may be obtained from any third parties including, without litigation, information from credit reference agencies. Trafalgar Property may also provide such information to other divisions or companies within the Trafalgar group.
- * Trafalgar Property making available, to credit reference agencies, any information regarding the management of any accounts, including any failure to meet the agreed terms and conditions. Credit reference agencies may in turn make such information available to other credit grantors.

DATE : _____

SIGNATURE _____

FOR OFFICE USE:

OCCUPATION DATE: _____	DEPOSIT : _____	RECEIPT _____
TERM OF LEASE: _____	CONTRACT: _____	RECEIPT _____
RENTAL: _____	STAMPS: _____	RECEIPT _____
UNIT: _____	INSP. FEE _____	RECEIPT _____
GARAGE/CP NO: _____	P/R RENT: _____	RECEIPT _____
LET BY: _____	P/R PARK: _____	RECEIPT _____
	TOTAL: _____	OFF LIST _____



TRAFALGAR PROPERTY MANAGEMENT FREE STATE (PTY) LTD

1st Floor, N R E House
161 Zastron Street
WESTDENE

Tel : 4301311

P O Box 363
BLOEMFONTEIN
9300

E-Mail: residential@trafalgarbfn.co.za
Fax : 4301322

MEMORANDUM OF AGREEMENT OF LEASE

1.1 **PARTIES**

The parties to this lease are:

("hereinafter called the LESSOR")

and

1.2

Identity number _____

("hereinafter called the LESSEE")

and

1.3

TRAFALGAR PROPERTY MANAGEMENT FREE STATE (PTY) LTD
(hereinafter called "the AGENT")

SCHEDULE A

2.

THE BUILDING : _____

Premises	Unit No.	Monthly Rental
Flat/House/Townhouse/Cottage/Plot	_____	R _____
Garage/Parking Bay/Carport	No. _____	R _____
TOTAL		R _____

3.

LEASE PERIOD

The lease shall commence on the _____ day of _____ 20____ and shall continue indefinitely in full force and effect terminable by either party giving to the other two (2) calendar months written notice to that effect. The said Lease period is subject to the premises let being vacant and available for occupation, and subject further to General Conditions of the Lease:

4.

Number of persons to occupy Premises : _____ **ONLY THE OCCUPANTS SPECIFIED ON THE APPLICATION FORM WILL BE ALLOWED TO STAY IN THE PREMISES.**

5.

AMOUNT OF DEPOSIT: R _____ (_____)

THE DEPOSIT SHALL AT ALL TIMES BE EQUAL TO _____ TIME(S) THE EXISTING RENTAL.

6

The Lessee shall be liable to pay to the Agent an administration fee in the amount of R _____ (_____) if rental is not received on the 1st day of a month and thereafter R _____ (_____) per 7 (seven) days or part thereof, that any payment in terms of this agreement received late by the Agent for additional administrative work done by the Agent as a result of such late payment, which charges the Lessee acknowledges to be fair and reasonable.

7

A final inspection fee of R _____ (_____) will be levied by the Agents and deducted from the deposit held on behalf of the Lessee on termination of the Lease and once the Premises has been vacated.

8. INTERPRETATION

- 8.1 For the purposes of this lease, except in a context indicating that some other meaning is intended:
- 8.1.1 “**the Building**” means the building according to **clause 2 of Schedule A** and includes, where the context so allows, all permanent improvements, on the Property.
- 8.1.2 “**day**” means any day of the week, excluding Sundays and public holidays;
- 8.1.3 “**the Lease Period**” means the period for which this lease subsists, including any period for which it is renewed;
- 8.1.4 “**month**” means a calendar month.
- 8.1.5 “**the Premises**” means flat/unit number in the Building according to **clause 2 of Schedule A**
- 8.1.6 “**the Rates**” means the rates payable on the Property and includes any other charges payable by the Lessor to the local authority (such as, but not limited to, refuse removal charges or sanitary fees), but not charges for water, electricity or gas;
- 8.1.7 “**year**” means a period of 12 consecutive months commencing on the date on which this lease comes into operation or any anniversary of that date. If the lease commences on a date other than the first of a specific month, the period of 12 months will be calculated from the first of the month consecutive to the month in which the lease commences.
- 8.1.8 references to notices, statements, and other communications by or from the lessor include notices by or from the Agent;
- 8.1.9 expressions in the singular also denote the plural, and vice versa;
- 8.1.10 words and phrases denoting natural persons refer also to juristic persons, and vice versa; and
- 8.1.11 pronouns of any gender include the corresponding pronouns of the other gender.
- 8.2 Any provision of this lease imposing a restraint, prohibition, or restriction on the Lessee shall be so construed that the Lessee is not only bound to comply therewith but is also obliged to procure that the same restraint, prohibition or restriction is observed by everybody occupying or entering the Premises or any other part of the Property or the Building through, under, by arrangement with, or at the invitation of the Lessee, including (without limiting the generality of this provision) the family, guests and servants of the Lessee.
- 8.3 Clause headings appear in this lease for purposes of reference only and shall not influence the proper interpretation of the subject matter.
- 8.4 This lease shall be interpreted and applied in accordance with South African law.

GENERAL CONDITIONS OF LEASE

9. LETTING AND HIRING

The Lessor lets and the Lessee hires the Premises on the terms of this lease and the Lessee acknowledges that he has seen the premises prior to the signing of this Lease Agreement.

10. DURATION

- 10.1 Notice as envisaged in **clause 3 of Schedule A** shall be given by not later than the first day of any calendar month and in the event of the first day falling on a Sunday or public holiday, then on the first business day thereafter.
- 10.2 In the event of the Lessee giving late notice in terms of the aforementioned clause, and without derogating from any other consequences of such late notice, the Lessee undertakes to pay an administration fee to the Agent which fee will be deducted from the deposit.
- 10.3 Should the Lessee fail to take possession of the premises within a period of five (5) days from the date agreed upon

in **clause 3 of Schedule A** or from a date on which the premises became available for such occupation, then and in such an event, the Lessor shall have the right but not necessarily be compelled to immediately cancel the agreement without notice, upon which event this agreement shall terminate and be of no further force or effect. The aforementioned right will not be construed as excluding the ordinary lawful consequences of a breach of the lease. Should this agreement be cancelled on the basis as aforementioned, then and in such an event, the Lessee shall have no right or claim of whatever nature against the Lessor for such cancellation and shall the Lessee forfeit any deposit paid as well as be liable for any damages suffered by the Lessor as a result of the Lessee's breach.

10.4 Should the Lessor be unable to give the Lessee occupation of the leased premises on the occupation date by reason of the leased premises being in a state of disrepair or by reason of the fact that the previous tenants have not vacated the premises or for any reason whatsoever not being due to the wilful default on the part of the Lessor, the Lessee shall have no claim for damages or other right of action against the Lessor and will the Lessee be compelled to accept occupation of the premises from whichever date the premises become available, subject to a remission of rental for any period of non occupation. This clause will apply notwithstanding any receipt having been given for rental or deposit to the Lessee.

11. RENTAL

11.1 The Tenant will pay the rental monthly **in advance on or before the 1st (first) day of every month**, excluding the rental payable for the first month's rent, which is payable prior to the tenant taking possession.

11.2 The rental, or any other monies except for those mentioned in clause 11.3 below, payable in terms of this agreement may be increased by the Lessor or his Agent by giving the Lessee two (2) calendar months' written notice of such increase.

11.3 when the Rates or Body Corporate levy, if applicable, are increased during the Lease Period, the Lessor may, by written notice to the Lessee, increase the monthly rental for the Premises by an amount which bears the same ratio to the increase in Rates or Body Corporate levy, calculated on a monthly basis, as the rental payable by the Lessee for the Premises bears for the time being to the total rental actually received by the Lessor for all units, on the premises. Every such increase in the rental shall take effect on the first day of the month following that in which the Lessor's notice of the increase is received by the Lessee.

12. ADDITIONAL CHARGES

12.1 In addition to paying the rent, the Lessee shall be responsible to enter into an agreement with the Municipality or the Body Corporate of the unit for the connection of water and electricity (including any deposit and connection fees payable) to the premises and furthermore shall be responsible for the prompt payment every month of all costs in respect of electricity and water as well as any other municipal services, if any, consumed on the premises during the existence of the lease agreement.

12.2 Where the premises are metered separately for electricity and/or water consumed thereon, the meter reading shall be accepted as proof of the amount consumed, should the lessee fail to pay the account for such consumption on the date it falls due, the Lessor shall have the right to cut off the relevant supply. Where the premises are not metered for water, the Lessee shall nevertheless punctually pay a water levy charged and allocated to the premises by the relevant authority, body corporate or share block company. The Lessor shall not be responsible for any cessation or failure or interruption in the drainage system, or in the supply of electricity or water and shall not be responsible for any damage or loss resulting therefrom or through or by the electricity or water supply or system, whether direct or indirectly, or due to any accident of or defect in the water system or electrical installation and their fittings and appurtenances.

13. PAYMENTS

13.1 All payments due by the Lessee to the Lessor under this lease shall be made to the Agent at the address of the Agent as given above.

13.2 The Lessee shall not withhold, defer, or make any deduction from any payment due to the Lessor, whether or not the Lessor is indebted to the Lessee or in breach of any obligation to the Lessee.

13.3 The rental and all other amounts payable by the Lessee under this lease shall be inclusive of Value Added Tax in

so far as it is applicable.

- 13.4 The Lessee shall be liable for interest on all overdue amounts payable under this lease at a rate per annum of 25% reckoned from the due dates of such amounts until they are respectively paid.
- 13.5 The parties agree that the payment of rental by means of a cheque or debit order will be regarded as a concession by the Lessor to the Lessee as a means in which payment can be effected and that should any such cheque be dishonoured due to any reason whatsoever, the Lessee will not only be compelled to make all future payments of rental in cash but will the Lessee also be held liable for all administration and or bank costs occasioned by the Lessor or his Agents as a result of such cheque being dishonoured.
- 13.6 **SHOULD THE LESSEE EFFECT PAYMENT OF THE RENT OR ANY OTHER AMOUNT PAYABLE IN TERMS OF THE LEASE BY ANY MEANS OTHER THAN BY WAY OF CASH OR CHEQUE AT THE SAID OFFICES OF TRAFALGAR, THE LESSEE SHALL FORTHWITH NOTIFY TRAFALGAR OF THE DATE, PLACE, AMOUNT AND MEANS OF PAYMENT AND PRODUCE PROOF THEREOF. THE LESSEE ACKNOWLEDGES THAT UNLESS THE LESSEE DOES SO NOTIFY TRAFALGAR, IT WILL NOT BE POSSIBLE TO IDENTIFY THE PAYMENT AND ALLOCATE IT TO THE CREDIT OF THE LESSEE. THE LESSEE ACCORDINGLY INDEMNIFY AND HOLDS TRAFALGAR HARMLESS FOR ANY DAMAGES SUFFERED BY THE LESSEE AS CONSEQUENCE OF ANY ACTION TAKEN AGAINST THE LESSEE PURSUANT TO THE LESSEE'S FAILURE TO SO NOTIFY TRAFALGAR OF ANY SUCH PAYMENT. FURTHERMORE, SHOULD THE LESSEE PAY THE RENT BY ELECTRONIC BANKING OR THE M-65 METHOD, HE/SHE SHALL INDEMNIFY TRAFALGAR FROM ISSUING A RECEIPT IN TERMS OF THE RENTAL HOUSING ACT.**
- 13.7 The Lessee agrees that no receipt in respect of payment shall be valid unless provided on an official receipt issued by the Agents and furthermore that no error on such a receipt shall be binding on the Agents or the Lessor but will such error be rectified to reflect the true state of affairs.

14. **DEPOSIT**

- 14.1 On entering into this Lease the Lessee shall pay to the Agent a deposit as per clause 5 of Schedule A, which amount the Agent will hold on behalf of the Lessor and which amount the Lessor may apply, in whole or part, in meeting any payment due by the Lessee to the Lessor at any time during the Lease Period or after the termination of this lease.
- 14.2 Whenever during the Lease Period the deposit is so applied in whole or part, the Lessee shall on demand reinstatement of the deposit to its original amount.
- 14.3 ***IN THE EVENT OF THE RENTAL BEING INCREASED, THEN AND IN SUCH AN EVENT, THE LESSEE UNDERTAKES TO SUPPLEMENT THE DEPOSIT IN ACCORDANCE WITH SUCH INCREASE.***
- 14.4 As soon as all the obligations of the Lessee to the Lessor have been discharged including but not limited to the reparation of any damages which the Lessee might have caused to the premises following the termination of this lease, the Lessor shall refund to the Lessee, once proof of payment in full of the final water and electrical accounts has been submitted to the Agent, so much of the deposit, as has not been applied in terms of the above provision.
- 14.5 **SHOULD I VACATE THE PREMISES WITHOUT MAKING AN APPOINTMENT WITH THE AGENTS FOR A FINAL INSPECTION, I ACKNOWLEDGE THAT MY DEPOSIT WILL NOT BE REFUNDED TO ME UNTIL THE EXTENT AND NATURE OF ANY DAMAGE CAN BE ASCERTAINED AND REPAIRS CARRIED OUT. I ACKNOWLEDGE FURTHER THAT THE DAMAGES WILL NOT BE LIMITED TO THE AMOUNT OF THE DEPOSIT PAID.**

- 14.6 Deposits will be managed and invested with a financial institution of the agent's choice and the interest earned thereon, during the currency of the Lease Agreement, will, after the deduction of the administration fee referred to in clause 14.7, be for the account of the Lessee.
- 14.7 An administration fee will be charged by the agent for the management and investment of the deposit held.
- 14.8 If, after a period of 12 (twelve) months from the date of expiry or earlier termination of this lease, for whatever reason, the Lessee has taken no action to claim the deposit or such portion thereof as may remain after the application thereof to any amounts owed by the Lessee, whether for rental, damages or otherwise, the agent shall be entitled to retain the deposit or any balance remaining after the Lessor's claims against the Lessee have been met, as its own funds, absolutely and without any claim therefor by the Lessor or the Lessee.

15. **INSURANCE**

- 15.1 The Lessee shall not keep or do in or about the Premises anything such as is liable to enhance any of the risks against which the Building is insured to the extent that the insurance of the Building is rendered void or voidable or the premiums of such insurance are, or become liable to be, increased.
- 15.2 Without prejudice to any other right of action or remedy which the Lessor may have arising out of a breach of the foregoing provision, the Lessor may recover from the Lessee on demand the full amount of any increase in insurance premiums in respect of the Building attributable to such breach.
- 15.3 For the purposes of the above provisions, the Lessee shall be entitled to assume that the Building is at all material times insured against such risks, on such terms, for such amounts, and at such premiums as are for the time being usual in respect of similar buildings in similar locations.

16. **ASSIGNMENT AND SUBLETTING**

The Lessee shall not be entitled, except with the prior written consent of the Lessor to:

- 16.1 cede or assign all or any of the rights and obligations of the Lessee under this agreement;
- 16.2 sublet the Premises in whole or part; or
- 16.3 to give up possession of the Premises to any third party.

17. **SUNDRY DUTIES OF THE LESSEE**

- 17.1 advise the agent in detail in writing on the inspection report which the Lessee acknowledges having received within five (5) days of commencement of the tenancy in terms of this agreement of any flaws or defects whatsoever including vermin infestation to or upon the premises let, failure of which it will be regarded as if the Lessee had not received the premises in every respect in a proper state of repair and condition. The parties hereto acknowledge that the inspection report will merely serve as a record of the state in which the premises has been received by the Lessee and will there be no obligation upon the Lessor to attend to any repairs or defects as mentioned on the inspection report;
- 17.2 keep the Premises clean, tidy, and habitable;
- 17.3 not use the Premises or allow them to be used, in whole or part, for any purpose other than that of a private dwelling;
- 17.4 take all reasonable measures to protect the Premises and all parts thereof (including all fixtures, fittings, appurtenances, appliances and keys) from abuse, damage, destruction, and theft;
- 17.5 not place or leave any article or other item in or about any passage, lift, stairway, pathway, parking garage, or other common part of the Building so as to cause a nuisance or obstruction. Nothing shall be thrown out of the window or doors or from the balconies or down the passages, ventilation shafts, light or lift shafts or through or upon the skylights of the building.

- 17.6 not bring into the Premises or the Building ~~any article~~ which, by reason of its weight or other characteristics, is liable to cause damage to the Building or the Premises;
- 17.7 not contravene any of the conditions of title of the Property or any of the laws, rules or regulations affecting owners, tenants or occupiers of the Property or the Building;
- 17.8 accepts that neither he, his domestic servant, nor any member of his household, nor any visitors to the premises shall do or permit the doing of any act which may be or become an annoyance or disturbance to the Lessor or occupiers in the building or which may constitute a contravention of any laws or regulations, Municipal or otherwise. The Lessor reserves the right, if he deems it necessary, to decide that children shall play in a particular area of the grounds and in no other areas. In the event of such decision being communicated to him in writing he undertakes to see to its observance.
- 17.9 not leave refuse or allow it to accumulate in or about the Premises except in the refuse bins provided;
- 17.10 refrain from interfering with the electrical, plumbing, or gas installations or systems serving the Premises or the Building except as may be necessary to enable the Lessee to carry out its obligations of maintenance and repair in terms of this lease;
- 17.11 not keep any live animals or birds on the Premises except with the prior written consent of the Lessor or the Agent
- 17.12 not hang washing in any visible place in or about the Premises, or do or display anything else which causes the Premises or the Building to appear unsightly;
- 17.13 shall not erect or affix blinds, canopies or awnings without the prior written approval of the Lessor nor close or obstruct wholly or partially any openings upon the balconies and external walkways;
- 17.14 shall not possess or use any radio, television or electrical apparatus or thing which causes radio interference, nor construct any external radio or other aerials or poles in any form of projections;
- 17.15 take all reasonable measures to prevent blockages and obstructions from occurring in the drains, sewerage pipes water borne sewerage, gutters, cisterns, geysers and water pipes serving the Premises and specifically to advise the Agent in writing of any leakage or any other defects to the water or electricity supply;
- 17.16 maintain, keep in proper working order all electrical outlets, equipment and fittings. Provide at the Lessee's own expense all electric, fluorescent, and incandescent light bulbs required in the Premises as well as attending to the repair of all fuses and electrical fittings at the cost of the Lessee in the event of such items being damaged as a result of the use of faulty electrical equipment by the Lessee;
- 17.17 refrain from driving screws or nails into the woodwork or walls or attaching pictures or articles in any way whatsoever to walls and ceilings.
- 17.18 Accepts that between the hours of 14:00 and 16:00 and between the hours of 23:00 and 08:00, no musical instruments of any kind shall be played on the premises, nor any wireless or TV set operated, in such a manner as to be audible outside the premises.
- 17.19 hang neat curtains in front of all windows and will the Lessee under no circumstances be permitted to cover the windows with any other object or objects other than curtains;
- 17.20 not make a fire for the purpose of braaiing or for any other purpose whatsoever either by open fire or by gas on the balcony;
- 17.21 not make use of the fire fighting equipment for any purpose whatsoever other than that for which such fire equipment was designed;
- 17.22 **hand the keys of the Premises in at the office of the Agents by not later than 16:30 on the last day of this Lease Agreement and in the event of any locks having been changed, to hand all such keys to the Agent. Should the Lessee fail to do this, the Lessor reserves the right to hold the Lessee liable for the costs involved in obtaining new keys and without exclusion of the ordinary lawful consequences of a breach of this Lease.**

the Lessee will be held liable for any loss of rentals as a result of new tenants not being able to take occupation of the Premises timeously.

18. SERVANTS

The Lessee shall be responsible for the behaviour of his servant(s) at or in the building. Should the Lessor, in his sole discretion, decide that the behaviour, in any respect, of the Lessee's servant(s) constitutes a nuisance to the Lessor or any other tenant or any other tenant's servant, the Lessor may require the Lessee to dismiss his servant(s) forthwith and/or he may forthwith cancel the lease in respect of such servant's room (which cancellation shall not affect the Lease of the other premises hereby let and hired). In the event of such cancellation, the Lessee shall without any right to compensation, hand over forthwith to the Lessor the said servant's room in the same good order and condition as he received it.

19. MAINTENANCE AND REPAIRS

19.1 The Lessee shall at his own expense and without recourse to the Lessor

19.1.1 throughout the Lease Period keep clean and maintain in good order and condition the interior of the Premises and all parts thereof and shall be liable for all damage to any part of the premises caused by any act, omission or neglect committed by him or any member of his household, his servants or visitors or persons unknown, including (without limitation to the generality of this obligation):

- (i) All windows, doors, door handles, door locks, keys, glass, including window fasteners, electrical fittings and fixtures, baths, sinks, sanitation, drainage systems, water taps and outlets, appurtenances, fixtures and fittings contained in the Premises, which shall be deemed to be part of the inside of the premises and shall be obligatory on the Lessee to repair or replace all such items necessary (as well as any keys) which have been broken, lost or destroyed (again regardless of cause). Should the Lessee not fulfill these obligations, the Lessor shall be entitled to rectify all deficiencies and defects and claim the costs thereof from the Lessee;
- (ii) Accepts and agrees that he shall be responsible for any redecoration of the interior of the premises which may become necessary. Notwithstanding the aforesaid the Lessee hereby agrees that he will not paint the inside of the premises without the Lessor's prior consent having been obtained and if such consent is granted, the colour scheme must be white or off-white only;
- (iii) Repair any damage caused or done to the premises or any portion of the building on the Leased Premise whether to the interior or exterior thereof occasioned by forceful entry, attempted forceful entry, burglars, thieves or any form of unauthorised entry or attempted entry;
- (iv) if the premises has a garden, keep such garden and any grounds in a neat and tidy condition and free from all weeds and to keep such garden properly watered. Should the Lessee fail to comply with this obligation then and in such an event, the Lessee gives permission to the Lessor's Agent to have the grounds cleaned and or maintained at the cost of the Lessee;
- (v) If there is a swimming pool on the premises, the Lessee shall regularly sweep and filter the pool, apply appropriate chemicals, keep the pool free of algae, dirt and anything else which is undesirable to have in a pool, and maintain the pool pump equipment in good working order.
- (vi) Undertakes and agrees that wall to wall carpeting will not be stuck down with adhesive tape or other materials nor will nails, tacks or similar articles be used for the securing of the carpet, which must be laid loosely up to the skirtings. The Lessee hereby accepts full responsibility for all damage resulting from the laying of the carpets and agrees to leave the floor in a clean and tidy condition when vacating.

19.1.2 on the termination of this lease, howsoever and whenever it terminates, return the Premises and all such part thereof (including all keys) to the Lessor in good order, condition and repair, fair wear and tear excepted.

19.2 Should the Lessee fail to carry out any of its obligations under this lease with regard to any maintenance, repair or replacement, the Lessor shall be entitled, without prejudice to any of its other rights, or remedies, to effect the required item of maintenance, repair, or replacement and to recover the cost thereof from the Lessee on demand.

- 19.3 All maintenance and repairs done in terms of this clause will be done by thoroughly trained artisans who are properly qualified thereto.
- 19.4 Should the premises be fitted with wall to wall carpets, or should other carpets be provided by the Lessor, then and in such an event the Lessee grants to the Lessor permission upon vacating the premises to have the carpets cleaned by way of a cleaning process as required by the Lessor within his sole and absolute discretion and should such cleaning process not leave the carpets in any way in the same condition as that in which they were at the inception of this Lease Agreement, then and in such an event, the Lessee grants permission to the Lessor to have such carpets repaired and if necessary replaced at the expense of the Lessee.

20. **ALTERATIONS, ADDITIONS AND IMPROVEMENTS**

- 20.1 The Lessee shall not make or permit any alterations or additions in or to the Premises or their contents including any fixtures, equipment, apparatus or effects without the Lessor's prior written consent.
- 20.2 If the Lessee does alter, add to, or improve the Premises in any way, whether in breach of clause 20.1 or not, the Lessor shall (in addition to its rights to terminate the Lease and claim damages where its consent has not been given) be entitled at the termination of the Lease to the restoration by the Lessee to the original condition, which restoration may be done by the Lessor at the expense of the Lessee. Should the Lessee make alterations or annex anything to the premises, the Lessor shall become and remain the owner thereof, and the Lessee shall not be entitled to remove it unless required to do so by the Lessor.
- 20.3 Save for any improvement which is removed from the Premises as required by the Lessor in terms of clause 21.2 all improvements made to the Premises shall belong to the Lessor and may not be removed from the Premises at any time. Without derogating from the generality of this clause, the parties agree that the installation of wall to wall carpets in the Leased Premises, shall be regarded as an improvement in terms of this clause.

21. **EXCLUSION OF LESSOR FROM CERTAIN LIABILITY AND INDEMNITY**

The Lessee shall have no claim for damages against the Lessor and may not withhold or delay any payment due to the Lessor by reason directly or indirectly of

- 21.1 a breach by the Lessor of any of its obligations under this lease;
- 21.2 any act or omission of the Lessor or any agent or servant of or contractor to the Lessor, whether or not negligent or otherwise actionable at law, and including (without limiting the generality of the foregoing) any act or omission of any cleaner, maintenance person, handyman, artisan, labourer, workman, watchman, guard or commissionaire
- 21.3 the condition or state of repair at any time of the Property, the Building, or any part of the Property or the Building
- 21.4 any failure or suspension of, or any interruption in, the supply of water, electricity, gas, air-conditioning, heating or any other amenity or service to the Premises, the Building, or the Property (including, without generality being limited), any cleaning service, whatever the cause;
- 21.5 the suspension of the operation of any machinery, lift, plant, apparatus, equipment or appliance, whether in connection with electrical current or water supply or otherwise, for the purpose of inspection, cleaning, repair and replacement, and no liability for damages shall attach to the Lessor for any such suspension. The Lessee shall use due diligence in operating the lifts and any other equipment, apparatus in the building;
- 21.6 any injuries to the Lessee or any member of his family, visitors or tradesmen or servants or any damage to their property whether or not resulting from any act, neglect or default of the Lessor or his servants, or from any defect in the construction of the building latent or patent or which may subsequently appear and not be remedied, from insufficient lighting or ventilation or from any defects in any machines, plant or appliance installed or used in the building, or resulting from leakage or from any faulty electrical wiring, connection, fitting or appliance, or from rodents or any other animals or insects or from any other cause whatsoever, without exception, including damage resulting from fire, flood, lightning or other Act of God, war, riots and other civil commotions. The limitation of the Lessor's liability as aforesaid shall apply whether the injury, damage, inconvenience or loss is sustained inside or outside the said premises or building.

- 21.7 any injury, accident or damage which may at any time be suffered by the Lessee or any of the Lessee's proper by reason of any act, neglect or default of the Lessor or his agent or of any servant of the Lessor, or any other tena in the property and in particular the Lessor shall not be responsible for any loss that the Lessee may suffer throug burglary, whether or not such loss be occasioned by any act, neglect or default of the Lessor or any servant of tl Lessor or any other tenant in the Property. No injury, damage or loss that the Lessee may suffer as aforesaid sha entitle the Lessee to cancel this lease prior to its expiration in terms of clause 3 of **Schedule A**
- 21.8 any loss of or damage to any goods, property and effects of whatsoever nature owned by any third party and kep held or stored by the Lessee on the premises, such items shall be at the sole risk of the Lessee who shall bear tl loss thereof or damage thereto from any cause whatsoever in relation to the owner of such items;
- 21.9 not be responsible to any Lessee for the non-observance of any condition of this lease by any other Lessee or oth person excluding the Lessor and/or his agent;
- 21.10 any interruption of or interference with the enjoyment or beneficial occupation of the Premises or any of tl common parts of the Property or the Building caused by any building operations or other works to or in tl Building or elsewhere on or about the Property, whether carried out by the Lessor or by anybody else; or
- 21.11 any other event or circumstance whatever occurring, or failing to occur, upon, in, or about the Property, tl Building, or the Premises,, whether or not the Lessor could otherwise have been held liable for such occurren or failure, and the Lessee indemnifies the Lessor against all liability to members of the Lessee's household, t Lessee's servants, guests and other invitees, and all other persons who may occupy or be entitled to occupy t Premises or any parts thereof through or under the Lessee, in consequence of any such matter as is referred to clauses 21.1 to 21.10 above.
22. **LESSOR'S RIGHTS OF ENTRY AND CARRYING OUT OF HIS DUTIES**
The Lessor's representatives, agents, servants and contractors may at all reasonable times, without thereby givi rise to any claim or right of action on the part of the Lessee or any other occupier of the Premises:
- 22.1 enter the Leased Premises in order to inspect them, to carry out any necessary repairs, replacements, or other worl or to perform any other lawful function in the bona fide interests of the Lessor or any of the occupiers of t Property; or
- 22.2 carry out elsewhere in the Building or on the Property any necessary repairs, replacements or other works, but t Lessor shall ensure that this right is exercised with due regard for and a minimum of interference with the benefic enjoyment of the Premises by those in occupation thereof.
23. **RULES**
- 23.1 The Lessee shall at all material times comply with such reasonable rules and regulations as are laid down in writi by or on behalf of the Lessor for observance by tenants and other occupiers of the Property and their invitee including (without generality being limited) rules and regulations in connection with
- 23.1.1 the security of the Property and the protection of persons and property thereon, including in particular (aga without generality being restricted) any rules for the control and identification of persons and vehicles entering t Property or any parts thereof;
- 23.1.2 the driving and parking of vehicles on or about the Property; and
- 23.1.3 the utilisation of common amenities and facilities on the Property;
- 23.1.4 Sectional Title rules if applicable to the building.
- 23.2 Clause 23.1 shall not be construed as implying that the Lessor assumes any liability which it would not otherw have had in connection with the subject matter of any such rule or regulation.
24. **PARKING**
- 24.1 **AS PER CLAUSE 2 OF SCHEDULE A.** Parking is payable in addition to, and increasing from time to ti

simultaneously with and proportionately to the rental for the Premises (whatever the cause or basis of such increase).

- 24.2 All the terms of this lease relating to the Premises themselves shall apply *mutatis mutandis* to the parking bay/garage referred to in **clause 2 of Schedule A** except those which are obviously inapplicable.
- 24.3 The parking arrangement in terms of **clause 2 of Schedule A** shall at all events terminate simultaneously with this lease in so far as it relates to the Premises but, may it for whatever reason, be terminated prior to the termination of the lease of the Premises by the Lessor by giving one (1) calendar month's written notice of such termination.
- 24.4 No vehicle except that of the Lessee who has hired or been allocated a parking bay/garage, shall be permitted on the Property and the Lessee undertakes to ensure that visitors do not park their vehicles thereon.
- 24.5 No repairs to or work on any vehicles shall be effected by the Lessee or any other person on his behalf on the Property.

25. **DAMAGE TO OR DESTRUCTION OF PREMISES**

- 25.1 If the Premises are destroyed or so damaged that they can no longer be beneficially occupied, this lease shall terminate when that happens unless the parties agree in writing otherwise and the Lessee shall have no claim for damages of whatsoever nature against the Lessor due to the fact that the Lessee cannot occupy the Premises.
- 25.2 If the Premises are significantly damaged but can still be beneficially occupied, this lease shall remain in force and the Lessor shall repair the damage within a reasonable time.
- 25.3 Wherever in this clause, beneficial occupation is referred to, such beneficial occupation will be determined in the sole and absolute discretion of the Lessor.

26. **SPECIAL REMEDY FOR BREACH**

- 26.1 Should the Lessee default in any payment due under this lease or be in breach of its terms in any other way, all of which the Lessee acknowledges to be material, the Lessor shall be entitled, without prejudice to any alternative or additional right of action or remedy available to the Lessor under the circumstances without further notice, to cancel this lease with immediate effect, be repossessed of the Premises, and recover from the Lessee damages for the default or breach and the cancellation of this lease.
- 26.2 Clause 26.1 shall not be construed as excluding the ordinary lawful consequences of a breach of this lease.
- 26.3 In the event of the Lessor having cancelled this lease justifiably but the Lessee remaining in occupation of the Premises, with or without disputing the cancellation, and continuing to tender payments of rental and any other amounts which would have been payable to the Lessor but for the cancellation, the Lessor may accept such payments without prejudice to and without affecting the cancellation.
- 26.4 In the event of the Lessor having to take legal action against the Lessee for whatever reason due to the Lessee's breach in terms of this agreement, then and in such an event, the Lessee undertakes to pay all costs occasioned thereby on an attorney and own client scale including collection commission and any tracing costs.
- 26.5 Should the dispute be determined in favour of the Lessor, the payments made and received in terms of sub-clause 26.3 be deemed to be amounts paid by the Lessee on account of damages suffered by the Lessor by reason of the grounds justifying the cancellation of the lease and/or the unlawful holding over by the Lessee. Any cancellation by the Lessor shall be without prejudice to the Lessor's right to claim damages occasioned by or resulting from the Lessee's breach of the lease.
- 26.6 The parties hereto agree to the jurisdiction of the Magistrate's Court in respect of any action arising from this Leasing Agreement.

27. **NEW TENANTS AND PURCHASERS**

The Lessee shall at all reasonable times during the Lease Period, allow prospective tenants or purchasers of the Premises, to enter and view the interior of the Premises.

28. **COSTS**

The legal costs incurred in the preparation of this lease and the stamp duty payable thereon shall be borne by the Lessee and payable to the Agent.

29. **DOMICILIA AND NOTICES**

29.1 I choose the leased premises as “Domicilium Citandi et Executandi” for all purposes of this Lease. Notice to me may be given by the Lessor or his duly authorised Agents, either by delivery at the above-mentioned place or by post addressed thereto, and any notice so posted shall be deemed to have been received within 5 (five) days of posting.

30. **WHOLE AGREEMENT**

30.1 This is the entire agreement between the parties.

30.2 Neither party relies in entering into this lease upon any warranties, representations, disclosures or expressions of opinion which have not been incorporated into this agreement as warranties or undertakings.

30.3 No variation or consensual cancellation of this lease shall be of any force or effect unless reduced to writing and signed by both parties.

31. **NON-WAIVER**

The Lessor shall not be regarded as having waived, or be precluded in any way from exercising any right under or arising from this lease by reason of the Lessor having at any time granted any extension of time for, or having shown any indulgence to the Lessee with reference to any payment or performance hereunder, or having failed to enforce, or delayed in the enforcement of, any right of action against the Lessee.

31. **“FOR SALE” OR “TO LET” NOTICES**

The Lessor shall have the right to affix and exhibit on the Leased Premises, “to let” and/or “for sale” notices for a period of two (2) months prior to the termination of this Agreement and shall the Lessee permit prospective tenants and/or purchasers to view the entire Premises at any time during the currency of this Agreement.

SIGNED AT _____ ON THIS _____ DAY OF _____
2 _____ in the presence of the undersigned witnesses:

AS WITNESSES

1. _____
2. _____

**On behalf of TRAFALGAR PROPERTY MANAGEMENT
FREE STATE (PTY) LTD as the duly authorised agents
the LESSOR**

SIGNED AT _____ ON THIS _____ DAY OF _____
2 _____ in the presence of the undersigned witnesses:

AS WITNESSES

1. _____
2. _____

TENANT

Addendum E 2 Supporting documentation From Corwell trust.

(Including standard lease, application form and inspection report)



CORWELL TRUST

APPLICATION FOR RESIDENTIAL ACCOMODATION

Full Names of Applicant: _____

Surname: _____ Age: _____ S A Citizen: yes / no

I D Number: _____ E MAIL: _____

Full Names (spouse): _____

I D Number: _____ Married In / Out of Community

Occupation: _____ Employer: _____

Address of Employer: _____

Occupation(spouse): _____ Employer (spouse): _____

Monthly Gross Income: _____ Monthly Gross Income Spouse: _____

Current Address: _____

Tel Work: _____ Tel Spouse Work: _____

Home: _____ Cel No: _____

Are you or have you ever been sequestrated or under administration: yes / no

Name and Tel Number of a Relative: _____

Name and Tel Number of a Friend: _____

Previous Landlord and Tel: _____

I/We hereby irrevocably offer to hire from **Corwell Trust**, the Agents of the Landlord, the property as named hereunder. The payment of any Deposit, Lease Fee and Stamp Duty by me/us does not constitute acceptance of this Offer by the Landlord. I/We agree that the information supplied above is true and that the Landlord or his Agents can refuse this application without giving any reason whatsoever.

This Done and Signed at Bloemfontein on this _____ day of _____ 200_.

TENANT

Premises: _____ Occ Date: _____

Rent: _____ Garage/Carport No: _____ Parking Rent: _____

Deposit: _____ Rec No: _____ Total Rental: _____

Lease Fees: _____ Rec No: _____ Pro Rata : _____

Stamp Duty: _____ Rec No: _____ Water & Lights Deposit: _____

Total: _____ Other: _____

CORWELL TRUST

P O BOX 13323 NOORDSTAD 9305

TEL / FAX 430 0056

Email : corwelltrust@mweb.co.za



RESIDENTIAL LEASE AGREEMENT

NAME OF TENANT.....

IDENTITY NUMBER.....

PREVIOUS RESIDENTIAL ADDRESS.....

PRESENT WORK ADDRESS.....

PREMISES LET.....

OCCUPATION TO BE TAKEN ON

PAYABLE: RENTAL PREMISES LET R.....

PARKING R.....

DEPOSIT R.....

WATER & ELECTRICITY: Not included in rent & tenant to pay services at local municipality

I, being the tenant referred to above, do hereby agree to hire from **CORWELL TRUST** the above mentioned premises hereinafter referred to as "the premises let" as from: 200__ for a period of months fixed / thereafter on a two calendar months notice basis, subject to the premises let being vacant and available for occupation, and further to the following terms and conditions:

A. RENTAL

The basic rent for the premises let shall be paid regularly, monthly in advance and I acknowledge the same to be due and payable on or before the **first day of each and every succeeding month during the period of my tenancy of the premises let**, save that the rent in respect of the first month of tenancy shall be paid in full before I take occupation of the premises let. The rental may be altered by **CORWELL TRUST** by giving the **LESSEE** two calendar months written notice of adjustment, after the expiry of the initial period where applicable. The said rental shall be paid free of bank exchange, to **CORWELL TRUST** {referred to as the agents} at their offices in Bloemfontein, in their capacity as Agents for the **LESSOR** of the premises let. I declare that **I am / am not** a South African citizen and do hereby agree to hire the above premises subject to the conditions contained herein which I acknowledge having read and which I understand are binding on me. I further except with the prior written consent of the **LESSOR** or his Agents the premises shall not be occupied by more than the under mentioned number of persons:

ADULTS CHILDREN AGES

B. POSSESSION

Should I fail to take possession of the premises within a period of five days from the date agreed upon in this document or from whatever date the premises are available, then in such event the **LESSOR** or his Agents shall have the right and option of immediately canceling this document without notice, and thereupon this document shall terminate and be of no force or effect. Should this document be cancelled for the reason aforementioned, then in such event I shall have no further rights or claims of whatsoever nature against the **LESSOR** or his Agents by reason of cancellation of this document notwithstanding anything to the contrary herein contained. I shall however forfeit any deposit paid and be liable for any loss or other damage sustained by the **LESSOR** or his Agents.

1. (a) **RENTAL**

Should I fail to pay the rent in terms of paragraph (A) overleaf or any additional monies which may be due and payable or breach any of the conditions contained in this document, **EACH OF WHICH I ACKNOWLEDGE TO BE MATERIAL** then and in such event the LESSOR or his Agents, shall have the right to take legal action without further notice, for the eviction from the Premises Let and / or other monies and/or recovery of unpaid rent and / or for all and any damages which may be suffered in these circumstances.

(b) **LATE PAYMENT OF RENTAL**

Notwithstanding anything to the contrary herein contained it is herewith agreed that in the event of the rental not being paid on the due date and without prejudice to any other rights which the LESSOR may have, the LESSEE shall:

- (i) Pay interest on the amount of any late payment at the rate of 25 % (twenty five percent) per annum calculated from the due date of payment, both dates inclusive, and
- (ii) Pay to CORWELL TRUST an administration charge of R57.00 (FIFTY RAND), VAT included, for additional administrative work done by them caused by such late payment which charge the LESSEE acknowledge to be fair and reasonable.

C. **DEFAULT**

In the event of such default and of the LESSOR or his agents or Attorneys making legal demand or taking action in respect thereof or giving instructions thereto, I undertake to pay all legal costs incurred including the costs of demand, collection charge at the rate of 10 % (ten percent) or at any higher rate as determined by the Attorneys Tariff as well as Attorney – and – Client costs incurred by the LESSOR or his Agents. I also agree to pay expenses incurred in having me traced, if I change my address without notifying the Agents in writing as to my new address.

2. (a) **NOTICE**

Notice of intention to vacate the hired premises by either party shall be in writing, delivered at the chosen DOMICILLIUM of the Parties and shall not be less than 2 months (two) calendar months written notice. The said notice may only be given no later than 12 noon on the first day of any calendar month. Such notice may only be given to terminate the lease at the end of the initial period or at a later date.

(b) **LATE NOTICE**

Should I give late notice I hereby acknowledge that I am liable for a late notice administration fee of R175.00 (one hundred and fifty rand) plus VAT, which will be deducted from the deposit, which I have paid.

3. **MUNICIPAL CHARGES**

I accept liability for and shall pay promptly and regularly every month, all Municipal charges for electricity and water including standing charges and any other Municipal services required by me and in respect of the premises let, for the duration of the lease period. Municipal charges shall be deemed to include any charges levied by the Body Corporate including those for electricity and water etc. I undertake to supply proof of payment of all the Water & Electricity monthly accounts and such proof will be in the form of a Municipal receipt for the current month's Water and Electricity and will accompany the monthly rental payment as required by this Agreement of Lease. Failure to do so I hereby give permission to CORWELL TRUST to deduct any unpaid Water & Electricity from the rental paid and pay it over to the Municipality resulting in unpaid rental for which I will be responsible for according to "Clause 1" of this Agreement.

4. **SUB – LETTING**

I shall not sub – let the premises or any portion thereof.

5. **CONDITION OF PREMISES INSPECTION**

An inspection of the Leased Premises will be held within 3 days (three) days of occupation and within 3 (three) days before vacating this premises. These Inspection Reports will form a part of this Agreement. I undertake to be available to have both these inspections done in my presence and that I will be available within reasonable business hours. All the defects including vermin and infestation must be noted on the first inspection report and any defect that is not on the ingoing report but was noted on the outgoing report I agree that I will be responsible for this defect as well as the repair thereof and the cost will be deducted as per "Clause 23" of this Agreement. If I do not avail myself for this inspection, I understand that I will be liable for the defects.

FITTINGS AND FIXTURES

I undertake to keep the premises let and everything pertaining hereto, in good order and repair, at my own expenses, fair wear and tear excluded, without diminishing the scope of this general undertaking and in particular:

- (i) to refrain from driving screws or nails into the woodwork or walls, or pasting any pictures or articles on walls or ceilings;
- (ii) to refrain from removing any electrical fittings from the premises let at all and further, to leave a full compliment of globes and shades in good working order in all the fittings therein;
- (iii) to have fuses and electrical fittings damaged as a result of faulty electrical equipment repaired at my own expenses;
- (iv) upon vacating the premises let, to deliver same to the Agents in a clean condition and in good order and repair in every respect, failing which the **LESSOR** shall have the right to clean and / or repair anything at my expense.

STRUCTURAL ALTERATIONS

Not with standing anything contained in this Lease, should the **TENANT** make any structural alterations or improvements to the property of whatever nature, then these improvements shall remain the property of the **LANDLORD**. At the termination of the Lease the **LANDLORD** may be entitled to insist that the **TENANT** removes such improvements at the **TENANT'S** expense including making good any damages caused. The **LANDLORD** shall not be obliged to compensate the **TENANT** for any improvements made.

CURTAINS

The Tenant hereby acknowledges that he is required, from the Date of Occupation, to hang acceptable curtains on all windows of the leased Premises.

PAINT

The tenant shall not paint or decorate the premises let or effect any structural alterations thereto without the Agent's written consent.

0. STORAGE OF ARTICLES / WASHING

I shall not store, weather temporarily or permanently, unsightly articles on the balconies or in the corridors of the premises let nor hang washing hereon or from the windows of the premises let.

1. ELECTRICAL FITTINGS

I shall not permit any unqualified person to tamper in any way what so ever with any of the electrical wires or fittings.

2. PETS

I shall not keep any animals or birds in or upon either the premises let or the building of which it forms part, nor shall I permit anyone else to do so.

3. VEHICLES / BICYCLES

I shall not park vehicles of any kind whatsoever (including bicycles) in the premises let, or in any part of the building which the premises forms part of without the Agent's written consent.

4. INTERFERENCE

I shall in no way interfere with or obstruct the rights of other tenants in the building of which the premises let forms part of.

5. MUNICIPAL REGULATIONS

I shall not in any way breach the Municipal Fire and Health Regulations or any other regulations.

6. CONDUCT

I shall be responsible for the conduct of all the occupants of the premises let and for that of any guests, visitors or servants in or about the said premises, and any drunkenness, disorderliness, boisterous or other unseemly conduct, which causes a nuisance or disturbance to any of the other tenants or a well founded complaint by any of the tenants or neighbours, shall be deemed a material breach of the Lease, entitling the **LESSOR** or his Agents, to exercise the remedies under Clause 30 hereof. Nothing

shall be thrown out of the windows or doors or from the balconies or down the passages, ventilating, light or lift shafts or through or upon the sky lights of the building.

7. RADIO AND MUSIC

Radio sets, musical instruments, television sets, etc. shall be used with due regard to the comfort and quiet of the other tenants and the sound level of loud speakers, musical instruments or speech or song shall at all times be toned down so as not to disturb or infringe the rights of other tenants or neighbours. No television aerial shall be erected on the balconies or through windows of the leased premises.

8. SECTIONAL TITLE

In the event of a Sectional Title Register being opened, I acknowledge that the Schedule I and II Rules and House Rules laid down by the Body Corporate of the Scheme, will apply to all occupants of the Leased Premises and these rules will form part of this Agreement of Lease. I further agree to allow any prospective purchasers to view the premises by prior arrangement or if the premises are open and to allow an inspection on the presence of the occupants or any employer of the Agent.

9. CARPETS

- (a) Should I wish to fit edge carpets in the Leased Premises I shall only do so should I receive permission from the LESSOR or his Agents, which permission, if granted, shall be in writing.
- (b) Any carpets fitted shall remain the property of the LESSOR, without compensation, and I shall be responsible for any damages caused by the fitting or removal of fitted carpets.
- (b) Should the Leased Premises be fitted with edge to edge carpets, or should other carpets be provided by the LESSOR, I agree that upon vacating the premises that the Agent shall have the carpets steam cleaned and, if necessary, repaired at my cost and expense.

10. INSPECTION

I shall permit the Agents to inspect the Premises Let at all reasonable times and at his sole discretion effect any necessary repairs to the Leased Premises. Permission to allow the LESSOR or his Agents to inspect the premises must not unreasonably be withheld. Should the property be for sale, I agree to allow any purchaser to view the whole of the inside of the Premises Let and to keep the Premises Let in a clean and tidy condition at all times. After giving written notice as provided for in paragraph 1 above, I shall be obliged to allow any prospective tenants or purchasers to view the whole of the inside if the Premises let. I shall not be entitled to claim a remission or a reduction in rent, damages or cancellation of the lease, as a result of building operations. Inspection Date: _____

11. LOSS AND DAMAGES

I shall have no claim against the owners for loss or damage to any property belonging to me, or under my control, or upon the Premises Let, whatever damage arise; nor shall I have any claim against the owners or his Agents for any damages or injury or loss of life suffered by me or any member of my family by reason of any act or omission whatsoever, including the owners themselves or any servants of theirs.

12. BURGLARY OR ATTEMPTED BURGLARY

The LESSEE shall be responsible for the repair of any damage to the exterior and interior of the Leased Premises, resulting from burglary or attempted burglary on the Leased Premises, or damage caused by a third party.

13. RATES AND TAXES / LEVIES

In the event of the rates and taxes or levies, payable by the LESSOR, on the ground and the buildings, which the premises forms a part, being increased, then the rental required to be paid by the LESSEE shall be increased by a proportion of the increase in rates equivalent to the proportion of the rental, presently paid by the LESSEE in relation to the total rental of the building aforesaid. Such increase is implemented by the authorities.

14. DEPOSIT

I hereby lodge a deposit as set out on page 1 with CORWELL TRUST which company is hereby authorised to utilise same to make good any damages which they in their sole discretion attribute to my fault. This sum deposited by me will be retained by CORWELL TRUST and may be paid over by them to the LESSOR or his successor in title, and may also be utilised by them for the purpose of Clause 5 above and any unexpended balance will be refunded to me at the termination of the lease when all the keys are returned and after the Leased Premises have been inspected and found in order. I agree to maintain the amount of the deposit to be equal to the monthly rental. This deposit may also be used by CORWELL TRUST for payment of any unpaid water and electricity accounts, unpaid rent and/or other fees or charges owing by me. The said deposit is only renuable with

in 14 days after vacating the premises provided that the LESSEE was present at both inspections as set out in paragraph 5 and that the LESSEE provides the Agents with adequate proof that the Water and Electricity is paid up to date up to the termination of the Agreement of Lease. Should the LESSEE fail to give proof of this payment then the deposit equal to the outstanding amount for Water and Electricity. Should the LESSEE fail to present the said deposit will only be paid back within 21 days after the termination of the agreement provided that all the terms and conditions of this Agreement have been met and all repairs have been done and costs deducted if any. The said request must be made in writing and delivered to the offices of the agents in good time. Should the day of occupation fall on a Saturday, Sunday, or Public Holiday I acknowledge that I am responsible for making suitable arrangements, in advance, for the collection of keys for the Premises Let. I hereby acknowledge that should I accept the keys for the Premises Let directly from the previous occupant that I have received a full complement of keys for the Premises Let. Keys to the Premises Let are to be handed in at the office of CORWELL TRUST not later than 12h00 on the first day of the following month and I undertake that in the event of any locks having been changed to hand all such keys to CORWELL TRUST. All duplicate keys made by the LESSEE must also be handed to the Agents at the same time as the keys to the premises are returned. Should I fail to do this or in the event of the keys being handed in late, the LESSOR or his Agents reserves the right to hold me responsible for the cost involved in obtaining new keys, which amount will be deducted from the deposit mentioned herein.

4. SWIMMING POOL

The LESSEE undertakes to keep the swimming pool in a clean condition and the equipment in good order fair wear and tear accepted. The LESSEE hereby authorises the LESSOR or his AGENTS to have the swimming pool cleaned and/or repaired at the LESSEE'S expense should it not be kept in a good condition.

5. DOMICILUM

I choose "Domicilium Citandi et Executandi" for all purposes of this Lease as the Lease Premises. Notice to me may be given by the LESSOR or his duly authorised Agents, either by delivery at the above mentioned place or by certified post addressed thereto, and any notice so posted shall be deemed to have been received within five days of posting. The agent choose the address on page 1 to be his "Domicilium Citandi et Executandi."

6. COST OF LEASE

The cost of drawing this contract of Lease as well as stamp duties payable there on and on an renewal thereof, shall be borne by the LESSEE, including any Government taxation, levies and inspection fees.

6. CHANGE OF OWNERSHIP

The LESSEE shall be bound by the terms of the agreement for the full period thereof, despite any change in ownership of the premises.

7. EFFECTIVE CAUSE OF SALE

In event of the premises being purchased by the LESSEE, the LESSOR acknowledges CORWELL TRUST to be the effective cause of such sale and undertakes to pay selling commission on the purchase price to CORWELL TRUST PROPERTIES.

8. SPECIAL CONDITIONS

9. BREACH

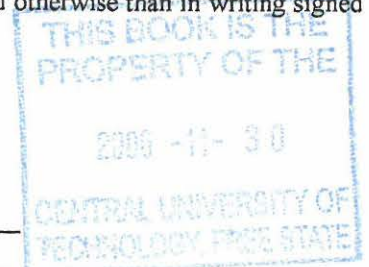
A breach of any of the above conditions will result in immediate cancellation of this Lease and my immediate eviction from the premises, should the LESSOR or his Agents choose to enforce this condition and such notice will be in writing delivered to the Premises Let. It is further agreed that this Agreement contains all the terms and conditions of the Agreement entered into by me and the LESSOR, and acknowledge and agree that any representation, warranties, undertaking or promises whatsoever which may have been made by the LESSOR or the LESSOR'S Agent or servants other than those contained herein shall not be binding or enforceable against the LESSOR, and the terms of this Agreement cannot be varied otherwise than in writing signed by both parties.

SIGNED AT BLOEMFONTEIN ON THE _____ DAY OF _____ 200__.

WITNESSES:

TENANT

ACCEPTED BY OWNER OR CORWELL TRUST



INSPECTION REPORT

Date of Inspection	
Inspected by	
Incoming Tenant	
Outgoing Tenant	
Premises	

Complete if applicable

EXTERIOR:	CONDITION/DESCRIPTION
Fencing	
Driveways	
Passages	
Garden	
Roof type and condition	
External walls	
Guttering	
Signage	
Outbuildings	
Sprinkler System Garden	
Pool Condition	
Pool Cleaning System	
Garden Tools/ Equipment	
Antenna	
Burglar Proofing	
Security Gate	
Remote Control	
Power Supply Connected	
Three Phase Power	
Total Amps	
Outside Light Fittings	
Parking Area	
Other	

IT IS CLEARLY UNDERSTOOD THAT ALL PAINTING CARRIED OUT BY A TENANT SHALL NOT BE WITHOUT THE WRITTEN CONCENT OF THE LANDLORD OR HIS AGENT AND NO OTHER COLOUR THAT WHITE UNLESS AGREED APON IN WRITING

RECEPTION/OFFICE/PASSAGE				NO. IF APPLICABLE:	
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Concrete/Other					
Walls (Must Be White)					
Ceiling (Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Door Other + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other					

RECEPTION/OFFICE/PASSAGE				NO. IF APPLICABLE:	
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Concrete/Other					
Walls (Must Be White)					
Ceiling (Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Door Other + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other					

TOILETS/BATHROOM/WORKERS LOCKER ROOM				MALE/FEMALE	
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Novilon/Tiles/Concrete/Other					
Walls (Must Be White)					
Ceiling (Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Light Switch					
Globes					
Lampshade/s					
Plugs					
Washbasin Condition					
Plug and Chain Fitted					
Bath Condition					
Plug and Chain Fitted					
Toilet/s Quantity and Cond.					
Showers Quantity and Cond.					
Soap Dish					
Towel Rail					

TOILETS/BATHROOM/WORKERS LOCKER ROOM				MALE/FEMALE	
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Novilon/Tiles/Concrete/Other					
Walls (Must Be White)					
Ceiling (Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Light Switch					
Globes					
Lampshade/s					
Plugs					
Washbasin Condition					
Plug and Chain Fitted					
Bath Condition					
Plug and Chain Fitted					
Toilet/s Quantity and Cond.					
Showers Quantity and Cond.					
Soap Dish					
Towel Rail					

THIS IS NOT THE
PROPERTY OF THE
CENTRAL UNIVERSITY OF
TECHNOLOGY, FREE STATE
2007-05-11

KITCHEN/WASHROOM/COLDROOM/SCULLERY					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Novilon/Tiles/Concrete/Other					
Walls/Ceiling (Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No's					
Door (entrance) + Key No's					
Light Switch					
Globes					
Lampshade/s					
Plugs					
Washbasin Condition					
Plug and Chain Fitted					
Stoves/Ovens Fitted					
Extractor or Canopy					
Coldroom and Motor					
Other					

KITCHEN/WASHROOM/COLDROOM/SCULLERY					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Novilon/Tiles/Concrete/Other					
Walls/Ceiling (Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No's					
Door (entrance) + Key No's					
Light Switch					
Globes					
Lampshade/s					
Plugs					
Washbasin Condition					
Plug and Chain Fitted					
Stoves/Ovens Fitted					
Extractor or Canopy					
Coldroom and Motor					
Other					

WAREHOUSE/FACTORY/STOREROOM		NO. IF APPLICABLE			
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Concrete/Other + Finishing					
Walls + Type(Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Ceiling + Insolation					
Door/s Type and Condition					
Door Keys + No`s					
Light Switch					
Globes/Tubes					
Lampshade/s or Ballasts					
Plugs Normal					
Plugs 3 Phase					
Power Box Condition					
Cages					
Racking or Shelving					
Crane Fitted					
Other					

WAREHOUSE/FACTORY/STOREROOM		NO. IF APPLICABLE			
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Concrete/Other + Finishing					
Walls + Type(Must Be White)					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Ceiling + Insolation					
Door/s Type and Condition					
Door Keys + No`s					
Light Switch					
Globes/Tubes					
Lampshade/s or Ballasts					
Plugs Normal					
Plugs 3 Phase					
Power Box Condition					
Cages					
Racking or Shelving					
Crane Fitted					
Other					

LOUNGE/DININGROOM/SITTINGROOM/TV ROOM					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Other					
Walls (Must Be White)					
Ceiling (Must be White}					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other(TV Cables Ect.)					

LOUNGE/DININGROOM/SITTINGROOM/TV ROOM					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Other					
Walls (Must Be White)					
Ceiling (Must be White}					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other(TV Cables Ect.)					

MAIN BEDROOM / BEDROOM 1 / 2 / 3 / 4 / 5 / 6 / STUDY / BAR / SPARE / FLAT					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Other					
Walls (Must Be White)					
Ceiling (Must be White}					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other(TV Cables Ect.)					

MAIN BEDROOM / BEDROOM 1 / 2 / 3 / 4 / 5 / 6 / STUDY / BAR / SPARE / FLAT					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Other					
Walls (Must Be White)					
Ceiling (Must be White}					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other(TV Cables Ect.)					

GARAGE / D GARAGE / WORKROOM / SERVANTS QUARTERS / TOOLSHED					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Other					
Walls (Must Be White)					
Ceiling (Must be White}					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other(TV Cables Ect.)					

GARAGE / D GARAGE / WORKROOM / SERVANTS QUARTERS / TOOLSHED					
DESCRIPTION:					
ITEM	GOOD	BAD	DESCRIPTION	DEPOSIT	OWNER
Carpets/Tiles/Other					
Walls (Must Be White)					
Ceiling (Must be White}					
Windowpanes					
Handles (Window)					
Catches (Window)					
Windowsills					
Cupboards if Fitted and Type					
Cupboard Keys + Key No`s					
Door (entrance) + Key No`s					
Door (Exit) + Key No`s					
Light Switch					
Plugs					
Globes					
Lampshade (Type, Fan Ect.)					
Airconditioning if Fitted					
Alarm (Eye and Control if App)					
Other(TV Cables Ect.)					

This inspection done on the _____ of _____ 200_.

by _____ of CORWELL TRUST in the

presence of the tenant, _____ and both

parties accept all the defects noted as the true condition of the premises

rented and this Inspection Report will form part of the Agreement of

Lease and a copy will be given to the Tenant.

CORWELL TRUST

TENANT

Addendum E3 Supporting documentation From Ellenburger &Kaths.

(Including standard lease, application form and inspection report)



Ellenberger & Kahts



ESTATE AGENTS, AUCTIONEERS AND VALUERS
EIENDOMSAGENTE, AFSLAERS EN WAARDEERDERS

36 Alexandra Ave./Ln.
Bloemfontein 9301
☎ (051) 430 1511
📠 (051) 430 3521
E-mail: e-k@global.co.za

HURVORWAARDES

CONDITIONS OF HIRE

Huurder se Naam Name of Tenant

Verhuurde Perseel Premises Let

Datum van Okkupasie Date of Occupation

Maandelikse Huurgeld

Monthly Rental

Woonstel/Kamer	R	Flat/Room
Parkering	R	Parking
Totaal	R	Total

Ek, die ondergetekende,

I, the undersigned,

synde die bogenoemde huurder, onderneem hiermee om die bogenoemde perseel (hierna die perseel genoem) te huur, onderworpe daaraan dat die verhuurde perseel vakant en beskikbaar vir okkupasie is vir 'n minimum periode van

..... maande vanaf die datum van okkupasie en ek sal die agente 2 kalendermaande kennis gee voor die vervaltyd van die minimum huurtermyn soos vermeld, van my voorneme om die perseel te ontruim, by gebrek waarvan ek onderneem om die perseel op 'n twee-maandelikse basis, onderworpe aan 2 kalendermaande skriftelike kennis van beëindiging van huur aan beide kante, te huur nadat die minimum periode van huur, soos bovermeld, verstrek het, en onderworpe verder aan die hieropvolgende bepalings en voorwaardes, soos uiteengesit in Aanhangsel A, wat ek gelees het en verstaan, en erken dat ek gebind word daardeur.

Geteken te Bloemfontein

hierdie dag van 20

being the abovementioned tenant, hereby undertake to hire the abovementioned premises (hereinafter referred to as the premises), subject thereto that the premises are vacant and available for occupation for a minimum period of

..... months commencing on the date of occupation and I will give the agents 2 calendar months notice before the expiry date of the minimum period of hire as mentioned above, of my intention to vacate the premises, failing which I undertake to hire the premises on a two month notice basis, subject to two calendar months notice of termination of hire from either side, after the minimum period of hire as mentioned above has expired and subject to the following terms and conditions as set out in Annexure A, which I acknowledge having read and understand and acknowledge to be binding on me.

Signed at Bloemfontein

this day of 20

.....
Huurder

.....
Lessee

Behoorlik daartoe gemagtig, aanvaar ons die voormelde voorwaardes en bepalings namens die Verhuurder.

Duly authorised thereto, we hereby accept the abovementioned conditions and terms on behalf of the Lessor.

.....
ELLENBERGER & KAHTS

.....
ELLENBERGER & KAHTS

- (14) **RIOLERING, ENS.** Die huurder is op eie koste verantwoordelik vir die instansie, skoonhou en die behoud in behoorlike toestand van riol, watersanitasie, verwarmers, kranes, elektriese kontakpunte, toebehore en aanhegtings. Die reparasies of herstelwerk verbode hieraan sal alleenlik verrig word deur behoorlik opgeleide ambagslui wat behoorlik daartoe geregtig is.
- (15) **FIETSE ENS.** Fiets, babastootwaentjies, kaste, pakkette, vullis, of afval sal nie geplaas of geaas word deur die huurder, bewoner of besoeker aan die perseel in enige van die gange of ingange of uitgange van die gebou, of op die stoepe nie. Geen fiets of meubels mag in die hyser vervoer word nie.
- (16) **WASGOED.** Die huurder of bewoner van die perseel sal onder geen omstandighede wasgoed, kiere, linneware, slaapkliere, matte, ens. op of oor die balkon, vensters, vensterbanke of oor enige drade of loue hang of toelaat dat dit gehang word, sodat dit sigbaar is van die strate of aan die buitekant nie. Slegs die spesiaal daarvoor opgerigte wasgoeddrade mag daarvoor gebruik word.
- (17) **GORDYNE EN VENSTERS.** Die huurder onderneem om die vensters en in die besonder dié sigbaar vanaf die straat, behoorlik en netjies gedrapeer en/of van gordyne te voorsien en om alle vensterbanke vry van artikels sigbaar van buite te hou. Die huurder onderneem om hom te beywer om die medewerking van die ander bewoners van die perseel te verkry in hierdie verband en om saam te werk met die ander huurders ten einde 'n verfynde woonstelwese te behou en te bevorder.
- (18) **DIERE EN TROETELDIERE.** Geen kat, hond, voel, troeteldier of enige ander dier mag aangehou of toegelaat word op die perseel nie.
- (19) **BEDIENDES.** Die huurder sal toetsien dat hy kontrole hou oor sy bedienendes, om enige onnodige geraas of versteuring te verhoed.
- (20) **INSPEKSIE EN REPARASIES.** Die verhuurder sal geregtig wees te alle redelike tye, of deur sy verteenwoordiger of deur homself, om die perseel te inspekteer en sulke reparasies, hernuwings of vervangings te laat aanbring as wat hy nodig mag ag. Die huurder onderneem verder om 'n inspeksiefout van R50 (VYFTIG RAND) te betaal by ontruiming van die verhuurde perseel, welke bedrag van die deposito afgetrek sal word.
- (21) **ONDERBREKINGS EN DIENSTE.** Die verhuurder sal nie verantwoordelik wees vir enige onderbreking van die water of elektrisiteitstoever of van enige dienste waarop die huurder geregtig is nie. Die verhuurder sal ook nie verantwoordelik wees vir enige skade, verlies of ongerief veroorsaak deur brand, reën, hael, lekkasie of ongure weer of enige ander oorsaak aan die bewoner van die perseel of enige besoeker daaraan nie, terwyl hy of sy die gange gebruik nie.
- (22) Indien die gebou gedurende die duur van die huurkontrak vernietig of gedeeltelik vernietig word as gevolg van enige oorsaak hoegenaamd, sodat die perseel totaal of gedeeltelik ongeskik gemaak word vir besetting, sal die huurgeld op 'n pro-rata basis verminder word vir die tydperk waarin die perseel so verkeer. Die verhuurder is onder geen omstandighede aan die huurder verantwoordelik vir enige skade wat gely mag word deur hom, of enige ander persoon, of sy eiendom, veroorsaak deur brand, ongeluk, inbraak, diefstal, oorlog, water, burgerlike opstand, reën, storm of enige ander rede nie.
- (23) **TOESIG EN GARAGE.** Dit word uitdruklik verstaan dat die Verhuurder nie verantwoordelik is vir enige toetsig oor die persele of eiendom of bate van die Huurder of ander inwoners van genoemde persele nie. Indien die huurder parkeerruimte in die garage of motor skuilings huur, sal parkeering van motors of ander voertuie op die uitsluitlike risiko van die Huurder geskied. Die Huurder aanvaar alle risikos verwant aan die teenwoordigheid van ander motors op die eiendom en die Verhuurder sal nie verantwoordelik gehou word vir enige skade of verlies as gevolg van enige rede hoegenaamd. Geen voertuig, behalwe die van 'n Huurder wat 'n parkeerruimte gehuur het, of aan wie een toegeken is, sal toegelaat word op die persele van die gehuurde eiendom en die Huurder onderneem om te verseker dat persoonlike besoekers nie op die persele parkeer nie. Geen herstelwerk mag op enige voertuig op die gehuurde parkeering gedoen word nie.
- (24) Die Verhuurder verskaf die gloeilampe in die verhuurde perseel en die huurder onderneem om enige lampe te vervang wat uitbrand of breek en ten einde van die Huurkontrak, 'n totale hoeveelheid gloeilampe in goeie werkende toestand in die verhuurde perseel agter te laat.
- (25) **ELEKTRIESE INSTALLASIE.** Die huurder mag geen elektriese toebehore enigiens vanaf die verhuurde perseel verwyder nie en verder aanvaar hy aanspreeklikheid vir enige reparasie te wyle aan die oortaan van die elektriese installasie veroorsaak deur die gebruik van fout-ve elektriese apparaat. Die huurder mag nie peuter aan die elektriese lig of krag of met enige bedrading wat deel uitmaak van die elektriese lig of krag installasie nie, en geen elektriese bedrading of installasie sal tydelik of op 'n permanente basis van die perseel verwyder word sonder die skriftelike toestemming van die verhuurder.
- (26) **LEKKASIES, ENS.** Die huurder sal onmiddellike kennis gee van enige lekkasies of enige defek tot die watervoorsiening of elektrisiteitsapparate, pype of drade, aan die verhuurder, sy agent of die Munisipaliteit.
- (27) **VEILING.** Geen veilings sal op die perseel gehou word nie.
- (28) **BESIGTIGING VAN WOONSTEL.** Nadat kennisgewing ontvang is om die perseel te verlaat, sal die huurder verplig wees om enige persoon wat in die perseel geïnteresseerd is toe te laat om die perseel te besigtig.
- (29) **HYSER.** Waar die perseel 'n hyser het, mag hierdie hyser alleenlik vir die vervoer van persone gebruik word, geen fiets of meubels mag in die hyser vervoer word nie.
- (30) **KOSTE.** Die koste verbode aan die Huurkontrak sowel as alle seels daarop sal gedra word deur die huurder.
- (31) **SKADE TYDENS VERHUISING.** Die huurder aanvaar aanspreeklikheid vir alle skade aangeeng deur vervoerkontraakteurs of enige ander persoon in sy diens wat sy meubels en ander besittings hanteer tydens betrekking van, of ontruiming uit die perseel hierkragtens verhuur.
- (32) **STRUKTURELE VERANDERINGS.** Die verhuurder word toegelaat om ten alle tye strukturele veranderinge aan die gebou te verrig waarin die verhuurde perseel geleë is en die huurder is nie geregtig om enige eis of reg hoegenaamd af te dwing, of van die verhuurder te verlang om dit af te dwing teenoor enige persoon wat besig mag wees met die sloping, verandering, oprigting of ander werk aan die gebou, paai of ander geriewe in die omgewing van die gebou waarin die verhuurde perseel geleë is nie. Die huurder sal geen eis van welke aard ookal teen die verhuurder ten aansien van enige verlies, skade, oorlas of steuring hoegenaamd wat as gevolg van sodanige veranderinge gely mag word, hê nie.
- (33) **MUNISIPALE BELASTINGS EN RENTE OP VERBANDE.** Dit word hiermee ooreengekom dat:
- Indien die erfbelasting wat betaalbaar is deur die verhuurder ten opsigte van die erf/erwe waarop die gebou(e) opgerig is, verhoog sou word, dan en in daardie geval sal die huurgeld van die verhuurde perseel proporsioneel verhoog word met 'n bedrag gelykstaande aan die verhoogde erfbelasting tot die verhouding van die proporsionele huurgeld tans betaalbaar deur die huurder ten opsigte van die totale huurgeld van die gebou(e).
 - Indien die rentekoers betaalbaar deur die verhuurder op enige verband oor die verhuurde eiendom(me) waarop die geboue opgerig is, verhoog sou word, dan en in daardie geval sal die huurgeld wat betaalbaar is deur die huurder proporsioneel verhoog word met 'n bedrag gelykstaande aan die verhoogde verbandsrente tot die verhoging van die proporsionele huurgeld tans betaalbaar deur die huurder ten opsigte van die totale huurgeld wat deur die verhuurder van die huurders ontvang word ten opsigte van die verhuurde eiendom(me).
 - Indien die administratiewe of enige ander koste of uitgawes verbode aan die verhuurde eiendom(me) waarop die gebou opgerig is, verhoog sou word, sal die huurder die reg hê om in sy uitsluitlike diskresie, die huurgeld betaalbaar deur die Huurder proporsioneel te verhoog na 'n bedrag wat in die diskresie van die verhuurder voldoende sal wees om sulke verhogings te dek.
- (34) **DOMICILIUM.** Die partye hietoe kies domicilium citandi et executandi vir enige doel in verband met hierdie ooreenkomst as volg:
- Die verhuurder tensy andersins vermeld, p/a Ellenberger en Kahts, Alexandralaan 36, Bloemfontein
 - Die huurder by die perseel hierkragtens verhuur.
- (14) **PLUMBING, ETC.** The Lessee is at his own cost responsible for maintaining, keeping clean and in proper function all drains, sewers, water flush closets, cisterns, geyzers, taps and electrical outlets and equipment and fittings. Repairs or services in respect of the foregoing shall only be effected by properly skilled workmen duly and properly authorised thereto.
- (15) **BICYCLES, BOXES, ETC.** Bicycles, perambulators, boxes, parcels, rubbish or refuse shall not be placed, deposited or left, or allowed or permitted by the Lessee, or any occupant of, or visitor to the said premises, at or in the front entrance or lobby, or in the corridors of the premises or balconies. No cycles or furniture to be transported in the lift.
- (16) **WASHING, ETC.** The Lessee (or any occupiers of the said premises) shall not hang out or allow to be hung out, washing, linen clothes, bedclothes, carpets, etc., on or over the balconies, windows, window sills, or on any washing lines so as to derogate from the appearance or amenities of the premises. Only the washing lines specially provided therefore shall be utilised for this purpose.
- (17) **CURTAINS AND WINDOWS.** The Lessee undertakes to keep his windows (especially the windows visible from the streets) properly and pleasingly draped and/or curtained, and to keep all window sills whatever free from articles visible from the outside, and the Lessee undertakes to use his best endeavours, and to secure the co-operation of all occupants of the said premises, to preserve and to co-operate with the other tenants in promoting, preserving and encouraging the pursuit of refined flat life.
- (18) **ANIMALS AND PETS:** No dog, cat, bird, pig or other animal whatsoever shall be housed, kept or allowed in the said flat or on the premises.
- (19) **SERVANTS.** The Lessee shall exercise such control over his servants, so as to avoid rowdiness and disturbances.
- (20) **INSPECTION AND REPAIRS:** The Lessor has the right at all reasonable times through his representatives or agents to enter and inspect the said premises and to cause such repairs, replacements or renovations to be effected as he may consider advisable. The tenant herewith undertakes to pay an inspection fee of R50 (FIFTY RAND) upon vacating the leased premises which amount will be debited against the deposit.
- (21) **FAILURE AND SERVICES.** The Lessor shall not be liable or responsible for any failure or interruption of the water and electricity supply, or of any of the services accorded to the Lessee, nor shall the Lessor be liable for any damage or inconvenience caused by fire, rain, hail, leaks, inclement weather or any other cause, or for any accident, damage or injury happening to any occupant of the premises or visitor thereto, whilst using the stairways or corridors, entrance lobby or on any other part of the building or ground housing the leased premises.
- (22) In the event of total or partial destruction of the premises or in the building housing the premises, the Lessee shall be entitled to a total or partial reduction of rent according to the period for which the Lessee shall be deprived of the beneficial enjoyment of the Leased Premises, but the Lessor shall in no way be responsible to the Lessee or to any other person or persons, for any liability or loss of property or goods which may occur, directly or indirectly, through destruction or part destruction of any property of either the said Lessee or of the said Lessor or of any other person, which may be caused by fire, accident, burglary, theft, war, water, riot, rain storm or any act of God.
- (23) **SUPERVISION AND GARAGE.** It is expressly understood that the Lessor is not bound to exercise any supervision over the premises or the property and effects of the Lessee or other occupants of the said premises. In the event of the Lessee hiring car parking space in the garage or car shelters, such parking of cars or other vehicles shall take place at the sole risk of the Lessee, who accepts all risks inherent in the presence of other cars on the premises, and the Lessor shall not be liable for any damage or loss whatsoever arising from any cause whatsoever. No vehicle, except that of a Lessee who has hired or been allocated a parking space, shall be permitted on the grounds of the leased premises and the Lessee undertakes to ensure that personal visitors do not park their vehicles on these grounds. No repairs or working on any vehicles shall be effected on the grounds of the leased premises.
- (24) The Lessor supplies the electric globes in the Leased premises and the Lessee undertakes to replace any of such which become broken or burnt out, and at the termination of this Agreement to leave a full complement of electric globes in good working order in the Leased Premises.
- (25) **ELECTRICAL INSTALLATIONS.** Electrical fuses blown and repairs to electric wiring, switches and general electric installation in the Leased Premises occasioned by overloading or by the use of faulty electrical equipment by the Lessee shall be repaired or renewed at the cost and expense of the Lessee. The Lessee shall not permit any unqualified person to tamper with or adjust any electric wiring or installation in the Leased Premises, nor shall he remove any electric fittings either temporarily or permanently without the consent in writing of the Lessor first having been had and obtained.
- (26) **LEAKING TAPS, ETC.** The Lessee shall immediately give notice of any leaking taps and of any accident to or defect in the water supply or electricity apparatus, pipes or wires to the Lessor or his Agent and to the Municipality.
- (27) **AUCTION SALES.** No Auction Sales shall be held on the premises.
- (28) **VIEWING OF FLAT:** After notice of termination of this Lease by either party hereto, the Lessee shall be obliged to allow any prospective tenant to view the whole of the inside of the premises.
- (29) **LIFT.** Where the Leased premises have a lift this must only be used for the conveyance of passengers, no cycles or furniture to be conveyed in same.
- (30) **COST.** The cost of this Lease including the Stamp Duty thereon shall be borne by the Lessee.
- (31) **DAMAGE DURING REMOVAL.** The Lessee shall be held responsible for any damage caused by the Cartage Contractor or whoever is employed by the Lessee to bring his personal effects upon the premises and shall likewise be held responsible for any damage occasioned or brought about during the removal of his furniture or personal effects from the premises leased.
- (32) **STRUCTURAL ALTERATIONS:** The lessor shall at all times be entitled to carry out structural alterations to the building in which the leased premises, hereby leased, are situated and the lessee shall not be entitled to enforce or require the lessor or his Agent to enforce any claim or right whatsoever against any person who may be engaged in the demolition, alteration, erection or any other work on any buildings, roadways or other amenities in the vicinity of the building in which the leased premises are situated. The lessee shall have no claim of any nature against the lessor in respect of any loss, damage, nuisance or disturbance whatsoever, which he may suffer through such alterations.
- (33) **RATES AND TAXES AND INTEREST PAYABLE ON BOND**
- In the event of the rates and taxes payable by the Lessor on the ground and buildings of which the premises form a part being increased then the rental required to be paid by the Lessee shall be increased by a proportion of the increase in rates equivalent to the proportion of the rental presently paid by the Lessee in relation to the total rental of the buildings aforesaid.
 - In the event of the rate of interest payable by the Lessor under any Bond over the property on which the premises are erected being increased then the rental required to be paid by the Lessee shall be increased by a proportion of the increase in the said rate of interest equivalent to the proportion of the rental presently paid by the Lessee in relation to the total received by the Lessor from all tenants on the said property.
 - In the event of the administrative or any other costs or disbursements to the property on which the premises are erected being increased, the Lessor will have the right in his sole and absolute discretion of increasing the rent payable by the Lessee on a proportionate basis to such an amount which the Lessor in his discretion may deem necessary in order to cover such increases.
- (34) **DOMICILIUM.** The parties hereto choose domicilium citandi et executandi for all purposes in connection with this Lease as follows:
- The Lessor, unless contrary advice is given, c/o Ellenberger & Kahts, 36 Alexandra Avenue, Bloemfontein
 - The Lessee at the leased premises.

ELLENBERGER & KAHTS INSPECTION SHEET		DATE :/...../.....
PREMISES:		NEW TENANT:
OLD TENANT		MOVING IN:
VACATING:		TEL:
LOUNGE		
FLOOR:	WALLS:	
CEILING:	WINDOWS:	
CUPBOARDS:	DOORS:	
LAMPS:	PLUG:	
ROOM 1:		
FLOOR:	WALLS:	
CEILING:	WINDOWS:	
CUPBOARDS:	DOORS:	
LAMPS:	PLUG:	
ROOM 2:		
FLOOR:	WALLS:	
CEILING:	WINDOWS:	
CUPBOARDS:	DOORS:	
LAMPS:	PLUG:	
ROOM 3:		
FLOOR:	WALLS:	
CEILING:	WINDOWS:	
CUPBOARDS:	DOORS:	
LAMPS:	PLUG:	
ROOM 4:		
FLOOR:	WALLS:	
CEILING:	WINDOWS:	
CUPBOARDS:	DOORS:	
LAMPS:	PLUG:	
BATH ROOM:		
FLOOR:	WALLS:	
CEILING:	WINDOWS:	
CUPBOARDS:	DOORS:	
LAMPS:	BASIN:	
TAPS:	BATH:	
GEYSER:	TOILET:	
TOWEL RAIL:	MEDICINE CHEST:	
SHOWER:	TILES:	
KITCHEN:		
FLOOR:	WALLS:	
CEILING:	WINDOWS:	
CUPBOARDS:	DOORS:	
LAMPS:	PLUG:	
ZINC:	STOVE/FRIDGE:	
TILES:	STOVE CONNECTION:	
PASSAGE/ENTRANCE HALL:		
FLOOR:	KEY(S)	
DOOR:	LOCK(S):	
LAMPS:	WALLS:	
SECURITY GATE:	OTHER:	
PLUG:		
BALCONY:		
REMARKS:		

Addendum E4 Supporting documentation For the housing department of the Mangaung local Municipality. (Including standard lease, application form and inspection report)

OORHANDIGINGSERTIFKAAT HANDING-OVER CERTIFICATE

NAAM VAN HUURDER/NAME OF TENANT:

ADRES VAN EIENDOM/ADDRESS OF PROPERTY:

.....

WOONKAMER	VENSTER KNIPPE GORDYNK. MURE ANDER	SKUIWE LIGSKERM PLAFON	RUIITE DEUR VLOER
KOMBUIS	V KNIPPE GORDYNK. DEUR BINNE MURE ANDER	SKUIWE LIGSKERM BUIITE PLAFON	RUIITE OPWAS EN KAS VLOER STOOFGORDEL
SLAAPKAMER 1	V KNIPPE GORDYNK. MURE INGEBOUDE KAS ANDER	SKUIWE LIGSKERM PLAFON	RUIITE DEUR VLOER
SLAAPKAMER 2	V KNIPPE GORDYNK. MURE INGEBOUDE KAS ANDER	SKUIWE LIGSKERM PLAFON	RUIITE DEUR VLOER
SLAAPKAMER 3	V KNIPPE GORDYNK. MURE INGEBOUDE KAS ANDER	SKUIWE LIGSKERM PLAFON	RUIITE DEUR VLOER
BADKAMER	V KNIPPE GORDYNK. BAD MEDISYNEKAS MURE ANDER	SKUIWE LIGSKERM H.DR. BRIL EN KLAP PLAFON	RUIITE DEUR H.W.B. POT VLOER
PORTAAL BO	LIGSKERM TRAPPE EN REËLINGS	MURE	PLAFON
INGANG PORTAAL	VOORDEUR PLAFON	SLEUTEL NR LIGSKERM	MURE STAALHEK
BUIITE	POSBUS GEUTE ANDER	AFDAK	MURE
BUIITEGEBOU	V KNIPPE ANDER	RUIITE	MURE
ERF	HEININGS ANDER	HEKKE	

ONDERSOEK DEUR DATUM:

huurder/ap

OORHANDIGINGSERTIFIKAAT HANDING-OVER CERTIFICATE

NAAM VAN HUURDER/NAME OF TENANT:

ADRES VAN EIENDOM/ADDRESS OF PROPERTY:

.....

WOONKAMER	VENSTER KNIPPE GORDYNK. MURE ANDER	SKUIWE LIGSKERM PLAFON	RUIE DEUR VLOER
KOMBUIS	V KNIPPE GORDYNK. DEUR BINNE MURE ANDER	SKUIWE LIGSKERM BUIE PLAFON	RUIE OPWAS EN KAS VLOER STOOFGORDEL
SLAAPKAMER 1	V KNIPPE GORDYNK. MURE INGEBOUDE KAS ANDER	SKUIWE LIGSKERM PLAFON	RUIE DEUR VLOER
SLAAPKAMER 2	V KNIPPE GORDYNK. MURE INGEBOUDE KAS ANDER	SKUIWE LIGSKERM PLAFON	RUIE DEUR VLOER
SLAAPKAMER 3	V KNIPPE GORDYNK. MURE INGEBOUDE KAS ANDER	SKUIWE LIGSKERM PLAFON	RUIE DEUR VLOER
BADKAMER	V KNIPPE GORDYNK. BAD MEDISYNEKAS MURE ANDER	SKUIWE LIGSKERM H.DR. BRIL EN KLAP PLAFON	RUIE DEUR H.W.B. POT VLOER
PORTAAL BO	LIGSKERM TRAPPE EN REËLINGS	MURE	PLAFON
INGANG PORTAAL	VOORDEUR PLAFON	S' EUTEL NR LIGSKERM	MURE STAALHEK
BUIE	POSBUS GEUTE ANDER	AFDAK	MURE
BUITEGEBOU	V KNIPPE ANDER	RUIE	MURE
ERF	HEININGS ANDER	HEKKE	

ONDERSOEK DEUR DATUM:

huurder/ap

9. **Afhanklikes : Dependants**

Voorname : First Names

Ouderdom : Age

.....
.....
.....
.....
.....

10. **Datum van eerste aansoek:**

Date of first application:

11. **Telefoon nommer: Telephone number :**

Huis : Home

Aansoeker : Applicant

Eggenote : Spouse

Werk : Business

12. **Maandelikse Inkomste : BRUTO (Gesertifiseer deur werkgewer)**
Monthly Income : GROSS (Certified by employer)

R.....

Handtekening van Werkgewer :

Signature of Employer :.....

Naam en adres van Werkgewer (STEMPEL)

Name and address of Employer (STAMP)

.....
.....
.....

HANDTEKENING VAN AANSOEKER :

SIGNATURE OF APPLICANT :

DATUM: DATE

LEASE AGREEMENT

ECONOMICAL HOUSING SCHEME

SITUATED AT

.....

.....

INDEX

ITEM	PAGE NO
1. PARTIES	1
2. RECORDING	1
3. LEASE	2
4. LEASE PERIOD	2
5. RENTAL AND DEPOSIT	2
6. IMPROVEMENTS	3
7. GENERAL RIGHTS AND OBLIGATIONS OF LESSEE	3
8. GENERAL RIGHTS AND OBLIGATIONS OF LESSOR	6
9. DAMAGES, INJURIES OR DESTRUCTION	6
10. BREACH	7
11. ENTIRE AGREEMENT	7
12. NO VARIATION	7
13. JURISDICTION	7
14. DOMICILIUM	7
15. NOTICE	8
16. NO INDULGENCE	8
17. COSTS	8

1. PARTIES

1.1 MANGAUNG LOCAL MUNICIPALITY

(" the Lessor")

and

1.2 FULL NAMES AND SURNAME:.....

.....

ID NUMBER:

(" the Lessee")

2. RECORDING

It is recorded that:

2.1 the Lessor is a local authority which is empowered and authorised in terms of the applicable Housing legislation to establish approved housing schemes from advances made to it or from borrowed money, and to lease or sell houses or flats so erected by it, on specified conditions;

2.2 the housing scheme situated at.....
.....
is an approved housing scheme established in terms of the powers mentioned in clause 2.1;

2.3 the Lessor intends to lease units in the said scheme, which leasing will be subject to the provisions of the applicable Housing legislation as well as the terms and conditions agreed upon between the parties and contained in this agreement.

3. LEASE

The Lessor hereby leases to the Lessee who accepts in lease a certain house/flat No..... situated at

.....("the lease premises")

4. LEASE PERIOD

This lease shall commence on("the commencement date") notwithstanding the date of signature hereof, and shall endure until it is terminated by either of the parties by 1(one) calendar month written notice, which notice shall be given on or before the 25th (twenty fifth) day of the previous month.

5. RENTAL AND DEPOSIT

5.1 The monthly rental in respect of the lease premises shall be an amount of R....., payable promptly in advance on or before the 7th (seventh) day of each month to the City Treasurer, Civic Centre, 5 De Villiers Street, Bloemfontein.

5.2 The aforementioned rental may be adjusted by the Lessor with 1(one) calendar month prior written notice to the Lessee.

5.3 The Lessor shall be entitled to deduct the aforementioned rental from the Lessee's wage or salary in the case that the Lessee is in the employment of the Lessor.

5.4 On signature of this agreement, the Lessee shall pay as deposit an amount of R..... which amount may on termination of the agreement be utilised by the Lessor for the restoration of damages to the lease premises caused by the Lessee. The balance of the deposit is repayable to the Lessee.

5.5 The Lessee shall pay interest at the rate contemplated in section 78(2)(b) of the Local Government ordinance No 8 of 1962 on all amounts owed in terms of this agreement and which the Lessee had failed to pay on the due date, calculated

monthly on the last day of each month, from the due date until the date of payment.

- 5.6 Due to the fact that the rental is inter alia based on the monthly income of the Lessee, the Lessee hereby undertakes to inform the Lessor promptly in writing of any change in his/her income, failing which the rental shall be increased retrospectively as soon as the change in income becomes known.

6. IMPROVEMENTS

- 6.1 The Lessee may effect improvements, additions, affixtures or alterations to the lease premises only after obtaining the written consent of the Lessor thereto. Should an improvement, addition, affixture or alteration be effected by the Lessee, unless the parties otherwise agree in writing -
- (a) the costs thereof shall be for the Lessee;
 - (b) the Lessee may not remove same for his/her own benefit;
 - (c) the Lessee shall be obliged to remove same within a reasonable time after the termination of the agreement, if so required by the Lessor;
 - (d) the lease premises shall not be damaged by the removal as contemplated in clause 6.1(c), and the Lessee shall reinstate the lease premises, if damaged, to the satisfaction of the Lessor;
 - (e) the Lessor shall not be obliged to pay compensation for same, unless the parties agree otherwise in writing.

7. GENERAL RIGHTS AND OBLIGATIONS OF THE LESSEE

The Lessee -

- 7.1 indemnifies the Lessor against any amounts whatsoever,

including costs (as between attorney and client) and expenses for which the Lessor may be liable or which it may incur, suffer damages or which may be claimed from the Lessor that resulted from or are in connection with the use and occupation of the lease premises by the Lessee or the omissions and commissions of the Lessee, his/her employees, contractors or representatives, whether it occurs during the exercise by the Lessor of his rights in terms of this agreement or not, and the Lessee shall pay such amounts to the Lessor on demand;

7.2 shall comply with all conditions of title and Municipal and other regulations and by-laws applicable to the lease premises;

7.3 may not without the Lessor's prior written consent, cede or assign any of his/her rights in terms hereof or permit anyone else to occupy the lease premises or part thereof or sublet the lease premises or any part thereof;

7.4 takes the lease premises "voetstoots" as it is and hereby renounces any claim whatsoever against the lessor on account of the existence of any defect to the lease premises, whether latent or not, or for any other reason;

7.5 shall keep the lease premises at all times in a clean and hygienic condition and free from insects and the accumulation of perishable articles which may cause the spreading of contagious diseases, the breeding of flies or may provide a shelter for rodents. No junk, garden refuse or car wreckage may be accumulated on the lease premises;

7.6 hereby undertakes and agrees to take special care with the maintenance and upkeep of the interior and exterior of the

lease premises leased hereby, as well as all fittings and accessories, and agrees in particular to replace at his/her own costs and expense with articles of equal quality, corresponding value and appearance any of the following articles being the property of the Lessor, should same during the existence of this agreement be broken or damaged, with the exclusion of fair wear and tear :

Wash- and lavatory basins, lavatory seats, flushing apparatus, glass panes, taps, window-, door- and cupboard locks, hinges, fittings and keys, kitchen sinks, and electric fittings including switches and plugs.

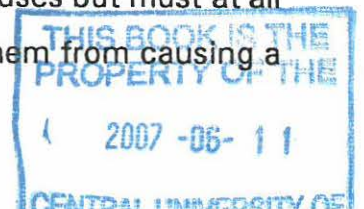
7.7 shall keep the refuse-chute, sewage drains and other pipes on the lease premises clean and open and all stoppages and the opening thereof shall be his/her sole responsibility and shall be done at his/her costs;

7.8 shall not bring or store any article on the lease premises which may have the effect of vitiating or in any way prejudicing the Lessor's Fire Insurance Policy on the lease premises;

7.9 shall under no circumstances house any person or persons on the lease premises as a paying guest, lodger or boarder or permit overcrowding;

7.10 shall ensure that the undisturbed use of the neighbouring properties and of the environment are not disturbed by noisy or improper conduct or the use of indecent or objectionable language or his/her part or those of the members of his/her householding;

Pets and birds may be kept in residential houses but must at all times be under proper control to prevent them from causing a



nuisance for the environment. Dogs and cats may not be kept in flats.

7.11 shall not use or affix to the electrical installation on the lease premises such apparatus which in the opinion of the Lessor may have the separate or cumulative effect or overloading or short circuiting or unduly straining the said installation;

7.12 shall be responsible for payment of the water and electricity accounts in respect of the lease premises;

7.13 if the Lessee is employed by the Lessor and his or her services is terminated for whatever reason, this agreement will terminate on his or her last day of work at the Lessor, on which date the Lessee shall be obliged to vacate the lease premises;

7.14 shall upon termination of this agreement, hand the lease premises over to the Lessor in the same condition in which it was received, fair wear and tear excepted. Any expenses over and above the deposit mentioned in clause 5.4 that the Lessor may incur to restore the lease premises or to replace any of the articles mentioned in clause 7.6, are recoverable from the Lessee and the Lessee shall pay such amounts on request.

8. GENERAL RIGHTS AND OBLATIONS OF LESSOR

The Lessor -

8.1 may at any time carry out any of the Lessee's obligations in terms of this agreement which the Lessee has failed to carry out within a reasonable time after being required by the Lessor to do so, and the Lessor may, in its sole discretion, exercise such right in addition to or instead of (but without prejudice to)

any other right which it may have in terms hereof and the Lessee shall pay to the Lessor on demand all costs and expenses incurred by the Lessor in carrying out the Lessee's neglected obligations;

8.2 shall at all times through its officials, contractors and agents have access to the lease premises for the purpose of inspection or such other purposes as the Lessor may deem necessary for the exercising of the provisions of this agreement, and for the construction, erection, maintenance and restoring of existing or future municipal conducting wires or state services on the lease premises;

9. DAMAGES, INJURIES OR DESTRUCTION

9.1 The Lessor accepts no liability whatever for damages or injuries suffered by any person being a lawful occupier or temporary visitor of the lease premises, as a direct result of fire, rain, hail, wind, leakage caused by the roofs, gutters or wall defects or from any cause whatever;

9.2 Should the lease premise be damaged by any cause whatever to such an extent that the Lessee is prevented from enjoying beneficial occupation of the whole or a portion of the lease premises -

- (a) the lease agreement is not terminated as a result thereof unless the parties agree in writing to the contrary;
- (b) the Lessee shall have no claim against the Lessor as a result thereof.

10. BREACH

10.1 Should the Lessee -

- (a) fail to pay any amount owing by him/her in terms of this

agreement on due date thereof; or

- (b) breaches contract by the non-compliance of any of the other provisions of the lease agreement; the Lessor shall be entitled to cancel this agreement forthwith by notice to the Lessee, whereupon the Lessee shall forthwith vacate the lease premises, without prejudice to any other rights that the Lessor may have against the Lessee as a result of such breach of contract.

11. ENTIRE AGREEMENT

This lease agreement contains all the terms and conditions of the agreement between the Lessor and the Lessee concerning the leasing of the lease premises and no terms, conditions, warranties or representations whatever apart from those contained in this lease have been made or agreed upon.

12. NO VARIATION

No variation of this lease agreement or mutually agreed cancellation thereof shall be of any force or effect unless in writing and signed by or on behalf of the Lessor and the Lessee.

13. JURISDICTION

The parties consent to the jurisdiction of the Magistrate's Court with regard to any claim arising out or resulting from this lease agreement.

14. DOMICILIUM

The parties choose as domicilia citandi et executandi for all purposes, the addresses referred to in clause 15.

15. NOTICE

- 15.1 All notices given by either party to the other in terms of this agreement shall be given in writing by pre-paid registered post

or telegram or delivered by hand -

(a) to the Lessor at the City Treasurer, Civic Centre, 5 De Villiers Street, Bloemfontein;

(b) to the Lessee at the lease premises at

or at any other address of which the one party may notify the other in writing, which address may not be a poste restante, must be in the Republic of South Africa and shall be deemed to be of force 14 (fourteen) day after the required notice had been given.

15.2 A notice by the parties to each other -

(a) sent by certified post, shall be deemed to be received 5 (five) days after the sending thereof;

(b) sent by telegram, shall be deemed to be received on the day following the day on which the text of the notice had been submitted at the Post Office for transmission;

(c) delivered by hand, shall be deemed to be received on the date of delivery thereof.

16. NO INDULGENCE

No indulgence which the Lessor may grant to the Lessee with regard to the compliance of any of the Lessee's obligations in terms of this agreement, shall prejudice or constitute a waiver of any of the Lessee's rights in terms of this agreement or otherwise.

17. COSTS

17.1 The Lessee shall pay on a scale as between attorney and client, all legal costs whatever which the Lessor may incur in connection with any steps that the Lessor may take in respect of or resulting from this agreement, including collection charges at the then ruling rate on the capital amount with

costs, irrespective whether the capital amount with costs are paid before or after judgement;

17.2 The Lessor shall pay the costs of the stamp duty on this agreement.

SIGNED AT ON THIS
DAY OF 19.....

AS WITNESSES

1.
.....
LESSOR

2.

.....
**NAME OF SIGNATORY WHO WARRANTS THAT
HE IS AUTHORISED THERETO**

SIGNED AT ON THIS
DAY OF 19.....

AS WITNESSES

1.
.....
LESSEE

2.

Addendum F Housing Report from the Housing Manager of the
Mangaung Local Municipality.

**DEPARTMENT URBAN PLANNING AND HOUSING
HOUSING DIVISION**

Mr Simpson/fj
5/5/6/2

THE CHIEF EXECUTIVE (EXCO-ITEM)

DETERMINING OF RENTALS

INTRODUCTION

HISTORICAL BACKGROUND

Depending on circumstances, rentals in respect of state assisted housing must comprise of one or more of the following elements.

- (a) *Interest and Redemption*
- (b) *Contribution towards the Maintenance Reserve Fund;*
- (c) *Contribution towards Community Facilities Fund;*
- (d) *Levy for administration/indirect costs;*
- (e) *Provision for loss of rent;*
- (f) *Interest on land value;*
- (g) *Rates and Taxes;*
- (h) *Administration costs;*
- (i) *Recovery of miscellaneous expenditure such as;*
 - *Cleaning services;*
 - *Insurance premiums;*
 - *Electricity and Water consumption;*
 - *Refuse removal; and*
 - *Sanitary services.*

Subject to the above-mentioned elements, the total rent raised in respect of state assisted housing must be apportioned on the basis of a standard tariff per unit size pending on the number of living units or the size of such a unit.

Before the amalgamation rentals were determined as follows:

HEIDEDAL

Until 1995 rentals were strictly determined in accordance with required legislation. All the components mentioned under (a)-(i) above were included in the total rent payable.

Rents were only revised if there were increases in rates and taxes, maintenance, miscellaneous costs, etc.

In order not to overburden tenants, rents were calculated in such a way that tenants could afford it. Tenants paid rent according to their income; the so-called graduated rents, which means that people pay rent according to their income.

BLOEMFONTEIN

In the case of Bloemfontein the same principles were applied, but all administrative costs like salaries of officials formed part of the different rentals. This placed a high burden on tenants.

29. 2 2000

Welvaart Residence has been rented out to a private person for R500,00 instead of the applicable rental as per Annexure "A". This is because Council employees were not interested in the house and there is always fear that an empty house stand the chance of being vandalised at any time.

MANGAUNG

The original basis for the determination of rentals is unknown. According to information the former Manguang City Council took a resolution whereby the traditional way of calculating rentals was abolished. With the exception of one scheme "fixed rentals" for the other schemes were introduced.

PRESENT POLICY

Rentals is a very complex area, compounded by recent amalgamation of different legal, financial and administrative systems. The above exposition reveal fundamental differences in the manner how rentals were calculated within the area of jurisdiction of Council. Comparing rents across the city reveals further anomalies with very poor quality accommodation being expected to pay more than comparatively affluent people in decent and quite spacious accommodation.

Section 14(4)(b) of the Housing Act (107) of 1997 stipulates as follows:

- "(b) Any debt or other obligation of a municipality or the premier of a province towards the former Board in respect of any project or scheme which was financed by means of a loan, advance or other finance which was approved in terms of -*
- (i) the Housing Act, 1966 (Act No 4 of 1966);*
 - (ii) the Development and Housing Act, 1985 (Act No. 103 of 1985);*
 - (iii) the Housing Act (House of Representatives), 1987 (Act No. 2 of 1987);*
 - (iv) the Development Act (House of Representatives), 1987 (act No. 3 of 1987); or*
 - (v) the Housing Development Act (House of Delegates), 1987 (Act No. 4 of 1987),*

is hereby extinguished."

The implication of the above-mentioned Clause are as follows:

- (i) it is no more necessary to make any contributions towards the following reserve funds;*
- (ii) any money which at the commencement of this Act, stands credit of the above-mentioned funds should be transfer to separate operating account;*
- (iii) the money so transferred, much be utilized for housing development in accordance with the National Housing Policy and a Housing Development Project approved by the MEC.*

The fact that tenants are paying rentals, according their income, government subsidized the difference between the maximum and minimum rental payable.

- (a) Maintenance*
- (b) Loss of rentals*
- (c) Community Facility Fund*

Example: Maximum rental payable is R168.00

<i>Income</i>	<i>Rental</i>	<i>Difference Subsidized by Government</i>
0 - 150	R104.00	R64.00
151 - 300	R125.00	R43.00
301 - 350	R131.00	R37.00
351 - 450	R141.00	R27.00
451 - 650	R150.00	R18.00
651 - 1200	R158.00	R 8.00
1201 -	R168.00	


Since the implementation of the Housing Act (107) of 1997, the subsidizing of rentals (commonly known as loss of rentals), by the Government was stopped for the 1999/2000 financial year. Rentals for budgetary purposes were still calculated on the maximum rental applicable. The termination of the subsidy, may influence the Housing Budget negatively, but the result thereof cannot be determined, yet.

The Government is presently busy compiling a new housing code, which will address the issue of rentals. Against the background that any changes to the existing rental schedules might not be in line with the prescriptions of the code, it is suggested:

- (a) that the current method of calculating rentals, be maintained;
- *** (b) that the rentals, reflected in Annexure "A", be approved and implemented the month following Council's resolution.

RECOMMENDATION

- (a) that the current method of calculating rentals, be maintained;
- (b) that the rentals, reflected in Annexure "A", be approved and implemented the month following Council's resolution.



DIRECTOR
deter-re.gs

SUNDRY HOUSES : RENTALS

SUNDRY HOUSES	APPROVED (EMPLOYEE) 1/11/97	PROPOSED (EMPLOYEE RENTAL)	APPROVED (NON EMPLOYEE) 1/11/97	PROPOSED (NON EMPLOYEE RENTAL)
1 Kirby Court	169.00	227.00	245.00	329.00
2 Kirby Court	169.00	227.00	245.00	329.00
3 Kirby Court	169.00	227.00	245.00	329.00
81 Harvey Road	279.00	375.00	538.00	724.00
83 Harvey Road	275.00	370.00	528.00	800.00
85 Harvey Road	274.00	369.00	525.00	706.00
15 Maselspoort House (100%)	291.00	392.00	587.00	789.00
16 Maselspoort House (100%)	291.00	392.00	587.00	789.00
17 Maselspoort House (100%)	291.00	392.00	587.00	789.00
18 Maselspoort House (100%)?	296.00	399.00	601.00	809.00
1 Boyden Sterrewag House?	200.00	269.00	234.00	315.00
2 Boyden Sterrewag House?	200.00	269.00	234.00	315.00
3 Boyden Sterrewag House	200.00	269.00	234.00	315.00
4 Boyden Sterrewag House	200.00	269.00	234.00	315.00
5 Boyden Sterrewag House	209.00	281.00	311.00	419.00
1 Andries Pretorius Street	373.00	502.00	494.00	665.00

SUNDRY HOUSES	APPROVED (EMPLOYEE) 1/11/97	PROPOSED (EMPLOYEE RENTAL)	APPROVED (NON EMPLOYEE) 1/11/97	PROPOSED (NON EMPLOYEE RENTAL)
Memorium Cemetery Residence	293.00	395.00	355.00	478.00
South Park Cemetery (100%)	356.00	479.00	706.00	950.00
10 First Avenue (100%)	332.00	347.00	615.00	828.00
Hamilton Park Residence	301.00	405.00	482.00	648.00
Naval Hill Pump Station Residence (100%)	379.00	510.00	396.00	533.00
Petra Quarry Residence	354.00	477.00	709.00	953.00
Welvaart Residence (1005)	1083.00	1457.00	-	-
2 Union Avenue (100%)	335.00	451.00	357.00	481.00
4 Union Avenue	369.00	496.00	495.00	666.00
79 Lombard Street	263.00	354.00	269.00	361.00
81 Lombard Street	277.00	373.00	308.00	414.00
2 Monument Road	206.00	277.00	239.00	322.00
Zoo Residence (100%)	337.00	454.00	663.00	892.00
13 Piet Retief Street	263.00	354.00	395.00	532.00
Stadium Swimming Pool Residence (100%)	428.00	575.00	841.00	1132.00
7 Sarel Cilliers Street	597.00	804.00	686.00	923.00

SUNDRY HOUSES	APPROVED (EMPLOYEE) 1/11/97	PROPOSED (EMPLOYEE RENTAL)	APPROVED (NON EMPLOYEE) 1/11/97	PROPOSED (NON EMPLOYEE RENTAL)
115A Exton Road	718.00	966.00	-	-
Plot 18 : Hillside House A	986.00	1326.00	1076.00	1448.00
Plot 18 : Hillside House B	837.00	1126.00	-	-
7 Beck Street	491.00	661.00	658.00	886.00
Bathurst Residence	455.00	613.00	728.00	979.00

FIRE BRIGADE CENTRAL STATION : RENTALS

FIRE BRIGADE HOUSES 2MUNICIPAL EMPLOYEES	APPROVED 1/11/97	PROPOSED RENTAL
94 Selborne Avenue: Flat 1	261.00	351.00
Flat 2	261.00	351.00
Flat 3	261.00	351.00
Flat 4	261.00	351.00
Flat 5	261.00	351.00
Flat 6	261.00	351.00
Flat 7	261.00	351.00
Flat 8	261.00	351.00
Fontein Street: Residence 49	237.00	319.00
Residence 51	237.00	319.00
Residence 53	216.00	291.00
Residence 55	216.00	291.00
Residence 57	237.00	319.00
Residence 59	215.00	290.00
Residence 61	215.00	290.00
Residence 63	189.00	254.00
Residence 63A	189.00	254.00
Residence 65	185.00	249.00
Residence 65A	189.00	254.00
Residence 67	189.00	254.00
Residence 67A	189.00	254.00
Residence 69	189.00	254.00
Residence 69A	189.00	254.00
Selborne Avenue: Residence 88	227.00	305.00

FIRE BRIGADE HOUSES 2MUNICIPAL EMPLOYEES	APPROVED 1/11/97	PROPOSED RENTAL
Residence 90	250.00	337.00
Residence 92	250.00	337.00

FIRE BRIGADE : EHRlichPARK STATION : RENTALS

FIRE BRIGADE HOUSES MUNICIPAL EMPLOYEES	APPROVED 1/11/97	PROPOSED RENTAL
271A Church Street	341.00	459.00
271B Church Street	341.00	459.00
271C Church Street	341.00	459.00
De Houtman Street: Flat 1	327.00	440.00
Flat 3	327.00	440.00
Flat 5	327.00	440.00
Flat 7	327.00	440.00
Flat 9	327.00	440.00
Flat 11	327.00	440.00
Flat 13	327.00	440.00
Flat 15	327.00	440.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Rhodes Avenue SE 1(8) (Oranjesig)	Less Than R150	104.00	1/11/97	140.00
	151-300	125.00	1/11/97	168.00
	301-350	131.00	1/11/97	177.00
	351-450	141.00	1/11/97	190.00
	451-650	150.00	1/11/97	202.00
	651-1200	158.00	1/11/97	213.00
	1201-	168.00	1/11/97	226.00
Rhodes Avenue SE 2(20) (Oranjesig)	Less Than R150	138.00	1/11/97	186.00
	151-300	179.00	1/11/97	241.00
	301-350	196.00	1/11/97	264.00
	351-450	212.00	1/11/97	286.00
	451-650	227.00	1/11/97	305.00
	651-1200	243.00	1/11/97	327.00
	1201-	261.00	1/11/97	351.00
Rhodes Avenue SE 3(8) (Oranjesig)	Less Than 150	190.00	1/11/97	256.00
	151-300	237.00	1/11/97	319.00
	301-350	263.00	1/11/97	354.00
	351-450	282.00	1/11/97	379.00
	451-650	302.00	1/11/97	406.00
	651-1200	328.00	1/11/97	441.00
	1201-	354.00	1/11/97	477.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Falck Street Scheme S2B;B2B;A2B;SC2B (24) (Oranjesig)	Less Than R150	141.00	1/11/97	190.00
	151-300	168.00	1/11/97	226.00
	301-350	181.00	1/11/97	243.00
	351-450	192.00	1/11/97	259.00
	451-650	203.00	1/11/97	273.00
	651-1200	216.00	1/11/97	291.00
	1201-	228.00	1/11/97	306.00
Falck Street Scheme A3B;B3B;C3B (36) (Oranjesig)	Less Than R150	181.00	1/11/97	243.00
	151-300	221.00	1/11/97	297.00
	301-350	237.00	1/11/97	319.00
	351-450	251.00	1/11/97	338.00
	451-650	269.00	1/11/97	361.00
	651-1200	289.00	1/11/97	388.00
	1201-	302.00	1/11/97	406.00
South of Falck Street SC2B (44) (Oranjesig)	Less Than R150	179.00	1/11/97	241.00
	151-300	208.00	1/11/97	279.00
	301-350	221.00	1/11/97	297.00
	351-450	233.00	1/11/97	314.00
	451-650	245.00	1/11/97	329.00
	651-1200	256.00	1/11/97	345.00
	1201-	270.00	1/11/97	364.00
South of Falck Street SD3B; SA3B (18) (Oranjesig)	Less Than R150	228.00	1/11/97	306.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Falck Street Scheme S2B;B2B;A2B;SC2B (24) (Oranjesig)	Less Than R150	141.00	1/11/97	190.00
	151-300	168.00	1/11/97	226.00
	301-350	181.00	1/11/97	243.00
	351-450	192.00	1/11/97	259.00
	451-650	203.00	1/11/97	273.00
	651-1200	216.00	1/11/97	291.00
	1201-	228.00	1/11/97	306.00
Falck Street Scheme A3B;B3B;C3B (36) (Oranjesig)	Less Than R150	181.00	1/11/97	243.00
	151-300	221.00	1/11/97	297.00
	301-350	237.00	1/11/97	319.00
	351-450	251.00	1/11/97	338.00
	451-650	269.00	1/11/97	361.00
	651-1200	289.00	1/11/97	388.00
	1201-	302.00	1/11/97	406.00
South of Falck Street SC2B (44) (Oranjesig)	Less Than R150	179.00	1/11/97	241.00
	151-300	208.00	1/11/97	279.00
	301-350	221.00	1/11/97	297.00
	351-450	233.00	1/11/97	314.00
	451-650	245.00	1/11/97	329.00
	651-1200	256.00	1/11/97	345.00
	1201-	270.00	1/11/97	364.00
South of Falck Street SD3B; SA3B (18) (Oranjesig)	Less Than R150	228.00	1/11/97	306.00

	151-300	270.00	1/11/97	364.00
	301-350	290.00	1/11/97	391.00
	351-450	307.00	1/11/97	413.00
	451-650	323.00	1/11/97	434.00
	651-1200	341.00	1/11/97	459.00
	1201-	361.00	1/11/97	486.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Bloemhof Flats (45)	Less Than R150	389.00	1/11/97	523.00
	151-300	420.00	1/11/97	565.00
	301-350	433.00	1/11/97	583.00
	351-450	444.00	1/11/97	597.00
	451-650	455.00	1/11/97	613.00
	651-1200	471.00	1/11/97	634.00
	1201-	488.00	1/11/97	656.00
Garages (16)	-	48.00	1/11/97	64.00
Carports (18)	-	37.00	1/11/97	50.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Lentehof Flats (20)	Less Than R150	212.00	1/11/97	286.00
	151-300	235.00	1/11/97	317.00
	301-350	246.00	1/11/97	331.00
	351-450	252.00	1/11/97	340.00
	451-650	261.00	1/11/97	351.00
	651-1200	275.00	1/11/97	370.00
	1201-	279.00	1/11/97	375.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Brandwag Flats (Bachelor) 78	Less Than R150	206.00	1/11/97	277.00
	151-300	293.00	1/11/97	395.00
	301-350	315.00	1/11/97	424.00
	351-450	347.00	1/11/97	466.00
	451-650	368.00	1/11/97	495.00
	651-1200	380.00	1/11/97	511.00
	1201-	412.00	1/11/97	555.00
Brandwag Flats (Two Bedroom) 70	Less Than R150	338.00	1/11/97	455.00
	151-300	415.00	1/11/97	559.00
	301-350	454.00	1/11/97	611.00
	351-450	494.00	1/11/97	665.00
	451-650	521.00	1/11/97	701.00
	651-1200	544.00	1/11/97	732.00
	1201-	578.00	1/11/97	778.00
Brandwag Flats (Three Bedroom) 203	Less Than R150	395.00	1/11/97	532.00
	151-300	495.00	1/11/97	666.00
	301-350	545.00	1/11/97	733.00
	351-450	603.00	1/11/97	811.00
	451-650	638.00	1/11/97	859.00
	651-1200	669.00	1/11/97	900.00
	1201-	719.00	1/11/97	968.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Church Street Houses (One Bedroom) (16) (Oranjesig)	-	301.00	1/11/97	405.00
Church Street (Two Bedroom) (8) (Oranjesig)	-	328.00	1/11/97	441.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Lourierpark (100)	Less Than R150	148.00	1/10/95	148.00
	151-300	266.00	1/10/95	266.00
	301-350	314.00	1/10/95	314.00
	351-450	350.00	1/10/95	350.00
	451-650	380.00	1/10/95	380.00
	651-1200	420.00	1/10/95	420.00
	1201-	460.00	1/10/95	460.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Stillerus Flats (Bachelor) (42)	-	145.00	1/11/97	195.00
Stillerus Flats (One Bedroom) (56)	-	203.00	1/11/97	273.00

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Ehrlichpark (56)	Less Than R150	110.00	1/11/97	149.00
	151-300	246.00	1/11/97	331.00
	301-350	293.00	1/11/97	395.00
	351-450	344.00	1/11/97	463.00
	451-650	400.00	1/11/97	538.00
	651-1200	468.00	1/11/97	629.00
	1201-	526.00	1/11/97	707.00

HEIDEDAL RENTALS

HEIDEDAL SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Economic Letting Scheme 1 & 2 (Two room unit) (60) Scheme 11	Less Than R150	71.00	1/11/97	96.00
	151-300	87.00	1/11/97	117.00
	301-350	87.00	1/11/97	117.00
	351-450	88.00	1/11/97	118.00
	451-650	88.00	1/11/97	118.00
	651-1200	89.00	1/11/97	119.00
	1201-	91.00	1/11/97	123.00
Economic Letting Scheme 3 (Two room unit) (12) Scheme 12	Less Than R150	72.00	1/11/97	97.00
	151-300	87.00	1/11/97	117.00
	301-350	88.00	1/11/97	118.00
	351-450	88.00	1/11/97	118.00
	451-650	89.00	1/11/97	119.00
	651-1200	89.00	1/11/97	119.00
	1201-	91.00	1/11/97	123.00
Economic Letting Scheme 3 (One room unit) (2) Scheme 12	Less Than R150	67.00	1/11/97	90.00
	151-300	82.00	1/11/97	110.00
	301-350	82.00	1/11/97	110.00
	351-450	82.00	1/11/97	110.00
	451-650	82.00	1/11/97	110.00
	651-1200	83.00	1/11/97	111.00
	1201-	83.00	1/11/97	111.00

HEIDEDAL SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Sub Economic Letting 1 Scheme (Two room unit) (300) Scheme 20	Less Than R150	68.00	1/11/97	91.00
	151-300	84.00	1/11/97	113.00
	301-350	84.00	1/11/97	113.00
	351-450	85.00	1/11/97	114.00
	451-650	85.00	1/11/97	114.00
	651-1200	86.00	1/11/97	115.00
	1201-	88.00	1/11/97	118.00
Sub Economic Letting 2 Scheme (Two room unit) (72) Scheme 21	Less Than R150	74.00	1/11/97	100.00
	151-300	88.00	1/11/97	118.00
	301-350	89.00	1/11/97	119.00
	351-450	90.00	1/11/97	122.00
	451-650	90.00	1/11/97	122.00
	651-1200	91.00	1/11/97	123.00
	1201-	93.00	1/11/97	126.00
Economic Letting Scheme (Three room unit) (3)	Less than R150	69.00	1/11/97	92.00
	151-300	97.00	1/11/97	131.00
	301-350	97.00	1/11/97	131.00
	351-450	100.00	1/11/97	135.00
	451-650	101.00	1/11/97	136.00
	651-1200	102.00	1/11/97	137.00
	1201-	105.00	1/11/97	141.00

HEIDEDAL SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Sub Economic Letting 3 Scheme (Two room unit) (50) Scheme 22	Less than R150	56.00	1/11/97	76.00
	151-300	70.00	1/11/97	95.00
	301-350	70.00	1/11/97	95.00
	351-450	71.00	1/11/97	96.00
	451-650	72.00	1/11/97	97.00
	651-1200	72.00	1/11/97	97.00
	1201-	75.00	1/11/97	101.00
Caretaker Dwelling (Omega flats for the Elderly 80 Rooms) Scheme 26	Less than R150	119.00	1/11/97	160.00
	151-300	142.00	1/11/97	191.00
	301-350	162.00	1/11/97	218.00
	351-450	183.00	1/11/97	246.00
	451-650	206.00	1/11/97	277.00
	651-1200	234.00	1/11/97	315.00
	1201-	309.00	1/11/97	415.00

HEIDEDAL SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Reënboog Flats for the Elderly (34) Scheme 27	-	55.00	1/11/97	74.00
Omega rooms for the Elderly (80) Scheme 26	-	43.00	1/11/97	58.00

HEIDEDAL RENTALS

HEIDEDAL SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Economic Flats (37) (Alpha Flats) Scheme 25	Less Than R50	67.00	1/11/97	90.00
	51-100	67.00	1/11/97	90.00
	101-150	75.00	1/11/97	101.00
	151-200	92.00	1/11/97	124.00
	201-250	103.00	1/11/97	138.00
	251-300	113.00	1/11/97	153.00
	301-350	127.00	1/11/97	170.00
	351-400	138.00	1/11/97	186.00
	401-450	161.00	1/11/97	217.00
	451-500	181.00	1/11/97	243.00
	501-550	204.00	1/11/97	274.00
	551-600	228.00	1/11/97	306.00
	601-650	255.00	1/11/97	343.00
	651-700	284.00	1/11/97	382.00
	701-750	314.00	1/11/97	423.00
	751-	333.00	1/11/97	449.00

MANGAUNG RENTALS

SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
1204 x 4 Room Houses	-	4.70	1/11/97	6.30
681 x 3 Semi-detached Rooms	-	3.60	1/11/97	4.90
351 x 3 Room Houses	-	20.30	1/11/97	27.30
13 x 3 Room Houses	-	23.10	1/11/97	31.10
238 x 2 Room Houses	-	13.60	1/11/97	18.30
196 x 4 Room Houses	-	19.10	1/11/97	25.80
152 x 2 Semi-detached Rooms	-	2.10	1/11/97	2.80
7 x 3 Room Houses	-	3.10	1/11/97	4.20
31 x 4 Room Houses	-	29.80	1/11/97	40.10
8 x 4 Room Houses (32 Rooms)	-	0.80	1/11/97	1.10
1335 x 4 Room Houses	Less than R150	11.20	1/11/97	15.10
	151-250	40.60	1/11/97	54.60
	251-350	46.90	1/11/97	63.10
	351-450	56.00	1/11/97	75.60
	451-	66.00	1/11/97	88.40
Hostel 1 (Municipality Employees)	-	56.00	1/11/97	75.60
Hostel 2				
44 Fam Units	-	23.10	1/11/97	31.10
177 Fam Units	-	17.40	1/11/97	23.50
96 Fam Units	-	17.40	1/11/97	23.50
Hostel 3 2048 Beds	-	44.10	1/11/97	59.30

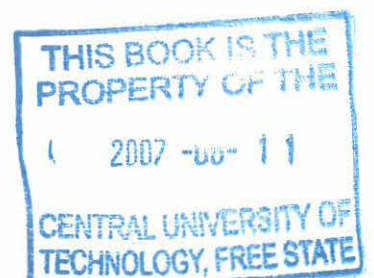
SCHEME	INCOME	APPROVED	PREVIOUS INCREASE	PROPOSED RENTAL
Wilgehof (49203) (One Bedroom) Type L	Less Than R150		1/11/97	
	151-300	89.00	1/11/97	119.00
	301-350	96.00	1/11/97	129.00
	351-450	103.00	1/11/97	138.00
	451-650	120.00	1/11/97	161.00
	651-1200	129.00	1/11/97	173.00
	1201-	131.00	1/11/97	177.00
Wilgehof (49200) (Two Bedroom) Type F	Less Than R150		1/11/97	
	151-300	121.00	1/11/97	163.00
	301-350	133.00	1/11/97	179.00
	351-450	146.00	1/11/97	196.00
	451-650	168.00	1/11/97	226.00
	651-1200	181.00	1/11/97	243.00
	1201-	185.00	1/11/97	249.00
Wilgehof (49202) (Three Bedroom) Type J	Less Than 150		1/11/97	
	151-300	157.00	1/11/97	211.00
	301-350	172.00	1/11/97	232.00
	351-450	184.00	1/11/97	247.00
	451-650	212.00	1/11/97	286.00
	651-1200	228.00	1/11/97	306.00
	1201-	234.00	1/11/97	315.00
Wilgehof (49201) (Three Bedroom) Type K	Less Than 150		1/11/97	
	151-300	161.00	1/11/97	217.00

	301-350	174.00	1/11/97	235.00
	351-450	187.00	1/11/97	251.00
	451-650	213.00	1/11/97	287.00
	651-1200	226.00	1/11/97	304.00
	1201-	232.00	1/11/97	313.00
Wilgehof (49204) (Three Bedroom) Type M	Less Than 150		1/11/97	
	151-300	146.00	1/11/97	196.00
	301-350	163.00	1/11/97	219.00
	351-450	174.00	1/11/97	235.00
	451-650	203.00	1/11/97	273.00
	651-1200	221.00	1/11/97	297.00
	1201-	228.00	1/11/97	306.00

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**Addendum G Cape Town Unicity department of housing, policy
document.**

59h



Cape Town Unicity

Department of Housing

Housing Policy

Procedures

INDEX

	PAGE
1. CHAPTER 1	
Rental Policy	2
2. CHAPTER 2	
Categories of illegal and unauthorised tenants	3
3. CHAPTER 3	
Waiting list and allocation	7
4. CHAPTER 4	
Evictions Policy	15
5. CHAPTER 5	
Maintenance	20
6. CHAPTER 6	
Unauthorised Structures Policy	26
7. CHAPTER 7	
Housing Sales Policy	27
8. CHAPTER 8	
Instalment Arrears Policy	34
9. CHAPTER 9	
Unauthorised Occupations, Repossessions and Evictions Policy	35
10. CHAPTER 10	
Re-allocation Policy	36
11. CHAPTER 11	
Unauthorised Structures Policy	38

CHAPTER 1

RENTAL POLICY

B. PROCEDURES

1.2 SETTING RENTALS

The procedure for setting new rentals can only be established once agreement is reached with the other spheres of government.

1.3 INCOME ASSESSMENTS

The type of income assessment is dependent on agreements reached with the other spheres of government.

1.4 DEALING WITH LATE PAYMENT AND NEW ARREARS

1. If the rent is not paid by the due date, a letter is automatically sent out to the tenant with the next bill requesting payment.
2. In the second month of non payment, a house visit is undertaken to:
 - i) Establish the reason for non-payment.
 - ii) Check the tenants circumstances e.g. that there are no invalids or women in the last stages of pregnancy in the home, that the tenant has adequate household income.
 - iii) Make an acceptable arrangement for the new arrears to be paid off.
 - iv) Advise the tenant that a legal notice will be served if payments are not made.
3. Should any of the circumstances as in 2(ii) exist then the case is to be referred to the Department for a decision.
4. In the third month, the legal notice is served if still no payment.
5. If an acceptable amount is not paid before the expiry of the notice date, eviction proceedings will be initiated (see Evictions Policy - Chapter 4).
6. Where tenants are persistently and considered to be deliberately and blatantly in and out of arrears (and depending on the specific circumstances), legal notice will be served without going through the costly and time consuming steps 1. and 2. above.

1.5 ARRANGEMENTS TO PAY OFF PAST ARREARS

1. All tenants in arrears are required to contact the local housing office and make arrangements to pay off past arrears.
2. Guidelines and criteria in line with the Council's credit control policy are to be established to assist tenants to make the necessary arrangements.

CHAPTER 2

UNAUTHORISED/ILLEGAL OCCUPATION

B. PROCEDURES

2.1 CATEGORIES OF ILLEGAL AND UNAUTHORISED TENANTS

2.1.1 Unauthorised occupants

All persons who, without the Council's prior approval and letter of authorisation, occupy rented housing stock:

1. Persons left behind by tenants when they vacate and who are not members of the former tenants household, whether intentionally or otherwise. For example:
 - i) The tenant hands over the keys to an unauthorised person instead of handing the keys in at the local housing office.
 - ii) The tenant arranges for a person to move in before or during the process of vacating.
 - iii) The tenant formally relinquishes their tenancy without giving vacant occupation.
 - iv) A tenant and authorised occupants who are absent from the dwelling without prior permission for more than thirty days.
2. Persons who take occupation of the dwelling at the time of allocation instead of the tenant.
3. Tenants who swop dwellings.

2.1.2 Illegal Occupants

1. Hi-jacking:
 - i) The tenant moved out or fled because of intimidation and an unauthorised person moves in.
 - ii) The tenant is forced out so that an unauthorised occupant can move in.
 - iii) Relocation/allocation by community organisations and/or street committees and/or Councillors and/or other parties.
2. The unauthorised occupant will be billed but not charged for rent and/or other changes.
3. New data must be submitted giving the postal address of the local housing office to obviate the address being lost from the billing.
4. After the expiry of the notice, a physical check is done to ascertain if the unauthorised occupant is still in occupation.

5. The case is then referred to the Director of Housing for authorisation of eviction after which the Council's attorneys are instructed to institute the legal proceedings. The unauthorised occupant is liable for these costs.
6. When the unauthorised occupant vacates or is evicted he/she becomes a former unauthorised occupant and his/her file is filed with this former tenant's file.
7. The data card entry is then completed and kept with the new tenant's file.

2.2.2 Existing cases - unauthorised and illegal occupants

1. Unauthorised and illegal occupants in occupation after (still to be resolved by Council), who have already been served with notice, are sent a further letter giving him/her a clear calendar month's notice.
2. After the expiry of this notice, a physical check must be done to ascertain if the unauthorised occupant is still in occupation.
3. The case is then to be referred to the Director of Housing for authorisation of eviction after which the attorneys are to be instructed to institute legal proceedings. The unauthorised or illegal occupant is liable for these costs.

2.3 ADMINISTRATIVE PROCEDURE FOR DEALING WITH UNAUTHORISED AND ILLEGAL OCCUPANTS PRIOR TO (still to be resolved by Council)

2.3.1 Unauthorised occupants

1. A house visit to confirm occupants and check all circumstances (e.g. family, income) is conducted.
2. The eligibility form is completed to check the eligibility of the unauthorised occupant in terms of Council's resolution dated (still to be resolved by Council)

Clearly mark House File cover in red koki with the following:

- i) Tenancy regularised in terms of Council's resolution dated (still to be resolved by Council)
 - ii) Complete the form and endorse "House not void - tenancy regularised in terms of resolution dated (still to be resolved by Council) and that deposit is to be transferred to the updated Account Number.
 - iii) The transfer of tenancy is to be effected in a full period i.e. between the 26th and 1st of the following month.
7. If the unauthorised occupant is a waiting list applicant, a memo is sent to Head Office advising that the applicant was given the tenancy in terms of the Council's resolution dated (still to be resolved by Council) and the application is to be cancelled and sent to the local housing office for amalgamation with the house file.

8. The unauthorised occupant's rental account is to be finalised and all monies are to be transferred to updated Account No. as follows:
 - i) Complete the necessary documents - to credit the account with the rental billed after the termination date and to transfer debits/credits and deposit to the updated Account Number.
 - ii) Complete the new data form.
 - iii) Make the relevant entry in the Moves Book and notate/endorse on the left hand side in red - "House not void - tenancy regularised in terms of Council's resolution dated (still to be resolved by Council)

2.3.2 Illegal occupants

1. Conduct a house visit to confirm the occupants and check circumstances (where necessary).
2. Sent a letter to the illegal occupant to call at the local housing office to see a senior member of staff.
3. In the interview, the illegal occupant must again be advised that he/she has no right to the dwelling and is required to vacate.
4. A notice letter which gives a clear calendar month's notice is handed to the illegal occupant or sent by registered post if he/she does not arrive for the interview.
5. After the expiry of the notice, a physical check must be done to ascertain if the illegal occupant is still in occupation.
6. The case is then referred to the Director of Housing for authorisation of eviction after which the attorneys are to be instructed to institute the legal proceedings. The illegal occupant is liable for these costs.

2.4 DEALING WITH THE RECORDS AND ACCOUNTS OF VACATING TENANT

1. The tenant must immediately be advised by registered post that his/her tenancy has been terminated. The letter must be sent to the current address and to the address of the dwelling leased by him/her. If this address is not known a concerted effort must be made to obtain an address where the tenant will receive the termination letter.
2. The vacating tenant's tenancy and rent accounts must be finalised as follows:
 - i) Termination of tenancy is the date the tenant relinquished tenancy or the date officials discovered that the tenant had vacated.

- ii) A form must be completed and endorsed in red "Tenant vacated, leaving unauthorised occupants in occupation" and forwarded to Finance to enable them to effectively deal with refunds and amounts owing by the vacating tenant.
- iii) The dwelling must be regarded as a vacancy by completing form and a water form, in cases where water is paid by the tenant.
- iv) The data card entry is to be completed.
- v) Enter vacancy in the Moves Book.
- vi) Finalise the vacating tenant's rent account by completing the final account document - to write off rental billed after termination date.

CHAPTER 3

WAITING LIST AND ALLOCATION

PROCEDURES

3.1 PROCEDURE FOR APPLICATION TO THE WAITING LIST

1. Application forms are available from all housing offices. These are initialled, dated and the name of the applicant is written on the form before issue.
2. When the forms are returned they are checked to ensure that all questions especially those determining eligibility have been answered.
3. A registration card reflecting application date and a letter advising the applicant of the various policies which affect the application is issued. No further check with regard to eligibility is done.
4. The details are captured onto computer.
5. When the applicant reaches allocation date a new set of forms is issued to update the relevant information and to re-establish eligibility. The application is formally approved and sent to the relevant estate office for processing.

3.2 PROCEDURE FOR TRANSFER OF AN APPLICATION

3.2.1 Transfer of application to a new spouse, divorcee, widow or widower

1. Following the request for the transfer of an application, the prospective applicant is required to produce the relevant certificate or affidavit (if applicable) reflecting their changed status.
2. An application form is then issued.
3. Upon receipt of the completed form, all aspects of eligibility are checked viz.
 - i) Deeds search.
 - ii) Inter office check to ascertain whether the applicant is a former tenant or/and purchaser or has made other applications.
 - iii) Housing Board requirements.
 - iv) The Council's policy
4. If eligible, the records are amended accordingly and all changes are captured on computer.

3.2.2 Transfer of application to a son, daughter, son-in-law, grandchild, brother etc.

1. Transfer of an application is considered on request by an applicant who has advised that he/she is no longer interested in the application. Transfer is also considered on the death of an applicant.
2. In the case of the death of an applicant, family members are required to produce a Death Certificate.
3. It is then established which members of the original family unit still wish to be included in the application.
4. Application for transfer of the tenancy is determined by consensus among the remaining adult members and this is confirmed by affidavit detailing the agreement.
5. Where applicable, the prospective applicant is required to submit an affidavit should he/she purport that a member/certain members are no longer interested in inclusion on the application.
6. An application form is then issued.
7. Upon receipt of the completed form all aspects of eligibility are checked viz.
 - i) Deeds search.
 - ii) Inter office check to ascertain whether the applicant is a former tenant or/and purchaser or has made other applications.
 - iii) Housing Board requirements.
 - iii) The Council's policy.
8. If eligible, the records are amended accordingly and all changes are captured on computer.
9. An applicant wishing to relinquish his/her application in favour of another member of the family unit, is required to call personally before such option will be considered.

3.3 PROCEDURE FOR ALLOCATION OF DWELLINGS

Dwellings are allocated to:

- i) eligible applicants on the Council's waiting list;
- ii) eligible tenants who transfer to alternative accommodation.

When the approved application is received at the local housing office the following procedure is followed:

3.3.1 Applicants - record keeping

1. When an applicant's file is received at the local housing office for allocation an index card is completed reflecting applicant's name, application date, family, type of accommodation requested, employment and income. The card is filed in a tickler box in alphabetical order.
2. This information is also recorded in a hard cover book according to type and datal order as well as on computer.
3. Approved applications are filed in a cabinet according to type and application date.
4. Before the applicant is due for allocation he/she must be visited to update all his/her circumstances.

3.3.2 Actual allocation

1. When a vacancy occurs it is recorded in an allocation book. A notification of vacancy and the water form (where applicable) is completed and submitted to Head Office. The address is checked against the billing schedule to ensure that the type of accommodation has been correctly identified.
2. Once the applicant is selected for allocation circumstances must be updated and eligibility re-established. The person is then verbally advised of the prospective allocation. He/she is required to call at the local housing office with identity documents of both applicant and spouse. These are checked against the file and a written offer of accommodation. Complicated cases are to be referred to the Housing Department.
3. The prospective tenant is then taken to inspect the dwelling with a caretaker.
4. On acceptance of the offer the caretaker arranges for the prospective tenant to sign the relevant maintenance forms. In the case of an unconfirmed vacancy these forms are signed when the dwelling effectively becomes vacant.
5. The lease and other applicable documents in respect of the following are signed and forwarded to the relevant departments:
 - i) An application for water – where applicable.
 - ii) An application for electricity.
 - iii) The Dwelling Data card is updated.
 - iv) The Rental History card is updated.
 - v) 2 Repair cards are completed based on the repairs listed on the Inspection Order.
6. Arrangements are made for the person to take occupation of the dwelling.

7. If the dwelling has been damaged by vandals while it was vacant, then the repairs should be done from the Insurance Vote for vandal damage. A case number must be obtained from the SAPS.
8. The application file is then collated with all other documents in respect of the dwelling allocated and forms the basis of the new tenancy record.
9. Information pertaining to the incoming tenant i.e. name, tenancy commencement date and previous address are recorded in an Estate Moves Book.

3.3.3 Procedure – Financial aspects and record keeping – See 3.4.7

3.4 PROCEDURE FOR TRANSFER OF DWELLINGS TO ANOTHER TENANT

3.4.1 Transfers – record keeping

1. Lists are kept of tenants who have requested transfers to other accommodation in the following categories:
 - i) Transfers from flats to cottages.
 - ii) Transfers from upper floor to ground floor flats.
 - iii) Transfers to maisonettes.
 - iv) Transfers to others areas.
 - v) Transfers to more desirable/similar accommodation.
2. Transfers to more desirable or similar accommodation e.g. from a flat to a cottage or to larger accommodation are considered in datal order of request.
3. Transfers to less desirable accommodation (eg a smaller unit in the same area) are considered at the tenant's request. The date of request is not relevant.
4. Transfer forms are issued to the first few tenants on each list provided the rent account is paid to date. These are processed and approved at the local housing office. The tenant's date of request and current allocation date are endorsed on the forms.
5. Once approved the tenants' names and addresses are recorded in a hard cover book according to type and datal order and the forms filed.
6. Persons on the transfer list can only be on one list at a time but can change from one list to another. However, once accommodated they cannot benefit from the old date of request. They can apply for another transfer and the request date will be the date he/she reapplies.

3.4.2 Transfers from one dwelling to another

1. When a tenant requests a transfer the date of request is recorded on a transfer list and he/she is issued with proof of application.

2. Tenants are not allowed to swop dwellings under any circumstance and will forfeit their lease if they do so.
3. Immediately prior to allocation the eligibility must be checked.
4. Once a tenant is allocated a dwelling he/she must undertake in writing to give vacant occupation of his/her present dwelling. The signing on procedure is the same as for a new tenant except that the present accounts have to be closed and credits have to be transferred to the new reference numbers.
5. The lease is only signed once the transferee has taken occupation of the dwelling allocated to him/her and has given vacant occupation of the dwelling he/she previously occupied.
6. Relevant information on the file cover is updated and the documents in respect of the dwelling allocated is collated with documents from the previous file relating to the new tenant to form the bases of the new tenancy record.
7. Information pertaining to the incoming tenant i.e. name, tenancy commencement date and previous address are recorded in an Estate Moves Book.

3.4.3 Procedure – Financial aspects and record keeping – see 3.4.7

3.4.4 Transfers of tenancies to widows, divorcees, deserted spouses, or in the case of a new marriage.

1. The tenancy is formally terminated on the advice of the divorce in certain cases, death or desertion of the spouse who at the time was the tenant.
2. The remaining spouse is required to submit where relevant:
 - i) the Final Order of Divorce,
 - ii) the Death Certificate,
 - iii) an affidavit from the SAP confirming a spouse's desertion,
 - iv) a Marriage Certificate in the case of a new marriage where the tenant has requested the transfer to the new spouse.
3. The date of termination of tenancy of vacating tenant and the new tenancy date in respect of the prospective tenants established. This is usually determined by the date of death, divorce or signing of notice slip. Complicated cases are to be referred to the Housing Department.
4. The information is recorded in the house file and in the transfer of tenancy book.
5. The dwelling is visited (by arrangement if necessary) to check the circumstances and to establish who is in occupation.
6. In the case of a divorce:

- i) Where one spouse is awarded custody of all the children of the union and these are the only authorised occupants of the dwelling; that spouse will retain or be awarded the tenancy.
 - ii) Where there is split custody or the household comprises other authorised persons whose future is not determined by the divorce eg. adult children, parents brother, sisters etc the tenancy is determined by the Management after consideration of all the facts. Because of the acute shortage of housing it is not possible to award the spouses a dwelling each.
 - iii) Where the tenant, who has been awarded custody of the children, relinquishes the tenancy the case is referred to Management for a decision.
7. In the case of the death of the tenant the right to the tenancy is transferred to the surviving widow/widower providing she/he is eligible. If however the case is more complicated eg. two sets of children and the family requests that the consensus option be considered this should be dealt with as in 6. ii) above.
 8. In the case of desertion the case is dealt with as in 6. above except that proof of desertion is required and the responsibility for the children as opposed to custody awarded is considered.
 9. In the case of a Marriage in Community of Property, the tenant must be made aware of their rights in respect of this ie that both spouses have equal rights to the tenancy. Complicated cases are to be dealt with as in 6. ii) above.
 10. An application form is issued to the prospective tenant together with a letter advising that he/she is being considered for the tenancy but that this is subject to his/her being eligible in all respects.
 11. A transfer of tenancy form to check the eligibility of the widow/widower, divorced spouse, deserted spouses, new spouse and/or the tenant is submitted to Head Office to establish whether they presently own private or subsidised property or whether they previously owned property.
 12. On confirmation of eligibility submit for formal in principle approval. If the case is complicated an accompanying report if necessary.
 13. Once the approved report is returned to the local housing office and the completed application forms are received the transfer of tenancy forms are completed and referred to the designated staff member at Head Office for approval.
 14. The prospective tenant is then notified to call at the local housing office to sign the relevant documents as in the case of an allocation to new tenant.

3.4.5 Transfer of tenancy to a son/daughter/son-in-law/grandchild/sister/ brother, etc.

1. Transfer of tenancy is considered after the death of a tenant or following his/her relinquishing of the tenancy formally or by default.
 - i) In the case of the death of the tenant the family is required to produce the Death Certificate.
 - ii) In the case of a tenant relinquishing the tenancy he/she is required to call personally to formally relinquish tenancy.
 - iii) In the case of a tenant vacating without formally relinquishing the tenancy, a letter terminating the tenancy must be sent on the basis of his/her non-occupation.
2. The date of termination of tenancy of vacating tenant and the new tenancy date in respect of the prospective tenant is established. This is usually determined by the date of death, divorce or signing of notice slip. Complicated cases are to be referred to Management.
3. It must then be established which members of the family unit are still living in the dwelling and all adult members are then requested to call to discuss the pending transfer of tenancy.
4. Transfer of the tenancy is determined by consensus amongst the remaining adult members and this is confirmed by affidavit detailing the agreement. Where applicable the prospective tenant is required to submit an affidavit should he/she purport that a member/certain members are no longer living in the dwelling or interested in being included in the new family unit.
5. If consensus is not reached within 30 days the matter is referred for a decision based on the available facts. The family members are formally advised of this.
6. An application form is then issued to the prospective tenant together with a letter advising that this is subject to him/her being eligible in all respects and that the Council will not become involved in any family disagreements. Copies are to be sent to all adult members interviewed.
7. Proceed to check eligibility, obtain approval and notify prospective tenant as in 3.4.4 points 11. to 14.

3.4.6 Procedure - Financial aspects and record keeping for vacating tenant

1. Established termination date of tenancy. This is usually determined by the date the tenant relinquished tenancy, date of death or date of final order of divorce. Complicated cases are to be referred to Management.
2. Complete relevant form for termination of tenancy and forward to Finance section who will deal with refunds and amounts owing by the vacating tenant.

3. Advise the Lettings Section that the dwelling is available for allocation.
4. In cases where water is paid by the tenant, complete water form. This directs the water account to Council for the period of time the dwelling is vacant.
5. Update the data card.
6. Enter vacancy in the Moves Book.
7. Complete final account.
8. Except in cases where the tenants or tenancies are transferred former tenants files are forwarded to Head Office.

3.4.7 Procedure - Financial aspects and record keeping for an incoming tenant

1. Establish dwelling rental type, rental assessment for incoming tenant and allocate reference number.
2. Complete new data form.

CHAPTER 4

EVICTIONS POLICY

PROCEDURES

4.1 EVICTION POLICY for RENTAL ARREARS

4.1.1 Administrative procedures to control rent arrears

1. The tenant has a contractual obligation to approach the Council to make provision to pay off the arrears and/or rent by making suitable arrangements to continue paying. Failing this, the tenant will render themselves liable for action. There is no exception to this rule.
2. If the rent is not paid by the due date; a letter is automatically sent out to the tenant with the next bill requesting payment.
3. In the second month of non payment, a house visit is undertaken by a housing official to establish the reason for non payment and to make an acceptable arrangement for the new arrears to be paid off. The tenant is advised in writing that a legal notice will be served if payments are not made.
4. In the third month, the legal notice is served.
5. If an acceptable amount is not paid before the expiry of the notice date, eviction proceedings will be initiated.
6. Where tenants are persistently and considered to be deliberately and blatantly in and out of arrears (and depending on the specific circumstances), legal notice will be served without going through the costly and time consuming steps 2. and 3. above.
7. Thereafter the relevant cases must be submitted to Head Office with recommendation for the following lines of action. The prescribed form must be completed for referral for legal action and must be placed on the front of the file for easy reference.

4.1.2 Legal procedure for eviction

1. Once satisfied that there is no reason that an eviction cannot be executed, the case is referred to the Council's attorneys to institute legal proceedings for eviction.
2. The tenants to be evicted may be advised of their right to contact the local councillor for the area.

3. After the tenant has been referred to the attorneys for eviction, they should be allowed to pay their debt accumulation from the point of default of initial arrangement together with the legal costs. This can happen at any stage of the legal proceedings right up to the actual eviction or immediately thereafter.
4. If/when notification is received from the attorney that an eviction is imminent a last minute check may be made by an authorised member of staff to check on the relevant circumstances.
5. The attorney's costs must be collected from the tenants if they are to be reinstated, but prior to re-occupation.
6. A separate account number must be provided for the collection of the attorney's fees.

4.2 EVICTION POLICY for ABANDONMENT

4.2.1 Administrative procedure

1. In the event of finding a dwelling unoccupied (furniture left in the house) due to reports received from concerned residents/tenants every effort should be made to trace the tenant. If this has failed then a seven day letter requesting him/her to resume occupation must be sent to the dwelling.
2. If the tenant still fails to respond a written recommendation for eviction for abandonment must be referred to the Director of Housing for consideration.
3. If eviction is approved the tenant must be served with one calendar month's notice to vacate. The notice must be sent by registered post.
4. On the expiry of the thirty day notice and the failure of the tenant to resume occupation the matter must be referred to the Council's attorneys for eviction via the Sheriff of the Court. The tenant is liable for these costs.
5. The tenant will not be allowed to resume occupation after the thirty day notice had expired.

4.3 EVICTION POLICY FOR A TENANT WHO IS A PROPERTY OWNER, BENEFICIARY OF THE CAPITAL SUBSIDY OR ANY OTHER STATE SUBSIDY BENEFIT OR OTHER TENANCY

4.3.1 Administrative procedure

1. If it is established that a tenant is a property owner a letter requiring him/her to vacate the dwelling within thirty days and to hand in the house keys to the caretaker or at the Housing Office, must be sent.

2. If the tenant fails to vacate the rental unit or sell the property concerned within three months, a written recommendation for eviction must be referred to the Director of Housing for consideration.
3. If the tenant chooses to sell the property, he/she must advise the local housing office in writing and a maximum period of three months should be allowed for him/her to do so.
4. On the approval of the eviction, the tenant must be served with one calendar month's notice to vacate. The notice must be sent by registered post.
5. If the tenant fails to vacate at the end of the notice period the matter must be referred to the Council's attorneys for eviction via the Sheriff of the Court. The tenant is liable for these costs.

4.4 EVICTION POLICY for ANTI-SOCIAL RELATED BEHAVIOUR

4.4.1 Administrative procedure for shebeening and drug peddling (with convictions)

1. When a report is received about drugs and/or shebeening at a dwelling, every effort must be made to obtain and ensure the correct address is identified. A letter is then sent for the tenant to call at the local housing office. The tenant is spoken to about the report received, about the allegations and the dangers to his/her tenancy should the report be found to be true. **At no time is the source of the report mentioned to the tenant or recorded in the file.** The interview is followed up with a letter confirming the interview.
2. If a second and third report are received from different sources send a letter to the tenant warning of the alleged use of the premises. A letter is also sent to the SAPS requesting investigation and a raid at the address concerned. Also enquire whether they have any convictions against anyone at this address.
3. On receipt of a negative response from SAPS and further reports are still being received send a strongly worded letter to the tenant, re the alleged drug dealing and/or shebeening activities from the dwelling. If more than six months have elapsed since the last report then a letter as in (2) should be sent.
4. On receipt of a positive response from the SAPS a detailed report is sent to the Director of Housing setting out the history of the tenant's activities and the convictions against him/her or anyone else at the dwelling and recommending eviction.
5. If an eviction is approved, the tenant must be served with one calendar months notice to vacate. The notice must be sent by registered post and will include an advice that the tenant will not be considered for rehousing in public rental stock. A copy of this letter is forwarded to the Lettings Section to action any cancellation or prospective refusal of application.

6. On expiry of the notice, the matter should then be referred to the Council's attorneys for eviction via the Sheriff of the Court. The tenant is liable for these costs.
7. After termination of the occupancy of any unauthorised or illegal occupant who has been involved in anti-social behaviour, such persons shall have their application cancelled and shall not be considered for housing in public rental stock. Similarly, tenants whose tenancies have been terminated because of anti-social behaviour may not be considered for rehousing in public rental stock.

4.4.2 Administrative procedure for game/gambling machines

1. On receipt of reports that a tenant has game/gambling machines on the premises, a home visit must be done to check the veracity of the report.
2. If the reports are found to be correct, a registered letter must be sent to the tenant requesting that the game/gambling machines be removed within fourteen days.
3. A Housing Inspector or staff member should do an investigation after fourteen days to check whether the machines have been removed.
4. If thereafter the tenant has failed to remove the machines, a written recommendation for eviction must be referred to the Director of Housing for consideration.
5. On the approval of eviction, the tenant must be served with one calendar month's notice to vacate and must state that the tenant will be held liable for legal costs. The notice must be sent by registered post.
6. If the tenant still fails to respond positively at the end of the notice period, the matter must be referred to the Council's attorneys for eviction via the Sheriff of the Court. The tenant is liable for these costs.
7. The tenant should be allowed to act responsibly at any stage after the matter had been referred to the attorneys. If it is found that the machines had been removed, reprieve of action will be granted. The tenant must however bear the cost of any legal expenses incurred by the Council.

4.4.3 Administration procedure to control noise pollution.

1. Noise pollution can be any noise which constitutes a nuisance to the people of an area such as the playing of high volume music or continuous disturbing noises.
2. When a report of such a nature is received, a letter should be sent for the tenant to be interviewed about the matter. The tenant should be counselled about the effects of noise pollution and requested to be more considerate towards the people of the area.

3. On receipt of a second report, within a reasonable period after the first interview, a letter must be sent to the tenant informing him/her that reports are still being received. If he/she does not refrain from continuing to be a source of disturbance to the people of the area, action will be taken against him/her.
4. Should reports still be received, the matter should be referred to the Director of Housing with a recommendation for eviction for noise pollution.
5. If the recommendation is approved, one calendar month's notice must be served and must state that the tenant will be liable for legal costs. The notice must be sent by registered post.
6. If the tenant still continues the noisy activity and fails to respond positively to all efforts for rehabilitation, the matter should be referred to the Council's attorneys for eviction via the Sheriff of the Court. The tenant is liable for these costs.

CHAPTER 5

MAINTENANCE

PROCEDURES

5.1 THE COUNCIL'S RESPONSIBILITY

5.1.1 Health and safety issues

1. Clearing of sewerage blockages (includes toilets, stack pipes, manholes and rodding eyes).
2. Burst water supply pipes (includes all plumbing supply pipe leaks).
3. Repairs to unsafe electrical supply.
4. Toilet pans (due to age).
5. Kitchen sinks (due to age).
6. Cisterns (fair wear and tear)
7. Baths (Replacement shall only be considered where rust has caused either severe scaling of the enamel or a non-repairable leak at the trap.)

5.1.2 Insurance Claims

The following issues are insurance-reimbursable and therefore the procedures as stipulated by Insurance must be strictly adhered to, and costed accurately. Consequential damage caused by burst plumbing supply pipes or hot water cylinders, sewage spillage due to blockages, flooding caused by storm damaged roofs, etc., forms an integral part of the relevant insurance claim.

1. Fire damage
2. Storm damage to roofs, gutters, downpipes, etc.
3. Burglary (excluding household contents)
4. Vandal damage
5. Political riot damage
6. Impact damage (property damaged by a vehicle accident).

5.1.3 Structural Defects

1. Unsound structural components (movement crack, stringer deterioration, etc)
2. Roof leaks & rainwater disposal system (where applicable)
3. Rising damp

4. Rainwater penetration (lateral)
5. Wood rot in structural timbers
6. External doors and windows (structural only)

5.1.4 External Works

1. Structural maintenance externally to extent of Housing property.
2. Boundary fences/walls (where applicable, excluding gates)
3. Communal wash lines (where applicable e.g. at flats)
4. External redecoration (including external doors and glazing putty)

5.1.5 New tenancy reconditioning

Sprucing up for a new tenant. All patent defects that cannot be fairly expected of the Lessee to maintain in terms of the lease agreement, shall be repaired or replaced as necessary.

5.2 LESSEE'S RESPONSIBILITY

Tenant-serviceable non-essential repairs:

1. Blockages in waste pipes, traps and gulleys.
2. Floor coverings
3. Internal doors
4. Door and window furniture - internal or external locks, keys, handles/knobs, hinges, cabin hooks, peg stays, etc.
5. Window panes
6. Hot water cylinders.
7. Interior painting and redecoration
8. Cleaning externally (backyards)
9. Electrical fittings (light bulbs, appliances, fuses, etc).
10. Electrical/plumbing supply modifications (where modifications become necessary due to tenant requirements, e.g. overloaded electrical plugs. each complaint, and described below, make it too complex and impractical to entertain lists of complaints drawn up by Civic bodies or other intermediaries.

5.3 OTHER MAINTENANCE RESPONSIBILITIES AND PROCEDURES

5.3.1 Planned maintenance (non-saleable stock)

Asset preservation of the Council's housing stock shall be addressed by means of a planned maintenance programme.

1. Painting programme – A painting programme shall be compiled whereby housing stock is painted externally ideally over a 10-15 year cycle. Repairs to rainwater goods, cracks in walls, window servicing, shall all be included in the programme.
2. External door maintenance – External doors shall be painted annually for protection against the elements.
3. Maintenance of glazing putty – glazing putty should be maintained on a two-yearly basis.

5.3.2 Special-fund Projects

All approved projects undertaken by Housing Maintenance that is not done on the Operating Budget but that are funded from specifically allocated funds, e.g. Capital funds or specially allocated funds, e.g. replacement of staircase stringers, roofs, etc.

5.3.3 Collective Defects

Where it is known or probably that a particular defect is typically prevalent in a locality, further investigation shall be carried out to ascertain the extent of the problem, and where it so warrants, an estimate shall be prepared for budgetary approval. Examples are: replacement of corroded steel windows or severe cracks due to clay conditions. These individual repairs would then be deferred until the application for such project approval is authorised, excepting for critical cases where specific approval shall be obtained.

5.4 COMPLAINTS PROCESSING

5.4.1 Complaints Reporting

All maintenance complaints not considered as requiring emergency repairs must be formally reported to the complaints desk at the designated Estate Office. The necessary checks, inspections and procedures associated with each complaint, and described below, make it too complex and impractical to entertain lists of complaints drawn up by Civic bodies or other intermediaries.

5.4.2 Recording of complaints

Complaints shall be recorded in a Complaints Record Book, which is a triplicate book - a copy for the relevant official to action, and one for the complainant as a reference.

5.4.3 Checking of Records

All addresses of complaints lodged shall be verified as the Council's rented stock and arrears status checked before issuing as a works instruction for the repairs to be carried out.

5.4.4 Inspection

The relevant maintenance official shall carry out an inspection where necessary to clarify the extent of the work to be carried out.

5.4.5 Works Instruction

The type of repair is categorised as a Workshop or Depot function, insurance claim, Private Works Order, etc., and a Job Order is completed for the work to be done.

5.5 EMERGENCIES

5.5.1 Emergency Operational Plan

1. Fire & Rescue - first response in a fire or rescue emergency.
2. Temporary Shelter Arrangements - Contact the designated official who shall make the necessary arrangements.
3. Transport Facilities - A vehicle shall be available for emergency use only and such usage shall be confirmed in writing with the application for overtime worked by not later than the succeeding working day.
4. Material procurement - The maintenance official with designated authority to enter a Store after hours for the sole purpose of procuring materials to be used in an Emergency situation. Record all necessary materials taken so that the proper processing procedures can be accomplished by the Storekeeper on the succeeding working day.

5.5.2 Emergency repairs

1. Burst pipes - where several tenants are affected.
2. Drain blockages:
 - Council is responsible for clearing any blockages that occur between the last manhole and the Main Sewer.
 - Clearing of sewerage blockages anywhere on The Council's property up to the last manhole is the Council's responsibility.
3. Severe roof leaks - roof leaks involving dislodged roof coverings. Safety of workers shall be given due consideration under risky conditions such as wet pitched roofs or where strong winds prevail.
4. Fire damage/Impact damage of a severe nature needs to be stabilised in an emergency so that it will not be a safety hazard, e.g. barricading or propping up unstable structures.

5.6 TYPES OF REPAIRS

5.6.1 Deterioration repairs

The responsible maintenance official of the respective area, having inspected and being satisfied that functional failure has occurred in the affected fitting due to normal wear and tear, shall submit a written report confirming such decision together with the reasons therefore.

5.6.2 Repairs due to negligence

In cases where damage can clearly be substantiated as due to negligence or through malicious intent, e.g. a crack caused by impact, the tenant shall be explained the reason for contra charging such repair, be given a quotation for Housing Maintenance carrying out such repair work, and be explained that the work may be carried out privately to the Council's approval. Should the tenant choose to have the work done by Housing Maintenance a signed declaration must be obtained from the tenant prior to such work being undertaken. Work shall only proceed upon the issue of a specific Private Works Order duly authorised. For non-emergency cases, the tenant is expected to pay prior to work being undertaken.

5.6.3 Structural additions by tenants

Any structures or additions to the original dwelling – whether authorised or unauthorised – shall not be maintained by Housing Maintenance.

5.6.4 Special tenancy requirements

This work must be done on a Private Works Order as outlined under 'repairs due to negligence' (Section 5.6.2). Examples are: additional plumbing for a hair dressing salon, hot water cylinder to be fitted, etc.

5.7 REFERRALS

1. Roads & Drainage – sewer and stormwater blockages.
2. Waterworks – ring main defects (up to the private stopcock)
3. Electrical Engineer – electrical faults
4. Director – Community Services – tree trimming, grass cutting, landscaping
5. Environmental Health – pest control.

5.8 MISCELLANEOUS CONDITIONS

5.8.1 Sale of materials

Materials stocked by stores are for the sole usage by Housing Maintenance for the maintenance and repair of Council owned dwellings and shall not be subject to supply-only sale transactions.

5.8.2 Outsourcing

Housing Maintenance resources may from time to time prove deficient in coping with the workload demanded by circumstances. Work may then be contracted out to the private sector or alternatively temporary workers may be commissioned within provisions.

5.8.3 Community participation

Strategic maintenance planning should encourage community participation. Project identification should be done timeously to communicate these to the active and relevant RDP Forums, community organisations etc. If consensus is reached within a stipulated period it is then submitted for inclusion in the budget for approval by the Council.

CHAPTER 6

UNAUTHORISED STRUCTURES POLICY

PROCEDURES

6.1 PROCEDURE FOR DEALING WITH UNAUTHORISED STRUCTURES

1. The presence of unauthorised and illegal structures in rental areas are brought to the Council's attention by complaints from the public or from site inspections by building inspectors or other Council staff.
2. Once notified, the Building Control Section contacts the local housing office to establish the legal tenant of the property concerned and whether there is any objection to the erection of a structure.
3. Building Control' sends a standard letter to the tenant which requests the tenant follow the procedure for getting plan approval for the structure.
4. If there is no response in terms of a building plan application, a second copy of the letter is sent to the tenant.
5. If still no response, a third and final letter is sent.
6. If there is still no response from the tenant, then the Council should take steps to demolish the unauthorised structure. The Council will endeavour to recover the costs of demolition from the tenant.
7. If the structure is not used for human habitation, then a letter is hand delivered by Building Control staff for signature by the tenant requesting the tenant to demolish the structure within seven days.
8. If no response, this is followed up with a similarly delivered second and final letter after the seven day period has lapsed.
9. If still no response, then the Council demolishes the structure to the cost of the tenant and materials are confiscated.
10. If the unauthorised structure is used for human habitation, a Court Order to demolish the structure would need to be obtained in terms of the tenant's transgression of the lease.

CHAPTER 7

HOUSING SALES POLICY

PROCEDURES

7.1 PROCEDURE FOR THE SALE OF LETTING DWELLINGS (In terms of the State Benefit Discount Circular 3 of 1992)

1. The sale of a rental dwelling is only considered after receiving a formal application from the registered tenant.
2. In the case of sales to registered tenants who have inherited a tenancy, this can only be agreed to after adult members of the original family unit who are still in the dwelling, consent to the sale. The standard affidavit can be used.
3. Registered tenants then collect application forms and a blank affidavit from the local housing office for completion. At this stage, staff advise the prospective purchasers that they will have to submit I.D. Documents and other relevant documents at the time of the transaction.
4. The completed application forms and affidavits are returned to the local housing office.
5. The prospective purchaser's house file is checked for eligibility in respect of the tenancy and the application forms are then submitted to Head Office together with the house file.
6. Information from the documents are then recorded in index books and updated as the purchasing procedure progresses.
7. Further checks are then carried out by staff to ascertain other aspects of eligibility. This involves:
 - i) Deeds Office search to ascertain whether the applicant is a property owner,
 - ii) Inter office check to ascertain whether the applicant is a former purchaser or has made other applications.
 - iii) Maps are checked for survey details.
 - iv) Municipal valuation is established.
 - v) Survey diagrams.
 - vi) A check to confirm that correct house types, prices and account numbers have been identified.
8. After the above checks have been completed a final check for eligibility is carried out.

9. Once eligibility is ascertained, the file is prepared for appointment. A letter is sent to the applicant.

In the case of legally married couples, the spouse is required to accompany the registered tenant and sign a formal consent.
10. Tenants are requested to call with their identity documents, documents pertaining to their marital status and the required monies needed for the sale to proceed. (The balance, if the purchase price is over R7 500, as well as transfer costs and levies).
11. The Deed of Sale and related documents are then prepared.
12. At the appointment, the Deed of Sale is explained in full to the prospective purchasers and all necessary documents are signed. The purchaser is given a copy of the Deed of Sale and Insurance Cover details. Monies are receipted to the various accounts.
13. When a simultaneous transfer of tenancy and sale is done, a water form and an electricity form is completed.
14. Sales are then discounted on the computer system and the purchaser signs the application for the State discount benefit.
15. The purchaser signs the necessary forms with the Council's conveyancers in order to effect the transfer process.
16. All steps are documented in the new purchaser's file.
17. A sales advice form is completed and sent to Finance under covering memo. Copies of the I.D. documents and the application forms for State discount benefit are attached for each purchaser.
18. Sales files and kardex are compiled.
19. Sales are recorded in the allocation books for different areas.

7.2 PROCEDURE FOR REGISTRATION OF TRANSFER

7.2.1 Request for transfer by a purchaser

1. Check if the area and individual erven is registered and if final prices are approved by the Provincial Housing Board (where necessary).
2. Check if the survey is complete and attach copies of the General Plan and Diagrams where applicable.

3. Check the marital status of the purchaser and request the necessary documents (e.g. Final Order of Divorce and/or New Marriage Certificate in the case of a remarnage, Letter of Authority and Death Certificate in the case of a deceased estate). These documents are forwarded to the Council's attorney with transfer instructions and copied to file.
4. If the area is registered and final prices are not available then a special letter is completed. The purchaser or heir, in the case of a deceased estate, is to sign and accept the special conditions. This is forwarded to the Council's attorneys with the transfer instruction. A Memorandum of Agreement for special conditions is drawn up by the attorneys.
5. If all criteria are complied with, a document is completed and sent to the Council's attorneys.
6. A letter is sent advising both the purchaser's attorney and purchaser that documents have been forwarded to the Council's attorneys. The purchaser is also reminded that the property will no longer be insured once the housing loan is settled and transfer registered and that insurance cover now becomes their responsibility. The purchaser is also advised of the amount for transfer costs payable to the attorneys.

7.3 PROCEDURE TO IMPLEMENT THE R7 500 DISCOUNT

7.3.1 Implementing the R7 500 discount

1. The R7 500 discount is implemented for purchasers who qualify in terms of Circular 3 of 1992 and 10 of 1993.
2. A circular is sent to purchasers informing them of the discount offer to homeowners.
3. Purchasers may call at their estate office for an initial interview in response to the circular.
4. The identity book of the caller is checked and copied to confirm that he/she is the purchaser.
5. The area and individual erf is checked to ensure it is registered and a copy of the General Plan/diagram is attached to the file.
6. Proof of marital status and spouses name is checked, copied, certified and entered into the computer:
 - i) If divorced, submit the Final Order of Divorce and Consent Papers if applicable (can only be discounted if the Court orders that joint estate can be divided).

- ii) If the purchaser and/or spouse is deceased - submit the Death Certificate, Letter of Authority and Inventory/Letters of Executorship and Last Will and Testament (if one exists) as well as new spouses Book of Life and Marriage Certificate if remarried.
 - iii) In terms of the present legal procedure, if married by Moslem Rites to the wife with whom he purchased but he is married legally to another woman then the purchaser must submit a Book of Life for the legal wife - the discount will be given to the purchaser and legal wife.
 - iv) If married by Moslem Rites only - the discount is given to both, provided purchaser enters into Tripartite Agreement. (A fee of is payable to the Council's attorneys).
7. The costs involved - balance after discount, transfer costs and arrears of service accounts are raised with the purchaser. Options for repayment (cash or bond), the advantages and disadvantages of the discount, insurance, age, external rate of interest etc are discussed.
 8. If the purchaser is in a financial position to take up the discount offer an appointment is arranged and giving the amounts due and documents required.
 9. The purchaser and spouse (if married in Community of Property) or Master Representative must attend the appointment to sign the application forms.
 10. The purchaser pays the monies due and receipt numbers for balance after discount and transfer costs entered are into the computer system. The application form for the discount is printed out which the purchaser and spouse must sign. In the case of a deceased estate, a manual application form is prepared for Master's Representative and/or surviving spouse to sign.

7.3.2 Implementing the R7 500 for a deceased estate

1. On request of the deceased purchaser's attorneys advice of the amounts due in respect of the balance outstanding etc, and documents required is given.
2. On receipt of the monies and documents the estate is discounted.
3. The attorney is forwarded a manual application form for signature by the Master's Representative and surviving spouse and receipts for monies paid. They are also advised of the cancellation of insurance cover.
4. On receipt of the signed application form the documents are sent to the Council's attorneys.
5. The application form and documents are sent to the Housing Finance Section.

6. Once the attorneys advise that transfer is registered files are removed provided that the discount is claimed from the State, the purchaser's name is removed from the insurance schedule and the pre-emptive period has expired (where applicable).

7.4 PROCEDURE FOR SUBSTITUTION OF A PURCHASER

7.4.1 Existing policy

1. Re-allocations or substitution are considered in cases where the purchaser is deceased or in the event of a divorce and the spouse is not in a financial position to repay the balance of the loan in full and provided they qualify in terms of Housing Board's regulations which are as follows:
 - i) He/she should not already own a dwelling which is suitable for human occupation.
 - ii) His/her income must not be in excess of Ri 200,00 per month.
2. Where a child of deceased purchaser applies the application will only be considered if he/she is in receipt of a State pension or grant.
3. Where the income of a surviving spouse or former spouse of a purchaser exceeds the limit of RI 200,00 by her application will only be considered if she submits written proof from two financial institutions that she does not qualify for a loan.

7.4.2 Procedure

1. When the former or surviving spouse calls at this office to report the divorce or death he/she is advised as follows:
 - i) In the case a deceased estate the surviving spouse is advised to call with death certificate, Letter of Authority and Inventory and Last Will and Testament, if one exists. (In order to obtain the Letter of Authority and Inventory from the Master of the Supreme Court purchaser's death to be reported to him with death certificate, Last Will and Testament and valuation certificate ex Rates Department). At this stage the Finance Section is advised that the purchaser is deceased.
 - ii) In the case of a divorced estate former spouse to call with Final Order of Divorce and Consent Papers, if applicable. (The Final Order of Divorce must clearly stipulate that purchaser forfeits all his right, title and interest in the property and appoint the Deputy Sheriff to sign the relevant documents to effect the substitution should purchaser refuse to do so).
 - iii). If no specific order made regarding the property purchaser to call at this office with proof of identity to complete Renunciation Certificate/Power of Attorney whereby he relinquishes all right, title and interest in the

property in favour of former spouse. Donation to be accepted by former spouse.

2. If the above requirements are met application forms for substitution and employer's confidential report form are issued to former/surviving spouse for completion. Special notice must be taken in the case where surviving spouse not Master's Representative. If substitute purchaser self-employed, to submit an audited balance sheet or a sworn statement reflecting income for the past 6 months. If unemployed but receives money from children for board and lodging or maintenance ex former spouse to submit sworn statements from both parties reflecting the amount given and received. If in receipt of a pension a grant to submit written confirmation re amount received. (Instalment for substitute purchaser remains the same as current instalment).
3. On receipt of proof of other income procedure regarding substitution explained. An administration fee of is payable in the case of a former spouse or a child of a deceased purchaser.
4. All applications are entered into a substitute purchaser book in which a record of the progress of the substitution is kept.
5. In the case of a former spouse or child of a deceased purchaser the application will be checked against the waiting list to check if applied for accommodation. If so the two applications are amalgamated once substitution finalised.
6. A Deeds Office search is carried out in respect of all applications for substitution.
7. If substitute purchaser qualifies in terms of Housing Board Regulations, print-outs are made of Housing Loan account and of arrears of service accounts.
8. A letter is sent to the Council's attorneys requesting them to cancel agreement with 1st purchaser and enter into fresh agreement with substitute purchaser (original Deed of Sale, 2 blank Deeds of Sale together with relevant documents eg. Final Order of Divorce are forwarded).
9. A letter is sent to substitute purchaser informing that documents sent to the Council's attorneys for finalisation and advising of monies due in respect of attorneys costs and arrears on various accounts if any.
10. Once the Council's attorneys return the completed documents, the new Deed of Sale, Memorandum of Agreements, Declarations by Purchaser and Seller are checked.
11. If the abovementioned documents in order, all the relevant departments are informed them that the substitution of purchaser finalised and to change name on records.
12. All records i.e. kardex, allocation book and file are changed.

13. If substitute purchaser is a tenant or on the waiting list, memoranda are sent to the respective offices to inform that substitution finalised.
14. When substituting a surviving or former spouse of a purchaser where a bond has been registered with The Council, the application is forwarded to the Housing Board for approval.
15. To improve the above procedure, the following will be investigated:
 - i) That the former wife be exempt from paying the administration fee as in the case of widows.
 - ii) Cut-off date to be set as to when substitute purchaser takes over arrears.
 - iii) That new Deed of Sale and Memorandum of Agreement to be signed at Head Office except in those cases where a bond is registered or where a Deputy Sheriff required to sign of behalf of purchaser.
 - iv) General income limit to be reviewed.
 - v) Formula for the calculation of instalments to be reviewed.

CHAPTER 8

INSTALMENT ARREARS POLICY

8.1 PROCEDURE FOR DEALING WITH PURCHASERS IN ARREARS

1. Purchaser's accounts which are in arrears for two or more months are noted and house visits are made to encourage them to enter into an arrangement to settle their arrears.
2. Where the purchaser is not home, a card is left which requests the purchaser to make contact with the Housing Accounts and Leases office either by telephone or in person.
3. Should there be no response to this a further attempt is made to contact the purchaser.
4. If the purchaser contacts the Council, a suitable arrangement is made whereby the purchaser can pay up the arrears.
5. If there is still no response, the next step is to issue a statutory notice informing the purchaser that if no satisfactory arrangement to settle the arrears is made within 30 days, legal steps will be instituted via The Council's attorneys to recover the arrears.
6. If there is still no response, the final step is eviction as set out in Chapter 9.1
7. The statutory notice and subsequent legal steps also apply to those purchasers who initially enter into an arrangement to settle their arrears but do not hold to the arrangement.
8. The matter is then referred to the attorneys for repossession and eviction.

CHAPTER 9

UNAUTHORISED OCCUPATIONS, REPOSSESSIONS AND EVICTIONS POLICY

PROCEDURES

9.1 PROCEDURE FOR DEALING WITH UNAUTHORISED OCCUPANTS, REPOSSESSIONS AND EVICTIONS

1. In terms of Clause ___ of the Deed of Sale the purchaser is obliged to personally occupy the property for a period of five years from the date of occupation or the date of completion in respect of Self-Help dwellings.
2. Where it is known that a dwelling is occupied by unauthorised persons staff from the nearest local housing office are requested to do a visit to check whether the purchaser has ever taken occupation and to ascertain a forwarding address.
3. A thirty day notice is then served on the purchaser to cancel the Deed of Sale and repossess the property. Copies are sent to the purchaser's place of employment and/or their forwarding address; if known.
4. Occupants are advised of the Council's intentions to repossess the property and they are advised to vacate and hand the keys in the local housing office
5. When the notice expires, a further check is done by the local housing office to confirm that the purchaser is still not in occupation. (If the purchaser is found to be in occupation, no further action is taken).
6. The matter is then referred to the Council's attorneys for eviction.

CHAPTER 10

RE-ALLOCATION POLICY

PROCEDURES

110.1 RE-ALLOCATION OF A REPOSSESSED DWELLING WHICH WAS PREVIOUSLY A RENTAL UNIT

1. When the dwelling is returned to the rented stock all the relevant Departments must be notified to discontinue services.
2. The local housing office is advised that the dwelling must revert to the rented stock and to be relet according to the allocation policy.
3. The dwelling must be re-insured and placed back on the insurance schedule.

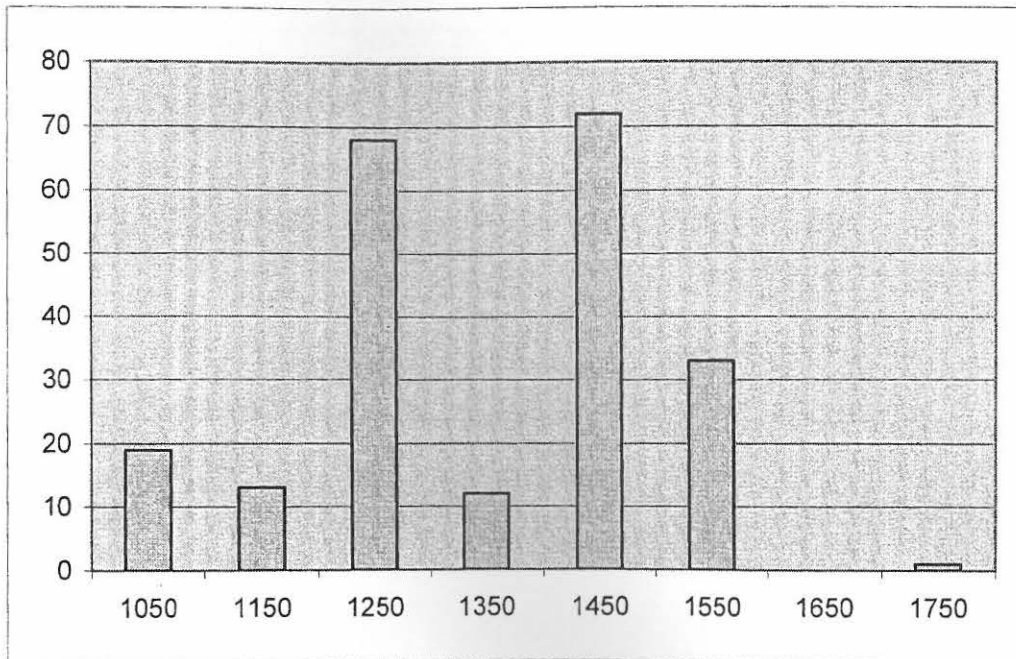
10.2 RE-ALLOCATION OF A REPOSSESSED DWELLING WHICH WAS PART OF A HOME OWNERSHIP SCHEME

1. When a house is repossessed it is entered into the Moves Book.
2. The various service Departments are contacted to discontinue electricity and water and other services.
3. A resale price for the dwelling is requested from the Finance Department.
4. The next suitable applicant on the waiting list is contacted to check if they are interested in purchasing a dwelling. If so, a new set of application forms is issued and an affidavit is required to update the relevant information e.g. income and eligibility.
5. When the completed forms are returned and the applicant is eligible, the file is referred to the Director of Housing to approve the sale.
6. If approved, the applicant's file is passed and cleared for Deed of Sale.
7. A formal offer is made and the applicant is requested to view the property.
8. If the applicant is satisfied, a Selection Details/Choice form is signed and the instalment calculated.
9. An appointment is made for the applicant and spouse to sign the relevant documents (the Deed of Sale etc).
10. The spouse signs a consent letter.
11. Three copies of the identity documents and marriage certificate are made.
12. The file is endorsed "Taking house as is and understands no second sale".

Addendum H Frequency histograms

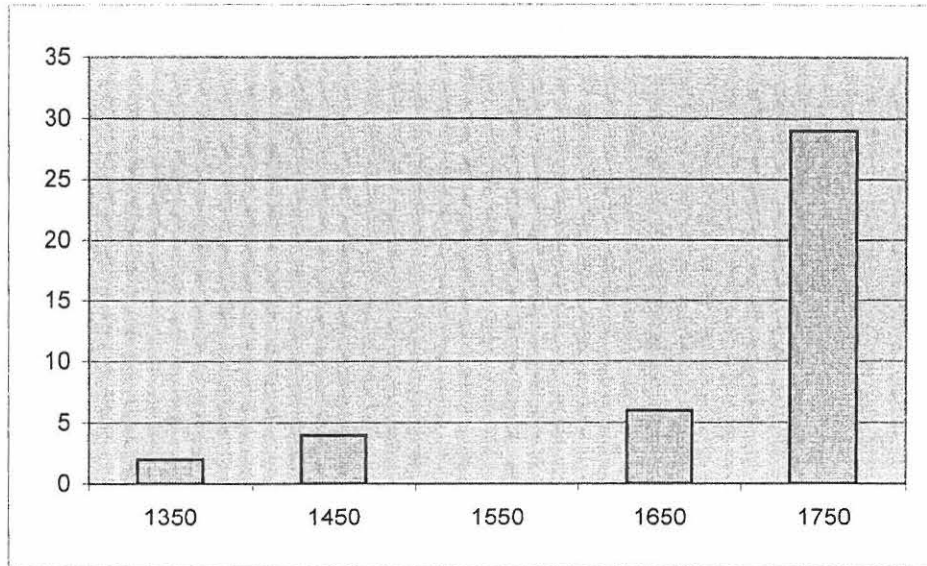
Lower*	Upper	Class Midp	Frequency
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1100	1200	1150	13
1200	1300	1250	68
1300	1400	1350	12
1400	1500	1450	72
1500	1600	1550	33
1600	1700	1650	0
1700	1800	1750	1
			218

*Included



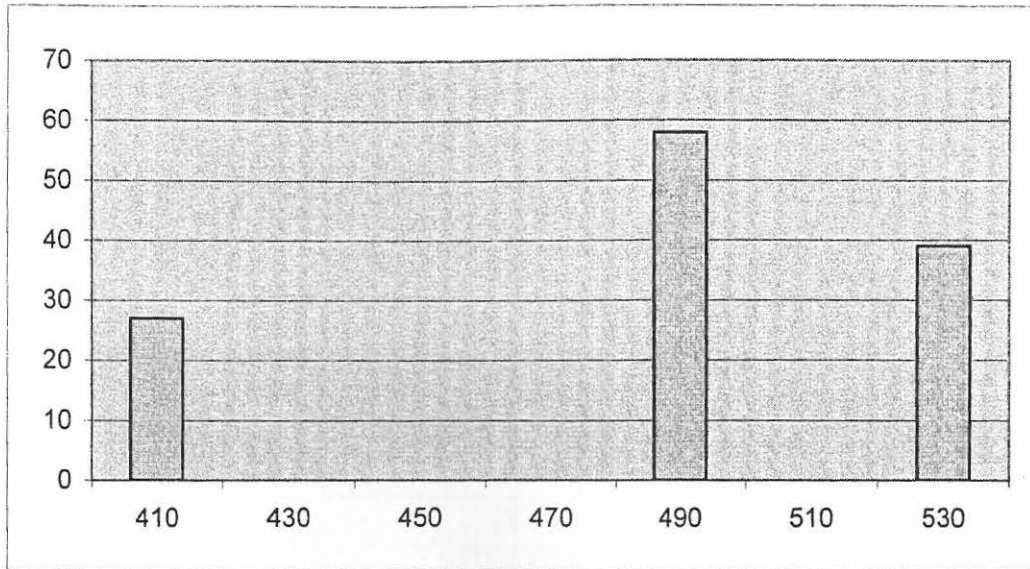
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1500	1600	1550	0
1600	1700	1650	6
1700	1800	1750	29
			41

*Included



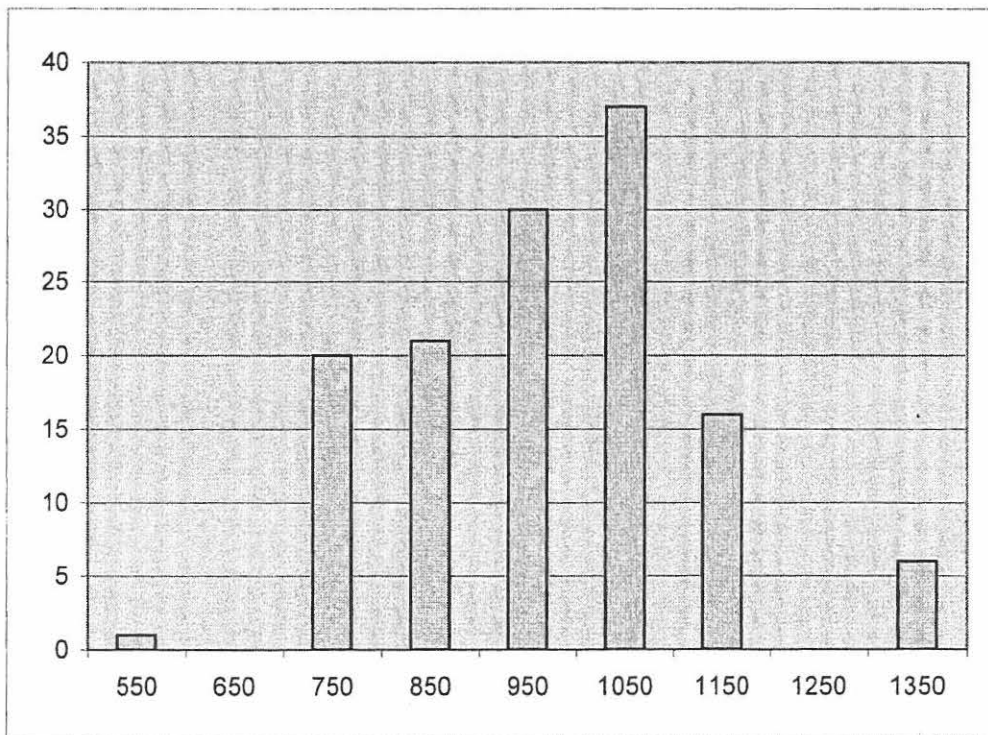
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480	500	490	58
500	520	510	0
520	540	530	39
			124

*Included



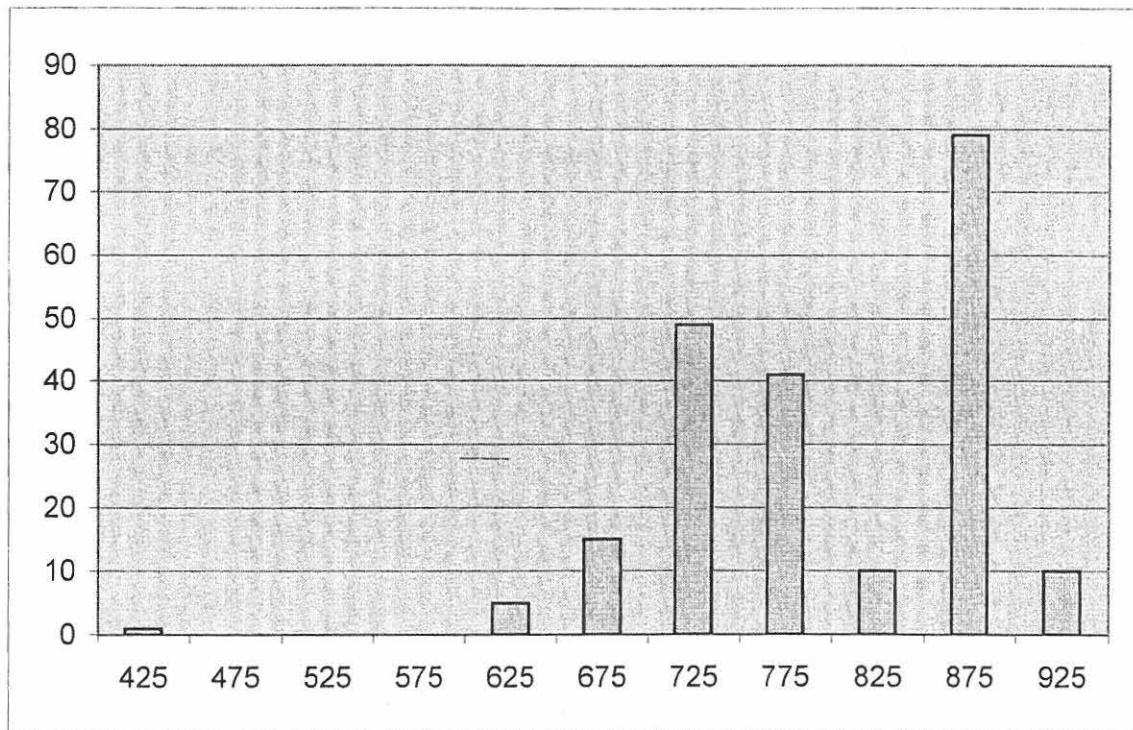
Lower*	Upper	Class Midpoint	Frequency
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700	800	750	20
800	900	850	21
900	1000	950	30
1000	1100	1050	37
1100	1200	1150	16
1200	1300	1250	0
1300	1400	1350	6
			131

*Included



Lower*	Upper	Class Midp	Frequency
400	450	425	1
450	500	475	0
500	550	525	0
550	600	575	0
600	650	625	5
650	700	675	15
700	750	725	49
750	800	775	41
800	850	825	10
850	900	875	79
900	950	925	10
			210

*Included



Addendum I

Declaration of linguistic revision.

22 July 2002

ERICA WESSELS

Accredited Member of the South African Translators' Institute (No. 1000186)

DECLARATION

I, MS E WESSELS, hereby declare that I have linguistically revised the research report of MR CARLO GAGIANO:

A CRITICAL EVALUATION OF DIFFERENT MODELS FOR THE POSSIBLE PRIVATISATION OF THE MANAGEMENT OF STATE-ASSISTED RENTAL HOUSING IN THE MANGAUNG LOCAL MUNICIPAL AREA

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Yours sincerely



ERICA WESSELS



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