



**Western Cape
Government**

Human Settlements

**POLICY ON MANAGEMENT OF RENTAL PROPERTIES
OWNED BY AND VESTED IN THE PROVINCIAL
GOVERNMENT OF THE WESTERN CAPE AND
DEPARTMENT OF HUMAN SETTLEMENTS**

RENTAL POLICY

AND

MANAGEMENT OF DEPARTMENT'S RENTAL PROPERTIES

EFFECTIVE FROM

01 APRIL 2015

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**POLICY ON MANAGEMENT OF RENTAL PROPERTIES OWNED BY AND VESTED IN THE
PROVINCIAL GOVERNMENT OF THE WESTERN CAPE AND DEPARTMENT OF HUMAN
SETTLEMENTS**

1. DEFINITIONS

1.1 Combined gross household income

The total amount of income that is received from persons who signed or capable of signing a contract with the department who will be occupying the unit

1.2 Debt Management Policy

This refers to the document that guides the collection of outstanding arrears as well as the actions that must be taken against chronic defaulters.

1.3 Permanent Resident

A South African citizen

1.4 Unemployed

This refers to an employable person that does not have a constant stream of income.

2. INTRODUCTION

This policy provides for a framework within which applicants for and tenants of Departmental Rental stock shall be managed. In addition, guidelines and policies that are annexed hereto will be implemented to ensure that the policy is properly executed.

3. PURPOSE

The purpose of this policy is:

- 3.1 To set clear and equitable criteria for determining suitability of tenants for leasing;
- 3.2 To provide a framework for the determination of rentals; and
- 3.3 To provide rules and guidelines to ensure fair and consistent tenant management.

4. SCOPE OF APPLICATION

- 4.1 Only applicants who meet the qualifying criteria outlined in clause 5 will be considered for accommodation in the Department's rental housing units.
- 4.2 Allocations may also be considered from applications on the list of the local authority concerned, in areas where the Department's waiting list for that particular area is depleted.
- 4.3 Applications for rental accommodation will only be considered in accordance with a written application fully completed and duly signed by the applicant and the Head of the Letting Sub-directorate at the Department of Human Settlements.
- 4.4 Where qualifying applicants are informed by the Department of such vacancies and are unable to visit the Department's offices, applicants may request application forms to be posted. Such application forms must be fully completed and duly signed and must be accompanied by proper proof of family size, certified copies of income advices, identity documents and other relevant documents.
- 4.5 Allocation shall be open to all and only South African citizen who qualified and meet the criteria as outlined in paragraph 5 and any special consideration outside the qualifying criteria will be for consideration by the Minister of Human Settlements (MEC).
- 4.6 The objective of the department with its rental stock is to provide accommodation for employed citizens and therefore no transfer of tenancy to family members or dependants will be granted other than spouses with as from 1 April 2016.

5. QUALIFYING CRITERIA

The following criteria will apply, except for special needs and special allocations:

- 5.1 An applicant must be a South African citizen with a valid ID or permanent resident with valid permit and over 18 years of age.

- 5.2 Applicants will be selected according to their date of application as recorded on the Department's rental database (i.e applicants with earliest date will be assisted first).
- 5.3 Consideration for rental allocation will also be given to Public Servants who qualify and meet the qualifying criteria.
- 5.4 Applicant's gross income or combined gross household income of (husband and wife) should not be less than R3 500.00 and not exceed R15 000.00 per month, in line with FLISP.
- 5.5 An applicant or his/ her spouse should not be the registered owner of immovable property/habitable accommodation. (Where an inheritance of a property is involved, cases must be dealt with based on its merit, on those particular circumstances).
- 5.6 Applicant (s) who have previously owned property or who have previously benefitted from a state housing subsidy shall only be accommodated in non-saleable rental units i.e units identified to be retained as rental stock.
- 5.7 The Department reserves the right to introduce a right-sizing option according to family composition, special needs and vulnerable group criteria. This condition must be incorporate into the lease agreement and also noted under general principles.
- 5.8 An applicant(s) must be legally competent to sign a contract.
- 5.9 An applicant may be denied occupancy if they do not have an acceptable credit history.

Note: Only applications submitted on the official application form, fully completed, dated and duly signed by applicant will be considered for rental accommodation.

5 DETERMINATION OF RENTALS

The rental must be calculated as follows:

- 6.1 Current tenants who are unemployed and earn less than R3 500 as per qualifying criteria shall be relocated to the "free basic houses" subsidy scheme provided they qualify.
- 6.2 Tenants who are unemployed will pay R100 while those who earning less than R3 500 will pay a nominal rental 25% of their combined gross income until relocation date.
- 6.3 Tenants earning in excess of R3 501-00, up to a maximum of R15 000-00 will pay a rental based on a sliding scale, where the percentage increases as a proportion of their gross income.

7 SPECIAL CONSIDERATION

Under normal circumstances the allocation of the Department's rental housing units is based on the qualifying criteria described above. However, should an applicant does not meet the qualifying criteria as outlined in clause 5, such application might be considered subject to the approval by the Minister of Humans Settlements (MEC).

CASES OF SPECIAL CONSIDERATION

- 7.1 Where an applicant's name not featuring in the Municipal or the Provincial database (waiting list).
- 7.2 Where applicant's income (person/family) is less than R7 500.00 after all current tenants who earn less than the aforementioned amount have been relocated.
- 7.3 Where applications or allocation's consideration is based on the circumstances of that particular person/family. Such instances might be where applicants fall under the vulnerable groups or special needs; supporting documentation from Social Services, the SAPS and/or responsible institution where applicable and if it's for health or medical reasons, medical practitioners, must accompany the application.
- 7.4 Where an employee of the department or Public Servants has been relocated to this Province for temporary or permanent employment.

8 MAINTENANCE OF RENTAL UNITS

The department is determined to ensure that the value and structural integrity of all its rental properties is retained through various maintenance programmes that will be executed to achieve these intended results.

8.1 DAY-TO – DAY MAINTENANCE PROGRAMME

The department will ensure that all minor maintenance work identified by either a tenant or department's officials are attended to within a reasonable time to reduce or avoid any perpetual damages.

8.2 GENERAL MAINTENANCE PROGRAMME

The department will ensure that all required maintenance work is executed in a unit once it became vacant or when a tenant vacates the unit. The general maintenance work programme referred to is a maintenance executed by the department focusing only in the internal defects of a rental unit.

7.3 UPGRADING MAINTENANCE PROGRAMME

The department will focus on the maintenance of both in internal and external. This is a planned maintenance programme that focuses holistically on overall state of the property in order to retain its value and structural integrity.

9 ASSIGNING AND TRANSFER OF TENANCY

The department will only provide assistance and consider applications for lease and concluding a contract with only the applicant and his/her cohabitant or spouse. Any applicant other than the specified may not be considered for an assignment of lease or transfer of tenancy.

10. MONITORING AND INSPECTION

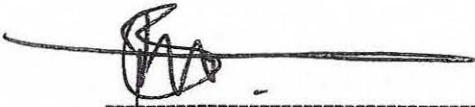
- 10.1 Inspections must be conducted at least every two years to determine whether tenants comply with the qualifying criteria.
- 10.2 A tenant and approved occupants allocated a specific rental unit must physically occupy the rental unit according to the signed lease agreement. The tenant may not allow additional occupants to take occupation other than those listed as approved occupants.
- 10.3 The Department's Field Service Inspectors as well as Technical Inspectors will be required to conduct inspections to ensure that any defects are attended to as soon as they are identified to retain good structural and public appearance of the property. A planned inspection will be done on monthly basis or when necessary or need arises. Other necessary inspection will be done or executed once a unit or when a unit became vacant to establish any defects, conduct an inventory and for purposes of preparing for another allocation.

11. DEBT MANAGEMENT

The Department's general Debt Management is enshrined in the Debt Management Policy which is also attached here under Annexures. This policy will be used on management of debt and applied where tenants are in arrears or neglected to pay their monthly rental and/or arrears.

The Debt Collection as a function enshrined in Debt Management policy will be executed closely by a relevant section or personnel mandated to do so. This will ensure that there is an effective management and collection of rental and where tenants fail to pay their required rental, a proper process that will lead to legal action being taken, will be followed. The policy is herewith attached as Annexure D.

APPROVED / AS AMENDED / ~~NOT APPROVED~~



BONGINKOSI MADIKIZELA

MINISTER OF HUMAN SETTLEMENTS

DATE 31/03/2015

12. ANNEXURES

12.1 Guidelines

- A) Unauthorized Occupancy
- B) Transfer of Existing Tenants
- C) Succession of Tenancy

12.2 Debt Management Policy : Annexure (D)

12.3 Lease Agreement : Annexure (E)

GUIDELINES: UNAUTHORIZED OCCUPANCY

ANNEXURE A

An unauthorized occupant/illegal person/family is regarded as any person who occupies a rental unit, without the consent of Department and without a lease agreement.

Where a report is received, or it is suspected that there is an unauthorized occupant living in a rental unit, the property inspector visits the property to:

- confirm that an unauthorized occupant is indeed in occupation of the property
- Establish the date when the unauthorized occupant moved into the property; and
- Assess the circumstances surrounding the occupation of the property

It is expected of the property inspector to ensure that all reasonable efforts have been employed to regain possession of the property. Failing which the Inspector will have to collect as much information as possible in respect of the said person/family must be obtained.

The unauthorized person/family must be requested in writing to report to the Department within from the date of such notice in order to enable the Department to assess the circumstances of the unauthorized occupant/family. In the event where such occupant(s) neglect to comply with this notice to visit the office, a notice to vacate the premises within 30 days must be served on such occupant(s), depending on the circumstances of that particular family/unauthorized occupants. The Department will consider legalization under extraordinary circumstances where for instance an illegal has been in occupation for a long time (possible 12) without interference from the Department. Such cases must be evaluated by a senior manager to ensure fair treatment and possible costs versus ability to succeed litigation in the court of law.

GUIDELINES: TRANSFER OF EXISTING TENANTS

ANNEXURE B

Requests for transfers to alternative, more suitable accommodation may be accepted and dealt with strictly on merit. Proper record-keeping to ensure fairness and reasonableness is essential in the regulation of transfers (i.e. date of application etc.).

Tenants who wish to transfer from one property to another must apply in writing to the Department. The following factors will be taken into consideration in assessing the merit of such cases:

1. Increase or decrease in family size, each case will be dealt with on merit.
2. Medical reasons (Medical certificates to be submitted)
3. Social circumstances, such as destitution, desertions & unemployment
4. Schooling, such as specials schools not being available in the area of the unit
5. Change of employment status
6. Conflict situations within the property
7. Tenants will only be permitted to transfer where:
 - 7.1 A suitable unit is available
 - 7.2 The tenant qualifies for the property that is being requested
 - 7.3 The tenant is not in breach of the Lease Agreement
 - 7.4 The tenant is not in arrears
 - 7.5 The tenant hands over a vacant unit

General criteria:

- Tenants who are suspected of, or who have had reports of anti-social behavior against them in the past, may have their request for a transfer turned down
- Unlawful occupants will not be considered, but will be dealt with in terms of the Unlawful Occupation Policy.

GUIDELINES: SUCCESSION OF TENANCY

ANNEXURE C

The Department prescribes to the policy of allocating accommodation strictly from the waiting lists, however circumstances do arise where applicants residing with the tenant wishes to continue with the tenancy to maintain stability in their household. Succession of tenancy refers to cases where an individual, who is an authorized occupant residing with the tenant, seeks to take over the letting of the unit from the original tenant. This may only be considered under the following circumstances:

- Where the original tenant has died and in which instance the applicant resided in the property with the deceased tenant for more than twelve (12) months – (official death certificate to be produced), approval will not be automatic but based on qualifyir criteria. Each case will be dealt with based on its own merit, cases such as application with children younger than 18 years old, and where family broken-up, will be considered. No further succession of tenancy to children or dependents will be considered.
- Where the original tenant has abandoned family members whilst in occupation of the property – (confirmation in the form of an affidavit from the SAPS to be submitted)
- Where the original tenants have divorced and the person with custody over the children remains in the property –(official divorce order to be produced)

All successions of tenancy are subject to the provision that the prospective tenant qualifies in terms of the criteria as outlined above. New Lease Agreements must be signed in all cases. The succession of tenancies must be dealt with in the following manner:

- **Registered tenant deceased** – Where the original tenant is deceased, it will be recommended that the surviving spouse, or co-habiting partner should take over tenancy.
- **Abandonment** – In the event of abandonment, the rental unit will be allocated to the spouse who retains custody of minor children or dependants. Where only minor children or dependants are left in the unit, succession of tenancy will be given to the legal custodian of the minor children and /or dependants, on condition that the custodian has no other suitable accommodation and otherwise qualifies in terms of the allocation criteria outlined above. Should custodianship be withdrawn, tenancy of the unit will be reviewed
- **Divorce** – In cases of divorce, the spouse awarded the custody of the minor children/dependants will be granted succession of tenancy, upon application. In cases of split custody over minor children, the effected parties should themselves resolve the succession of tenancy. In the absence of agreement in this regard, the original lease will continue to operate.