



**RENTAL POLICY AND MANAGEMENT
OF UNITS FOR DAVIDSON COURT
RENTAL UNITS
(Approved 25 March 2021)**

**GEORGE MUNICIPALITY
DIRECTORATE: HUMAN SETTLEMENTS**

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**GEORGE MUNICIPALITY POLICY ON MANAGEMENT OF THE
DAVIDSON COURT RENTAL UNITS
DIRECTORATE: HUMAN SETTLEMENTS
SECTION: EXISTING HOUSING**

1. **DEFINITIONS**

1.1 **Collective Basic Household Income**

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

1.2 **Non-saleable/Retainable Rental Stock**

Non-Saleable or retainable rental stock refers to those properties that are strategically located and have been identified to be retained as permanent rental units and therefore should not be sold nor transferred to tenants.

1.3 **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.

1.4 **Unemployed**

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

1.5 **Social Housing**

Social housing provides good quality rental accommodation for the upper end of the low- income market (R3501 - R15 000); with the primary objective of urban restructuring, creating sustainable human settlements.

2. **INTRODUCTION**

The policy will provide guidelines and framework in the management of the Davidson Court Rental units, to which applicants and tenants shall be subjected to.

All additional annexures in this policy document will be used and applied in order to assist in the enhancement of the application policy, to ensure effective management of these rental stock units.

With the implementation of this policy all previous Council Resolutions with regard to Davidson Court Rental Units will be rescinded.

3. **PURPOSE**

The purpose of this policy is to ensure that the following is attained:

- 3.1 To provide clear and equitable criteria in determining suitable tenants to be assisted with rental accommodation.
- 3.2 To provide an acceptable framework and scale that will assist in determining suitable rental for qualifying applicants.
- 3.3 To provide guidelines and rules that will ensure fair and consistent tenant and rental property management.
- 3.4 To ensure that retainable rental properties are self-sustainable by accommodating suitable tenants that meet the qualifying criteria.

4. **DESCRIPTION OF DAVIDSON COURT RENTAL UNITS**

The Davidson Court flats situated on Erf 6770, Davidson Street, George have been built with Housing Funds and are the property of Council. There are 20 flats in total; 12 double and 8 single units. The single units have one bedroom, a lounge, a kitchen and a bathroom, while the double units have two bedrooms, a lounge, a kitchen and a bathroom.

A single unit can accommodate a maximum of 2 persons whilst a double unit can accommodate a maximum of 4 persons.

The units will only be used for residential purposes.

5. **SCOPE OF APPLICATION**

- 5.1 Only applicants who meet the qualifying criteria outlined in clause 6 will be considered for accommodation at the Davidson Court rental units.
- 5.2 Applications will only be considered in accordance with a written application, fully completed and duly signed by the applicant.

- 5.3 Where applicants are unable to visit the department's offices, applicants may request application forms to be posted or e-mailed. Such application forms must be fully completed, duly signed and must be accompanied by all relevant documents. The original signed application form must be hand delivered to the Housing Offices.
- 5.4 Allocation shall be open to all and only South African citizens who qualified and meet the criteria, as outlined in clause 6.
- 5.5 The objective is to provide accommodation to the economically active citizens or employed citizens. Therefore, no transfer of tenancy to family members or dependents of occupants will be considered or granted.
- 5.6 The Directorate: Human Settlements resolves to amend all the old existing lease agreements that have been concluded with the current tenants and subsequently implement a single, uniform, standardized lease agreement for all tenants, with effect from date of approval of this policy. The existing lease agreements are outdated and non-compliant with current legislation and regulations, inter alia the Rental Housing Act, Act 50 of 1999 and the Consumer Protection Act, Act 68 of 2008.
- 5.7 No contract for the lease of a rental unit at Davidson Court Flats will exceed one (1) year, save for the existing pre-nonemployee tenancy agreements.

6. **QUALIFYING CRITERIA**

The following criteria will apply:

- 6.1 An applicant must be a South African citizen with a valid ID and be over 18 years of age.
- 6.2 Applicants will be selected according to their date of application as recorded on the Department's waiting list for Davidson Court Flats (i.e. applicants with earliest date will be assisted first). No application date on any other waiting list will be considered. There will only be one waiting list for both employees and non-employees.
- 6.3 Any new applicant's gross income or collective gross basic household income (applicant and spouse/partner) should not be less than R4,100.00 and not exceed R15,000.00, based on Social housing, which is a National policy for the upper end of the low- income market.
 - 6.3.1 In the event where the Western Cape Government's policy on household income threshold (Social Housing), or Government or municipal grants change, this policy will also be subjected to those changes.

- 6.4 An applicant or his / her spouse should not be the registered owner of immovable property / habitable accommodation.
- 6.5 An applicant or his / her spouse who have previously owned property or who have previously benefitted from a state housing subsidy will be considered subject to terms and conditions. A detailed explanation with reasons for no longer possessing the property must accompany the application. These cases will be submitted to the Social Housing Committee for consideration.
- 6.6 The Department reserves the right to introduce a right-sizing option according to family composition; only two occupants per room will be allowed. This condition shall be incorporated into the lease agreement and noted under general principles.
- 6.7 An applicant(s) must be legally competent to sign a contract.
- 6.8 Applicants, including the existing tenants, must sign the revised lease contract or amended lease agreement. The Director: Human Settlements will be able to terminate the contracts of those tenants who failed to sign the revised contracts or are in breach of contract.

7. **DETERMINATION OF RENTALS**

The rental shall be calculated as follows:

- 7.1 Current tenants who are pensioners or earn less than R3,501.00 and up to R4,100.00 per month will be charged a rental of 15,9% of their gross income. If the applicant is married or co-habiting, the joint gross monthly income will be calculated.
- 7.2 Tenants earning in excess of R4,101.00 to R15,000.00 per month will pay a monthly rental between 16,2% - 21,7% of the market related rental of the unit based on a sliding scale, (as listed hereunder), which increases in proportion based on their income.
- 7.3 Current tenant(s) who earn more than R15,000.00 per month will pay the full market rental.

RENTAL CALCULATION ON A SLIDING SCALE
RENTAL ALLOCATION INCOME BAND

				TWO BED-ROOM	ONE BED-ROOM 69%
NO	INCOME BAND	MAXIMUM	PERCENTAGE	RENTAL	RENTAL
1	R0,00	R3 500,00	Minimum	R556,66	R384,09
2	R3 501,00	R3 700,00	15,9%	R556,66	R384,09
3	R3 701,00	R3 900,00	16,0%	R592,16	R408,59
4	R3 901,00	R4 100,00	16,1%	R628,06	R433,36
5	R4 101,00	R4 300,00	16,2%	R664,36	R458,41
6	R4 301,00	R4 500,00	16,3%	R701,06	R483,73
7	R4 501,00	R4 700,00	16,4%	R738,16	R509,33
8	R4 701,00	R4 900,00	16,5%	R775,67	R535,21
9	R4 901,00	R5 100,00	16,6%	R813,57	R561,36
10	R5 101,00	R5 300,00	16,7%	R851,87	R587,79
11	R5 301,00	R5 500,00	16,8%	R890,57	R614,49
12	R5 501,00	R5 700,00	16,9%	R929,67	R641,47
13	R5 701,00	R5 900,00	17,0%	R969,17	R668,73
14	R5 901,00	R6 100,00	17,1%	R1 009,07	R696,26
15	R6 101,00	R6 300,00	17,2%	R1 049,37	R724,07
16	R6 301,00	R6 500,00	17,3%	R1 090,07	R752,15
17	R6 501,00	R6 700,00	17,4%	R1 131,17	R780,51
18	R6 701,00	R6 900,00	17,5%	R1 172,68	R809,15
19	R6 901,00	R7 100,00	17,6%	R1 214,58	R838,06
20	R7 101,00	R7 300,00	17,7%	R1 256,88	R867,25
21	R7 301,00	R7 500,00	17,8%	R1 299,58	R896,71
22	R7 501,00	R7 700,00	17,9%	R1 342,68	R926,45
23	R7 501,00	R7 700,00	18,0%	R1 350,18	R931,62
24	R7 701,00	R7 900,00	18,1%	R1 393,88	R961,78
25	R7 901,00	R8 100,00	18,2%	R1 437,98	R992,21
26	R8 101,00	R8 300,00	18,3%	R1 482,48	R1 022,91
27	R8 301,00	R8 500,00	18,4%	R1 527,38	R1 053,89
28	R8 501,00	R8 700,00	18,5%	R1 572,69	R1 085,15
29	R8 701,00	R8 900,00	18,6%	R1 618,39	R1 116,69
30	R8 901,00	R9 100,00	18,7%	R1 664,49	R1 148,50
31	R9 101,00	R9 300,00	18,8%	R1 710,99	R1 180,58
32	R9 301,00	R9 500,00	18,9%	R1 757,89	R1 212,94
33	R9 501,00	R9 700,00	19,0%	R1 805,19	R1 245,58
34	R9 701,00	R9 900,00	19,1%	R1 852,89	R1 278,49
35	R9 901,00	R10 100,00	19,2%	R1 900,99	R1 311,68
36	R10 101,00	R10 300,00	19,3%	R1 949,49	R1 345,15
37	R10 301,00	R10 500,00	19,4%	R1 998,39	R1 378,89

38	R10 501,00	R10 700,00	19,5%	R2 047,70	R1 412,91
39	R10 701,00	R10 900,00	19,6%	R2 097,40	R1 447,20
40	R10 901,00	R11 100,00	19,7%	R2 147,50	R1 481,77
41	R11 101,00	R11 300,00	19,8%	R2 198,00	R1 516,62
42	R11 301,00	R11 500,00	19,9%	R2 248,90	R1 551,74
43	R11 501,00	R11 700,00	20,0%	R2 300,20	R1 587,14
44	R11 701,00	R11 900,00	20,1%	R2 351,90	R1 622,81
45	R11 901,00	R12 100,00	20,2%	R2 404,00	R1 658,76
46	R12 101,00	R12 300,00	20,3%	R2 456,50	R1 694,99
47	R12 301,00	R12 500,00	20,4%	R2 509,40	R1 731,49
48	R12 501,00	R12 700,00	20,5%	R2 562,71	R1 768,27
49	R12 701,00	R12 900,00	20,6%	R2 616,41	R1 805,32
50	R12 901,00	R13 100,00	20,7%	R2 670,51	R1 842,65
51	R13 101,00	R13 300,00	20,8%	R2 725,01	R1 880,26
52	R13 301,00	R13 500,00	20,9%	R2 779,91	R1 918,14
53	R13 501,00	R13 700,00	21,0%	R2 835,21	R1 956,29
54	R13 701,00	R13 900,00	21,1%	R2 890,91	R1 994,73
55	R13 901,00	R14 100,00	21,2%	R2 947,01	R2 033,44
56	R14 101,00	R14 300,00	21,3%	R3 003,51	R2 072,42
57	R14 301,00	R14 500,00	21,4%	R3 060,41	R2 111,69
58	R14 501,00	R14 700,00	21,5%	R3 117,72	R2 151,22
59	R14 701,00	R14 900,00	21,6%	R3 175,42	R2 191,04
60	R14 901,00	R15 000,00	21,7%	R3 233,52	R2 231,13
61	R15 001,00		Market related	R5 400,00	R3 700,00

8. **RENTAL PAYMENT AND PHASING-IN PROGRAMME**

8.1 Rental amounts shall be reviewed on the anniversary of the date that the lease agreement was signed. Furthermore, the following two different approaches will be considered and applied:

8.1.1 The rental payment of existing tenants who signed an Amended Lease Agreement and those that have failed to sign the Amended Lease Agreement, but are still managed under old Lease contract, will be implemented as soon as the policy has been approved, to comply with Clause (7) of the rental policy, but consideration will be based on each case.

8.1.2 All tenants of new allocations will be required to pay one month's rental as a deposit on the 1st day of occupation, with the first month's rental. The deposit is refundable subject to the inspection being completed after departure and no breakages having been identified. The deposit will be refunded after departure.

8.1.3 Monthly rentals should be paid before or on the 7th of every month.

- 8.1.4 The rental payment of new applicants or existing tenants shall be charged based on Clause seven (7) of the rental policy.
- 8.1.5 All current tenants, save the existing pre-nonemployee tenants, who do not qualify according to the prescribed criteria, will be afforded six (6) months' notice to find alternative accommodation and to vacate the units.
- 8.1.6 All tenants must take responsibility for their own water and electricity accounts.

9. **ASSIGNING AND TRANSFER OF TENANCY**

The department will only provide assistance and consider applications for lease and concluding a contract with 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.

9.1 **Transfer / Relocation of Tenants**

Requests for transfer may be considered, accepted or dealt with strictly on merit. Proper record-keeping to ensure fairness and reasonableness is essential in the regulation of transfer (e.g. date of application, etc.)

Transfer of tenants from one unit to another may be executed and initiated by the Director: Human Settlements, taking cognizance of the circumstances that necessitate such transfer.

Tenants who wish to be transferred from one unit to another must apply in writing to the Department: Existing Housing. 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. Conflict situations within the property.
3. Tenants who are suspected of, or whom the Directorate have had reports of anti-social behavior against them in the past, may have their request for a transfer turned down.
4. Unlawful occupants will not be considered, but will be dealt with in terms of the Prevention of Illegal Eviction and Unlawful Occupation of Land Act of 1998.
5. Tenants will only be permitted to transfer after approval has been granted by the Director: Human Settlements, when

- 5.1 A suitable unit is available.
- 5.2 The tenant is not in breach of the Lease Agreement.
- 5.3 The tenant is not in arrears with his rent or municipal services account.
- 5.4 The tenant hands over a vacant unit.

9.2 **Succession of Tenancy:**

The Directorate prescribes to the policy of allocating accommodation strictly from the waiting lists, however circumstances do arise where applicants residing with the tenant wish to continue with the tenancy to maintain stability in their household. Succession of tenancy refers to and shall be permissible to married couples, or to cases where an individual is a co-habitant 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 passed away or abandoned the rental property, which in that instance the applicant resided in the property with the deceased or absconded tenant for more than twelve (12) months – (official death certificate or affidavit from SAPS to be produced), approval will not be automatic.
 - The applicant must be employed or have a source of income in order to qualify for succession.
 - No succession of tenancy shall be considered for dependents, children or occupants who were residing with the tenant other than the partner or co-habitant of the deceased in the event of death.
 - Where the original tenant has abandoned family members during the 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).
 - Three (3) months' notice will be given to vacate the property if succession of tenancy is not granted.

All successions of tenancy are subject to the provision that the prospective tenant qualifies in terms of the qualifying criteria outlined in this policy. Approval must be granted by the Director: Human Settlements and new Lease Agreements will have to be executed.

The succession of tenancies must be dealt with in the following manner, subject to the approval of the Director: Human Settlements

- **Registered tenant deceased**

Where the original tenant is deceased, the surviving spouse, or co-habiting partner will be entitled to take over the lease.

- **Abandonment**

In the event of abandonment, the rental unit will be allocated to the spouse who retains custody of minor children or dependents. Where only minor children or dependents are left in the unit, succession or tenancy will be given to the legal custodian of the minor children, on condition that the custodian has no other suitable accommodation and otherwise qualifies in terms of the allocation criteria outlined in this policy. Should custodianship be withdrawn, tenancy of the unit will be reviewed.

- **Divorce / Separation**

In cases of divorce or separation, the spouse awarded the custody of the minor children / dependents, succession of tenancy will be granted upon application. In cases of split custody over minor children, the affected parties should themselves resolve the succession of tenancy. In the absence of agreement in this regard, the original Lease will continue.

All supporting documentation must be submitted to the Housing Offices.

10. **UNLAWFUL OCCUPANTS**

Unlawful occupants will be dealt with in terms of the Prevention of Illegal Eviction and Unlawful Occupation of Land Act of 1998.

An authorized occupant / illegal person / family is regarded as any person who occupies a rental unit, without the consent of the Directorate 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, an official will visit 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 official to ensure that all reasonable efforts have been employed to regain possession of the property. Acquire as much information as possible in respect of the said person / family and the status of the property and submit that to the office.

The tenant must be requested to report in writing to the Department within seven (7) days 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 seven (7) or thirty (30) days must be served on such occupant(s), depending on the circumstances of that particular family / unauthorized occupants and number of days of illegal occupation.

11. **MAINTENANCE OF RENTAL PROPERTIES**

On moving in, an inventory is signed with the tenant/s. This enables the tenant to list any defects that may have been excluded. The inventory should be returned to the Housing Offices within 7 days of moving in.

The Directorate is determined to ensure that the value and structural integrity of the property is retained.

The Section: New Housing will be responsible for maintenance of the following:

- Sewer & Water leakages
- Electrical Work
- Removal of mould
- Fumigation
- External maintenance
- Cleaning of the outside perimeters
- Repair of the outside gates and accessories
- Geyser

The tenant/s will be responsible for all other maintenance within the unit.

12. **MONITORING AND INSPECTION**

- 12.1 The Directorate: Human Settlements will conduct monitoring and inspection on instruction when needs arise, to ensure that inter alia tenants' compliance with lease contract, approved occupants and any visible breach of contract. The report shall be submitted to the Deputy Director: Human Settlements.
- 12.2 Technical inspections of the property will be conducted at least annually by the Department: New Housing, to establish the state and conditions of the interior of the unit and check whether the tenants comply with their obligations. The report shall be submitted to the Manager: New Housing.
- 12.3 Other necessary inspections will be executed once as and when a unit becomes vacant, to establish any defects, conduct an inventory for purpose of preparing it for new allocation. The report shall be submitted to the Deputy Director: Human Settlements.

13. **DEBT MANAGEMENT**

The debt collection as a function enshrined in the Debt Management policy will be executed by the Directorate: Financial Services. 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 termination of a lease agreement and legal action will be followed.

LAYOUT PLAN

