

Top 10 points to include in a rental agreement

 By [Chris Renecke](#)

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A written lease agreement needs to protect both the tenant and the landlord and should therefore detail as much about the rental agreement as possible to leave no room for misinterpretation. Both the tenant and landlord must ensure that they are happy with the terms and conditions in the agreement, especially if it was provided by a real estate company.



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While lease agreements are pretty standard, there are some basic points which should always be included. These are:

Tenant details: This should clearly indicate each of the tenants by name with identification numbers, as well as include a place for each of their signatures. This ensures they all accept full responsibility for the rental terms and conditions.

Define limits on occupancy: The lease agreement should specify that only people who have signed the lease (and their minor children) can legally live on the property. This helps to prevent tenants from moving in their relatives and friends or subletting without the landlord's permission.

Duration of lease: It's a good idea to include exact dates and spell out the duration of the lease term to avoid any confusion as to when tenants can move in or should move out. There should also be a clear outline of the renewal process should the tenant and landlord wish to extend the lease.

The rental costs: The monthly rental amount must be clearly noted. This section should also clearly detail and explain any deposits that need to be paid, such as a rental deposit and the lights and water deposit, as well as the terms and conditions surrounding the refund of deposits. All other variable usage expenses that the tenant will be liable for, such as water and electricity, should also be noted in this section. The rental agreement should also clearly indicate how and when any rental increases will be put into effect.

Right to entry: Any lease agreement should clearly indicate the circumstances in which the landlord can enter the unit. This is regulated by law, and the rental agreement terms and conditions must be in line with the legal parameters as set out in the Rental Housing Act.

Maintenance and repairs: As both the landlord and the tenant are responsible for maintaining the property, the obligations of each need to be clearly spelled out in the lease agreement. Typically, tenants are responsible for keeping the property neat and clean and for any damage caused by them or neglect. Landlords must provide a property that is in a liveable condition and will be responsible for necessary ongoing maintenance and repairs to damage not caused by the tenant, such as a leaky roof. This clause in the lease agreement should also indicate that the tenant is responsible for reporting any problems that require repairs and outline the communication process that should take place.

Pets: This has become a big issue recently as more and more complexes and housing estates are banning pets. The lease agreement should clearly state the landlord's policy around pets, including how many pets will be allowed on the property and detailing size limitations. In the case of the property being situated in a sectional title or other housing estate that is governed by communal rules and regulations, the lease agreement's pet policy needs to be in line with the communal rules surrounding pets.

Tenant behaviour: Ultimately and legally, the landlord is responsible for the tenant's behaviour. In a sectional title complex or housing estate, the landlord will be at the receiving end of any penalties levied on the unit by the body corporate or home owner's association for the misbehaviour or illegal activities of the occupants. That is why it is important for a clause to be included in the rental agreement outlining that specific behaviour such as excessive noise and illegal activities are prohibited. In the case of the property being situated in an estate or complex, it needs to be noted that the complex rules need to be obeyed and a copy of the rules attached as an addendum to the lease agreement.

Both tenants and landlords need to be happy with the term and conditions contained in the lease agreement, as once it's signed, it's a legally binding document.

ABOUT CHRIS RENECLÉ

Chris Reneclé, MD of Renprop, completed his B.Comm Hon (Wits and Uisa) in 1990 and undertook his articles at Ernst & Young. In 1992 he joined Renprop as the financial director, and in 1993 was appointed managing director. Over the past 23 years, under his leadership, the company has transformed from being a traditional real estate agency to one of the largest providers of residential property in South Africa.
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