



# RENTAL MANAGEMENT GUIDE FOR SOCIAL HOUSING

*Rent setting, collection and arrears management*

August 2020

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## **Disclaimer:**

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# SECTION A: INTRODUCTION

## 1. INTRODUCTION

A Social Housing Institution's (SHI's) long-term viability depends on its ability to set and collect rentals. Rental revenue is the main, if not the only, source of income for a Social Housing Institution (SHI). Its very existence relies on rental pricing that provides affordable rentals to middle to low income earners and the collection of rentals by way of advice and support to tenants to help them pay their rent and sustain their tenancies, with the legal process of eviction as a last resort.

The rental management approach for Social Housing takes into account the economic vulnerability of the tenants and thus is geared towards ensuring that tenants are clear about their obligations for paying rent and repaying any arrears; intervening effectively when arrears do occur; through personal contact and sustainable plans for repayment, helping tenants with budgeting and budget management and proceeding with eviction only when all other avenues have been exhausted.

SHI's also have to comply with the prevailing legislation related to rental housing and must manage its risks.

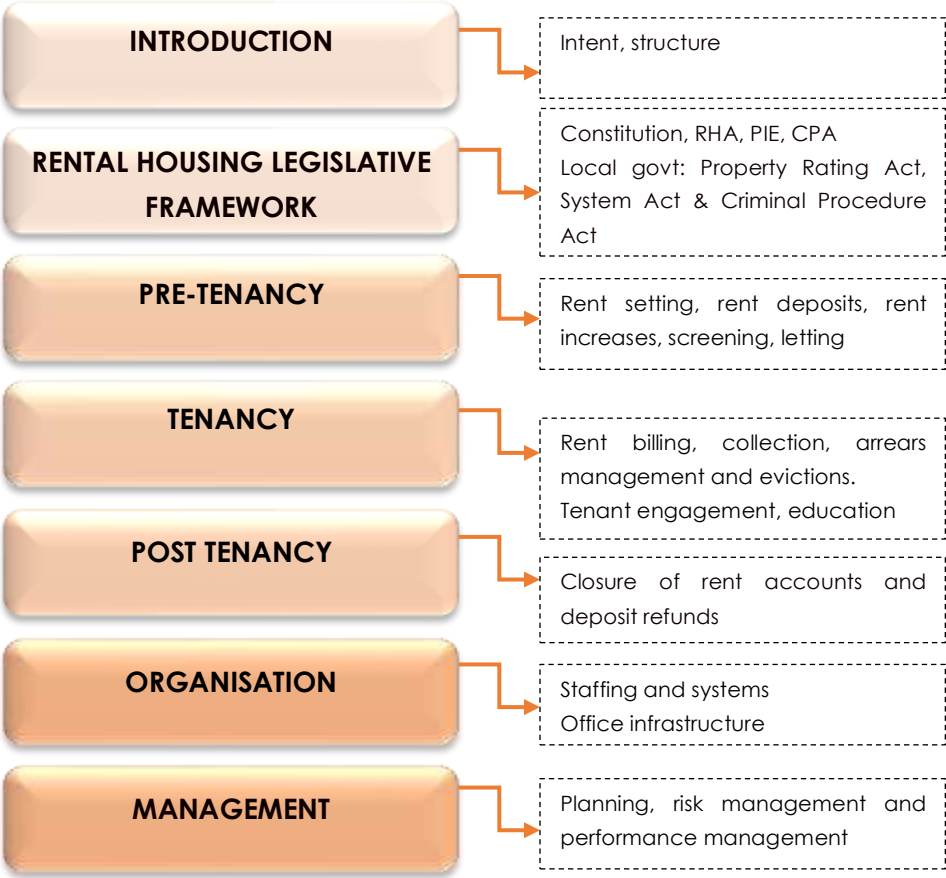
In view of the above, SHI's are required to have a rental management system in place; a policy that sets out the parameters within which rentals are set and increased, collected and arrears managed as well as processes and procedures, plans and a performance management system that includes the setting of KPI's and thresholds and the monitoring and evaluation framework.

## 2. INTENT OF THE GUIDE

The Guide is intended to assist Social Housing Institution's to understand the key concepts and components of rental management, its importance in meeting the affordability needs of its target market, achieving financial viability and the tenant engagement approach to maximise the collection of rentals.

## 3. STRUCTURE OF THE GUIDE

The Guide is organized to deal with each of the themes outlined below.



## SECTION B: RENTAL HOUSING LEGISLATION

### 1. RENTAL HOUSING LEGISLATIVE FRAMEWORK

This section includes a summary of the key legislation and compliance implications that affect a landlord in fulfilling its rental management functions. **A detailed rental housing legislation manual is attached as Annexure A.**

#### 1.1 Application of South Africa's civil law system to rental housing

In South Africa, the relationship between a tenant and landlord is regulated by a lease agreement, which is governed by legislation and the common law. The common law gives the tenant and the landlord the freedom to determine the context of their relationship, but legislation limits that freedom by setting minimum standards.

#### 1.2 Statutes

##### 1.2.1 THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996 (THE CONSTITUTION)

The Constitution provides a new interpretive context for understanding South African rental housing law.

Section 26 (1) of the Constitution provides that everyone has the right to have access to adequate housing.

Section 26 (2) requires the state to take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

Section 26 (3) provides that no one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

Section 34 gives to everyone the right to have any dispute decided in a fair public hearing before a court or independent Tribunal or forum.

The Rental Housing Tribunal (the Tribunal) is an independent Tribunal contemplated in section 34 of the Constitution.

##### 1.2.2 RENTAL HOUSING ACT, 50 OF 1999 (RHA) AND THE RENTAL HOUSING AMENDMENT ACTS

The RHA came into operation on 1 August 2000. It is one of the legislative measures that the state has taken to achieve the progressive realisation of the right to access to adequate housing.

The RHA was amended by the Rental Housing Amendment Act, 43 of 2007 (2007 Amendment Act) on 13 May 2008. The Rental Housing Amendment Act, 35 of 2014 (2014 Amendment Act), introduces wide-ranging amendments to the RHA. It has been published for information

purposes but is some way off from coming into operation. It currently does not apply and does not, therefore, form part of this manual.

**Introductory provisions:** A dwelling includes any structure leased for rental housing purposes. The unfair practice definition is important because, as will be seen later in this manual, the Tribunal deals with unfair practices. An "unfair practice" is any breach of the RHA the unfair practices regulations.

**Promotion of Rental Housing:** The national government has a responsibility to promote rental housing and must take measures to increase rental housing.

**Relations between landlord and tenant:** In a nutshell, the tenant has the right to privacy, receive written receipts for all payments made to the landlord, earn interest on the deposit, be refunded the deposit and accrued interest less any amounts for which the tenant is liable in terms of the lease. The tenant cannot be evicted without a court order. The tenant must pay the rental and all amounts due in terms of the lease timeously and return the dwelling in a good state of repair except for fair wear and tear.

The landlord may not discriminate against the tenant on any of the grounds set out in the Constitution. The landlord may claim compensation from the tenant for damages caused to the dwelling during the tenant's occupation of the dwelling.

The tenant and the landlord must jointly inspect the dwelling at the beginning and end of the lease. If the tenant fails to respond to the landlord's request for an inspection at the end of the lease, then the landlord must inspect the dwelling. The landlord may deduct from the deposit and accrued interest any amounts for which the tenant may be liable in terms of the lease, which includes unpaid rentals and utilities, the cost of repairing damage or replacing lost keys. The landlord must ensure compliance with the provisions concerning joint inspections and refunds of deposits and accrued interest. The tenant and the landlord may not waive their rights and obligations concerning written receipts, deposits, interest on deposits, joint inspections and refunds of deposits.

**Leases:** Lease agreements need not be in writing. The landlord must reduce the lease to writing if the tenant requests the landlord to do so. A list of defects that exist in the dwelling at the commencement of the lease must be attached as an annexure to the lease agreement. The tenant or landlord may approach the Tribunal or a competent court to enforce a term of the lease agreement.

**Rental Housing Tribunal:** Every MEC may establish a Tribunal. The Tribunal must be independent and impartial. The Tribunal must take decisions by consensus failing which the decision of a majority of the members of the Tribunal becomes the decision of the Tribunal.



**Dispute resolution by the Tribunal:** The Tribunal must investigate a complaint and resolve it either informally, through mediation or a Tribunal ruling. The Tribunal may make a wide range of rulings, which must be just and equitable, concerning an unfair practice. The Tribunal rulings include costs orders and making an agreement concluded at mediation a ruling of the Tribunal. Although The Tribunal enjoys the same legal status as a Magistrate's Court, it is precluded from hearing applications for eviction orders. Tribunal rulings are enforced through the magistrates' courts.

**Rental determinations:** A ruling may include a determination regarding the amount of rental to be paid.

**Rental Housing Offices:** A local municipality has the discretion to establish an information office. The functions include educating, providing information, and advising tenants and landlords concerning their rights and obligations in terms of the RHA. The information office must also refer parties to the Tribunal, keep records of enquiries, and submit quarterly reports to the Tribunal.

**Regulations:** *Unfair practice regulations:* The procedural regulations concern the procedures and manner in which the Tribunal must conduct its proceedings, notices to be given by the Tribunal, and the functions, powers, and duties of inspectors. The unfair practices regulations concern practices relating to a wide range of practices from lease agreements to changing of locks to maintenance to receipts, amongst others. *Offences and penalties:* The RHA list numerous offences. A person found guilty in the criminal courts may face a fine or imprisonment or both a fine and imprisonment. *Appeals and reviews:* A ruling of the Tribunal may be reviewed in the High Court.

### 1.2.3 EVICTIONS AND THE PREVENTION OF ILLEGAL EVICTION FROM AND UNLAWFUL OCCUPATION OF LAND ACT, 1998 (PIE ACT)

Most lease agreements contain a clause that the landlord may cancel the lease should the tenant fail to comply with the terms of the lease. Upon cancellation, the tenant may be evicted after a court has considered all the relevant circumstances. The PIE Act imposes certain requirements that a landlord must follow to evict a defaulting tenant or unlawful occupier.

### 1.2.4 CONSUMER PROTECTION ACT 2008 (CPA)

**Conflict of laws:** The CPA (which is not specific to leases) says that if its provisions conflict with any other law, such as the RHA, the law that provides the most protection to the consumer will apply.

**Ordinary course of business:** The CPA expressly defines residential accommodation as a service, and except in rare cases, therefore covers residential leases. Strictly speaking, the

CPA will only apply where the landlord or owner lets out the dwelling in his or her ordinary course of business.

### **Cancellation of leases**

**CPA:** The CPA allows consumers (i.e. tenants) to cancel fixed-term leases for any reason whatsoever by giving the landlord 20 days written notice of the cancellation. The CPA also provides that the landlord is entitled to a reasonable cancellation penalty.

On the other hand, the landlord can only cancel a tenant's lease if the tenant has breached the lease, and after having given 20 business days written notice to the tenant to remedy the breach, the tenant still fails to comply.

**RHA:** The RHA comes into play where a tenant continues to occupy the dwelling after the fixed term in the lease agreement has expired. In such cases, the lease will continue to run on the same terms and conditions contained in the lease, except that the duration of the lease will only be one month.

If the landlord wants the tenant to leave, the landlord must give the tenant one calendar months' notice. Under the common law, the landlord can only give notice at the beginning (first day) of a calendar month to vacate the premises on the last day of that month.

**Leases to be in plain and understandable language:** The CPA requires the National Consumer Tribunal or a court to interpret any standard form, contract, or document to the benefit of the consumer. It also gives the consumer the right to receive information in plain and understandable language. Landlords must, therefore, provide leases written in plain and understandable language.

#### **1.2.5 LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004 (MPRA)**

**Rates to be levied on all rateable property:** As owners of properties, social housing institutions are bound to pay rates. However, a municipality is not obliged to levy rates on properties owned by the municipality.

**Exemptions, reductions and rebates:** A municipality may exempt specific categories of owners of properties from payment of a rate levied on their property. It may also grant a rebate or a reduction in the rates payable on their properties. Social housing institutions should, therefore, explore the possibility of obtaining rates exemptions, reductions or rebates from their municipalities.

#### **1.2.6 LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (MSA)**

**Purpose:** The MSA provides for the core principles, mechanisms and processes necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that are affordable to all.

**Owner's liability for service charges incurred by consumers:** The effect of the provision on social housing institutions is that they are ultimately liable for service charges for water and electricity incurred by consumers other than the owner of the property (i.e. tenants). Social housing institutions must, therefore, ensure that all tenants pay their service charges.

### 1.3 Summary

The Constitution provides that no one may be evicted without a court order. The Tribunal is an independent Tribunal contemplated in section 34 of the Constitution to decide disputes between tenants and landlords. The RHA is one of the legislative measures that the state has taken to achieve the progressive realisation of the right in the Constitution to have access to adequate housing.

The PIE Act imposes certain requirements that a landlord must follow to evict a defaulting tenant.

The CPA covers residential leases where dwellings are let out in the landlord's ordinary course of business. The CPA applies to fixed term leases. The RHA comes into play where the tenant continues to occupy the dwelling after the fixed term has expired.

The MPRA regulates the power of municipalities to impose rates on property. Social housing institutions are bound to pay rates. A municipality may exempt categories of owners of properties from payment of a rate, or grant a rebate or reduction in the rates payable on their properties. Social housing institutions should explore the possibility of obtaining a rates exemption, reduction or rebate from their municipalities.

The MSA renders social housing institutions liable for tenants' unpaid service charges for water and electricity.

## SECTION C: PRE-TENANCY

### 1. RENT DEPOSITS

The taking of rental deposits is a measure of security to mitigate the risks of non-payment of rentals and misuse or lack of tenant responsibility for maintenance of the unit.

Rental deposits are set taking into account a combination of the affordability of the tenant, the risk of non-payment and misuse or lack of maintenance of the property. In many instances, the deposit does not cover these risks as rental deposits are limited (from an affordability point of view) to one month's rental. There are instances where 2 month's deposit is required, in this instance, to make it easier for the applicant, the applicant would make monthly contributions towards the deposit. Where pre-paid water and electricity meters are not in place, a deposit is usually required for the connection of these services. The lease agreement must specify the amount of the deposit to be paid by the tenant as well as to whether it will be required to be topped up as and when rentals increase.

All deposits must be kept in a separate interest-bearing bank account with a commercial bank. Interest earned on the deposits must be accrued to the tenant and accounted for on a monthly basis against the tenant's deposit account and paid within 14 to 21 days (see the Rental Housing Act) of the tenant vacating the unit.

The deposits paid by tenants cannot be used to decrease rentals in arrears or used for advance rental payments. It is only refunded once the tenant moves out, after all arrear rental and any maintenance or other charges have been deducted from it. The SHI is required to keep all receipts for the cost of repairs that may have been deducted from the tenant's deposit and provide these on request.

#### **INFO BOX: GENERAL SECTOR PRACTICE**

Rent deposit equals one month's rent, it is topped up on an annual basis when rentals increase.

Where 2 month's rent deposit is required, the applicant is able to make a monthly contribution towards the deposit.

Higher rent deposits are required for unsubsidized units and commercial properties.

### 2. SETTING APPROPRIATE RENTALS

How much rent a Social Housing Institution charges can be a very sensitive issue? On the one hand, it is necessary to ensure that the monthly rental income covers the operating costs, servicing of the initial capital costs of the property and contribution towards the maintenance reserve and the build-up of equity. On the other hand, it is necessary to ensure that the rentals

charged are affordable, both to the individual households in the social housing development and to the target market in general.

### **WARNING: A VERY EARLY WORD OF CAUTION**

In the past, inexperienced institutions often made the mistake of announcing, usually under political pressure, rentals to the public long before they even knew what their cost structures were going to look like, with the result that they were stuck in a financially unviable situation from the very beginning of their existence. It is an arduous, if not impossible, task to recover from such folly, and must be avoided at all cost.

## 2.1 Principles for rent setting

The following are some important **principles** to consider when finalising the rental structure for a development. Rentals should:

- **Allow the institution to meet its financial objectives.** This includes paying back any loans and covering all the costs of the SHI including, the direct property, overheads and maintenance costs, as well as the maintenance reservations and contributions towards the build-up of equity to be invested in new SH developments.
- **Take into account what tenants can afford.** If rents are unaffordable, not only does it increase the risk of tenants defaulting, but the Institution also fails to provide tenants with a good service.
- **Be fair to tenants.** Properties of similar value should involve similar rentals, irrespective of the income of the resident. Rentals should provide value for money.
- **Be perceived as fair by tenants.** No matter how fairly rental amounts are structured, if they are not perceived as fair, this could result in problems, including default.
- **Be transparent and easily understood by staff and tenants.** When disputes do arise, it is important for staff and tenants to have all the relevant facts at hand, so that there are no misunderstandings.
- **Work on the basis of the rental mix and initial rental levels required by the SHRA when using CCG (see 2.3)**

### **WARNING**

Potential tenants: Delivery agents must create the understanding of why rentals are necessary, what costs it covers, the rental price, when and how it must be paid, when and how rentals will be increased and what the consequences are for non-payment. This must be done before the tenant signs the lease agreement

## GOOD PRACTICE

Applicants that have successfully screened and who are ready to enter into a lease agreement, attend a pre-tenancy training programme that amongst other includes;

- Rental charges
- Rental increases
- When rental is due
- Method of rental payment

## 2.2 Rent setting considerations

There are two **steps to setting rental** amounts:

- Deciding how much rental income an Institution needs
- Deciding how to structure the rental charges.

### 1. Deciding how much rental income is needed

Calculating how much rental income is needed is not very difficult once the budget has been properly defined. Basically, the rental income required is equal to the total monthly expenses, the maintenance reservations and equity build-up. According to the SH Regulations for the Consolidated Capital Grant the project IRR needs to be prime plus 4.5% and needs to be financially sustainable over a 20-year period.

When this calculation is done it is necessary to make sure that the total expenses include the amount that needs to be paid monthly:

- **capital repayments:** capital redemption and interest (loan repayments)
- **property direct operating costs:** rates and taxes, water and electricity, cleaning, maintenance, repairs, security, insurance and site staff salaries
- **overhead operating costs** including salaries and all other overheads
- **risk of default and vacancy:** one should always provide for a percentage of default and vacancy rate (ideally no more than 5 per cent). What this means in practice is that each rental charge would pay a portion of the amount outstanding if 5 per cent of the tenants do not pay. This portion of the rental should go into a reserve fund which one can draw on when a tenant defaults, or when a unit becomes vacant, and rental income from that unit is lost for a month or more while the unit is prepared and let again to a new tenant.
- **contribution to building up of equity:** As a SHI grows its portfolio, it becomes possible to commence building up equity to be used to fund future SH developments. This is in anticipation that the capital grant will not be available forever. Many SHI's are registered in terms of the Companies Act as Not for Profit Private Companies whose constitutions therefore prohibit the distribution or utilisation of accumulated surpluses

for any purposes other than their principle purpose which, in the case of a SHI, is the purpose of providing affordable housing.

- **contributions to maintenance reserves:** Maintenance provisions of 1.02% of the development cost or insured replacement value (inclusive of VAT) is required, a good practice is that at least 60% of this must be reserved for long-term cyclical maintenance.

### **WARNING**

Some of the input costs that are required for the administration and management of the service are in the control of the SHI.

It is important that the SHI proactively controls these costs while still providing the right quality of services. Overstaffing can inflate costs as can inefficient security services. At all times the SHI must proactively seek cheaper ways of doing the job while maintaining the required standards. This is while a good SH concentrates on 'efficiency' and 'effectiveness'.

## **2. Deciding how to structure rental charges**

If all units in a project are the same value, rental calculations can be very easy. To define monthly rental, the total required monthly revenue is divided by the number of units. The outcome is the monthly rental per unit. If the units in the project are worth different amounts, or if the Social Housing Institution wants to include other considerations in the rental charged, the calculation will be more complicated. It is at this point that rental structuring should be considered. There are two well-known types of rent structuring:

- **Income based rentals - Rent Geared to Income**

The rental in this scenario is based on the income of individual tenant. The average rental of the SHI cannot legally exceed 33% of household income however it can be lower than this.

### **Advantages**

- One is better able to cater for affordability
- When tenant circumstances change, they pay the lower rental based on their income as there will not be a need to down size the tenant to a smaller unit

### **Disadvantages**

Past experience has shown:

- High administrative costs:
  - An income and affordability audit will have to be conducted annually by the SHI and it will require the collection of proof of income.

- From an accounting perspective the rental system becomes more complicated and administratively intense and thus more expensive as one is not able to raise a recurring journal as incomes increase at different times for different people.
- Uncertainty of rental revenue: If tenant incomes are reduced rentals are reduced.
- As much as this rental type is more equitable, it is not perceived as such by other tenants who do not generally accept this methodology as they pay different rentals for the same product – this is a high risk for rent boycotts.

### **WARNING BOX**

SHI's should not use an income-based approach to rent setting, as tenants are resistant to this method of rent setting and it becomes the main cause for rent boycotts. In addition, it is a cumbersome method and as a result is costly to the SHI

#### ▪ **Unit based rentals Rent Geared to Capital and Operating Costs + Reservations & Equity**

Rental is based on the unit size and finish and rentals are set by taking into account a variety of factors:

- Capital Costs
- Operating Costs including Debt Servicing
- Maintenance Reservations
- Equity Build up

#### **Advantages**

- Administratively easier to manage as rents are based on a unit (size and finish) and hence all units of the same type pay the same rental
- Certainty in respect of rental revenue; year on year
- More acceptable to tenant as they are paying the same rental for the same product and understand it better
- Seen by tenants as fair and equitable

#### **Disadvantages**

- When tenant circumstances change, they would have to be down sized to a cheaper unit or leave the unit depending on the circumstances.



### ADVICE BOX: RENTAL SETTING BY PROJECT OR PORTFOLIO?

The setting of rentals is usually based on attempting to cover the critical costs on a project by project basis. However, as a SHI's portfolio grows it is better to use a mix of project and portfolio rental settings. This permits the SHI to balance its total costs across its portfolio on a 'fair' basis so that rentals set are 'like' for 'like' whenever the development was started. For instance, a project developed 10 years ago might have no remaining loan repayments. You would not at this stage take this cost out of the rental on that project but rather spread the decreased amount across the portfolio.


## 2.3 Rental mix and rental quotes

The SHRA Consolidated Capital Grant requires the SHI to consider the rent mix and quotes as a guideline on the basis of the target market segmentation as per the table below.

TABLE 1: SHRA RECOMMENDED RENTAL MIX AND RENT QUOTE

Income bands	Rentals			% allocation units across income bands	% of income for rental
	min	max	mean		
1 500 – 3 500	375	875	620	10%	25%
3 501 – 5 500	945	1 845	1 395	20%	27%
5 501 – 7 700	1 760	2 464	2 112	20%	32%
7 701 – 11 300	2 695	3 955	3 325	20%	35%
11 301 – 15 000	4 181	5 550	4 866	30%	37%

The rental mix will be in the main informed by the recommended SHRA rental mix, it will only vary if the market demand study indicates a different mix is required.

 SH REGULATIONS PERTAINING TO RENTAL SETTING
<p><b>Regulation 18.</b>            (1) In order to demonstrate excellent service delivery, a social housing institution must -            (h) calculate rentals in a way which is consistent with the terms of grant funding for the development of the properties, and complies with directives of the Regulatory Authority in this regard;</p> <p><b>Regulation 23.</b>            (1) The institution must establish, for a defined time period, the costs relating to the tenure option offered, including any levies and administration charges.            (2) The gross rentals must-                (a) Cover per unit operating costs;                (b) May not exceed 33.3% of monthly household income            (3) Target rentals must be-                (a) A minimum of 30% of the units must support rentals for households earning less than R 5,500 per month; and                (b) A maximum of 70% of the units must support rentals for households earning between R 5,501 and R 15,000 per month.            (4) Households earning more than R 15,000 per month are not eligible.</p>

### 3. RENT INCREASES

The SHI must give the tenant at least 2 months written **notice** of its intention to **increase** the **rent**. Rent increases may not be applied more than once annually. The **lease** agreement must specify the amount or percentage, the frequency and date for the **increase** as well as when and how the SHI will communicate such increases. The tenant engagement and education programme of a SHI must ensure that tenants understand why increases are necessary and must show that the SHI is taking the necessary care to keep increases as low as possible.

#### WARNING BOX

Increasing rentals is a major risk to a SHI. It can result in boycotts as tenants resist these even though it is covered in the lease. The client services department, through tenant engagement and education has to play an active role to mitigate this risk.

Rental increases should be on an annual basis and be based on economic indicators such as CPI or CPIX (these indices are most relevant to the business of SH), this should take into account that the SHI is facing cost escalations on an annual basis. These increases must be fair and reasonable. The risk associated with unjustifiable increases are:

- The increase can be overturned if challenged by tenants at the Rental Housing Tribunal or in a court of law
- It could lead to rental boycotts with severe financial implications for the SHI



#### SH REGULATIONS PERTAINING TO RENT INCREASES

Regulation 18.

(1) In order to demonstrate excellent service delivery, a social housing institution must -

(h) calculate rentals in a way which is consistent with the terms of grant funding for the development of the properties, and complies with directives of the Regulatory Authority in this regard;

(i) ensure that tenants are advised of increases in rents in the manner set out in their leases, ensure that such increases in rental are consistent with the stipulation regarding the calculation of rentals in paragraph (h);

### 4. THE CLIENT SERVICES APPROACH – PRE-TENANCY

Client services has valuable information when it relates to tenant behaviour, this information must be used to inform the rental pricing of new projects.

The marketing material and application for a unit processes must also be clear about rentals.

The screening, education and letting of units are the most important aspects of rent collection, even though it sounds strange that rent collection begins before the applicant becomes a tenant. Like any other business, if you let a unit to a household that cannot afford the rental you will have a rent collection problem from day one, you are doing a disservice to both your SHI as well as placing the tenant in a precarious financial position, this is also known as reckless lending in the banking sector.

#### 4.1 Screening

The objective of screening is to ensure that the applicant can afford to service the monthly rental and that they are willing to pay the rental.

TABLE 2: SCREENING CONCEPTS

<b>Net disposable income</b>	Net income after monthly/regular expenditure is deducted
<b>Net Income</b>	Gross income less all the deductions as reflected in the pay advice
<b>Gross Income</b>	Income as reflected in the pay advice without deductions
<b>Household Income</b>	Income of all applicants and/or occupants of a unit

Screening for affordability should include the review of Proof of income and employment as well as a credit check forms the basis of the affordability assessment. The required documentation must be in the form of **pay slips** that is no more than one month old and must cover a period of three consecutive months. Irregular sources of income such as periodic overtime, once off allowances and bonuses should be ignored when assessing sustainable affordability. Net income is further ascertained by way of scrutinising the latest bank statements (3 months). The **bank statement** also provides an indication that the pay slip is valid and it shows what the applicant's behaviour is towards servicing other monthly expenditure. In the case of self-employed applicants, 3 months bank statement (latest 3 months) is required and if possible, SARS confirmation of income. A credit check will establish the servicing of other debt, what the debt is and whom the applicant is indebted to, current address and employment.

Below find a summary of the screening methods and tools:

TABLE 3: SCREENING METHODS AND TOOLS

<b>Document</b>	<b>Assessment</b>
Pay slip	<p><b>Regular</b> Latest three month's pay-slips and a letter confirming the type of employment and/or the employment contract is required to confirm whether the applicant is in permanent, permanent part time or temporary employment. The employer should be phoned to confirm that the pay-slip is legitimate, however even this is not a foolproof method of confirming employment.</p> <p><b>Self-employment</b> Income must be confirmed by the following:</p>

	<ul style="list-style-type: none"> <li>▪ requesting bank statements to check deposits or</li> <li>▪ audited financial statements or from</li> <li>▪ Income Tax returns from SARS.</li> </ul> <p>An average income can be established by looking at 3 to 6 six consecutive month's deposits, less necessary operating expenses reflected in the bank statement.</p> <p><b>Grantee</b> Social Grant or pension from employer must be confirmed by obtaining the following documents:</p> <ul style="list-style-type: none"> <li>▪ Old age advice</li> <li>▪ Child support advice</li> <li>▪ Disability grant advice</li> <li>▪ Pension confirmation – from pension/retirement fund</li> </ul>
Bank Statement (to confirm net pay)	The deposit of the Net pay into the bank account must be confirmed by scrutinising the bank statement. The bank statement will confirm the net income and indicate the applicant's behavior as it relates to payment of stop orders, honouring of debit orders and how the applicant withdraws for his/her account.
Personal Budget	The personal budget must be concluded with the applicant in order to ascertain the applicant's ability to afford the rental. It is important that this process be interactive with the applicant in order to question the stated expenditure if it is considered to be under-stated. The net disposal income must at least be positive after all expenses is paid, including the rental. Important in this instance is the risk associated with the collection of rental and compliance with the National Credit Act around reckless lending.
Credit Check	The SHI must subscribe to a credit reporting agency. The credit check will indicate payment patterns of the applicant, any default judgements for non-payment or late payment behaviour, confirmation of the number and the name of the company where accounts are held that can be utilised to check against the personal budget, as well as confirmation of employment and current living details.

## 4.2 Pre-tenancy training

Pre-tenancy training is an important aspect of the client services model. It is aimed at educating the prospective tenants on the financial rights and roles and responsibilities of both the tenant and the SHI. An institution's viability depends on tenants understanding their rights and responsibilities, how the social housing development is run and how the rental amount is calculated, what it includes and when it must be paid. Pre-tenancy training usually takes place after the applicant has met the qualifying and affordability criteria or when there is a unit available and letting is taking place. It is also a risk mitigation strategy for adherence to the lease once the applicant becomes a tenant.

The key aspects that should be covered in the pre-tenancy training programme, related to rent collection are;

- An overview of tenant and SHI legal rights as prescribed by the various Acts.

- Rental components – basic and utilities and other additional services costs
- What the SHI does with the rental income – broad based expenditure items
- Rent deposits – how much, when must it be increased, interest earned on it and how it is refunded
- Payments – when, how
- Increases – frequency and quantum and reason for the increase
- What happens when rental is not paid and what the consequences are
- Unhappiness with services provided by the SHI cannot be used to stop paying rental

The recommended approach to this training is a formal but interactive training session with groupings of about 20 applicants per session. It is also recommended that a testing of the applicants understanding takes place at the end of the training session, a multiple-choice type of testing is suitable. This written test is particularly important as evidence when dealing with disputes in the Rental Tribunal and the Courts.

### **WARNING**

The approach of taking the applicant through the lease agreement is not an effective way of educating the applicant of the roles, rights and responsibilities of the SHI and the tenant. Firstly, it is not written in plain language and secondly there is a lot to cover if all the clauses of the lease agreement are covered.

However, it is important the taking the tenant through the lease must be done in addition to any pre-tenancy training.

### **4.3 Letting**

It is important that the SHI collects the necessary rent deposits before it finalizes the lease agreement and hands over the keys to a unit. These include;

- the collection of the rent deposit and the 1<sup>st</sup> month's rental
- to ensure that the utility connection fees have been paid by the tenant to the Municipality and
- There is proof that the debt order or any other method of payment is in place

### **WARNING**

SHI's as the owners of the property are responsible for the Municipal utility bills if the tenant defaults, there are instances where the arrears related to Municipal utility accounts exceed the arrear rental of the SHI

## SECTION D: TENANCY AND POST TENANCY

### 1. RENT COLLECTION AND ARREARS MANAGEMENT

A Social Housing Institution's ability to collect payments every month from all of its tenants is of vital importance to its viability and long-term sustainability. Timeous action is at the heart of rental collection. Collection is a continuous process that relies on correct information to be effective.

The methods used to collect monthly payments and recover arrears must be designed to ensure prompt and full payment of all monies due.

#### 1.1 Billing

The invoice and/or statement that is sent must reach residents before the due date of their rental payment. Any late delivery could and most probably will be used as an excuse of non-payment.

It is an acceptable (and sensible) practice that a statement rather than an invoice is provided. Annexure B provides an example of a rental statement.

The statement must reflect the:

- Opening balance – which would be rent arrears or any other cost or maintenance charge
- monthly rental due,
- any service charges,
- the cost of repair of any breakages
- Status of the rent deposit held.

The accounting function related to the preparation of statements must be completed by the 25<sup>th</sup> of each month, i.e. the rentals and services charges must be raised and any additional charges and the payment receipts must be captured. It is important that there is a system that reviews the accounts before it is ready for printing and delivery to ensure the correctness of the rental accounts.

#### **WARNING**

SHI's that provide incorrect accounts creates mistrust on the side of tenants which is a major risk factor and contributor to rent boycotts.

The delivery of the statements must be done in terms of the provision of the lease arrangement, in most cases it is posted or delivered to the unit.

#### 1.2 Rental payments and receipting

An institution's rental payment policy needs to set out clearly:

- when money is payable
- how it can be paid
- the penalties for when it is not paid.

### GOOD PRACTICE

In cases, it may be easier for tenants to pay rent on a weekly, rather than on a monthly basis or in the case of public servants, on the 15th of the month in advance. This may make the rental payment more manageable, and hopefully for the tenant, easier to service. It also decreases the impact of tenants potentially defaulting on payments. But it can increase the Social Housing Institutions rental collection costs.

The options for the payment of rentals are:

- **Automatic deposit/stop order/debit order:** This system involves the tenant instructing their bank to make an automatic transfer of funds from their account to the Social Housing Institution's rental account on a monthly basis. But if the tenants' account does not have sufficient funds for the debit order to go through, the payment is not made. It is therefore the resident's responsibility to ensure that his or her account has sufficient funds to cover the monthly payment.

### INFO BOX: GENERAL SECTOR PRACTICE

Leading SHI's such as Madulammoho, Imizi and OHHA have indicated that up to 90% of their rentals are collected in advance, using the debit order system.

Others have indicated that they collect only between 50% to 70% of the total rental on the day it is due, and that much credit control effort then has to go into getting the rest of the money.

- **Preferred debit order:** This method allows the SHI to debit the tenants account on the exact date that the tenants salary is paid however the system is costly and does not guarantee you will receive the rentals. Some SHI's have indicated that this system is used during December when rental payment levels are low.
- **Payroll deduction:** This system involves the tenant agreeing with his or her employer that the rental amount will be deducted from the payroll cheque and paid to the Social Housing Institution directly by the employer, on behalf of the tenant. It must be remembered, however, that the lease agreement is made between the SHI and the tenant employee, whilst the employer serves only as a collecting agent. Social Housing Institutions often favour this system, as it takes the responsibility for payment out of the hands of the tenant. If the tenant is retrenched, or does not receive payment for some reason, however, it remains his or her responsibility to pay the rental. This system is only available if the employer agrees. In practice employers are often not prepared to deduct rental directly.
- **Cash payments:** This involves the tenant paying the rental amount directly to the Social Housing Institution, by cash or through a deposit into the Social Housing Institutions

bank account. Bank charges can, however, be prohibitively expensive in relation to cash deposits. In addition, through using the 'EasyPay' system through Pick and Pay and other supermarkets. The entire responsibility to pay is with the tenant. For informally employed tenants, however, it is often the most convenient way of paying.

While any of the above approaches is acceptable, the form(s) of payment required or allowed should be influenced by:

- the institution's staffing capacity and needs
- the ability of the tenant to pay in the way required
- whether the collection function will be outsourced or done in-house
- the institution's risk management strategy.

The option of tenants paying cash directly to supervisors or administrative staff should not be allowed due to the difficulties in managing and controlling receipt of such monies.

### 1.3 Rent collection and credit control

Rent collection is one of the key functions of a SHI. In order to be sustainable and growing the business, Institution's must maintain the rent arrears at the targeted level of below 5%. Rental collection determines the levels of service, maintenance of existing stock and investment in additional stock that a SHI can provide.

The Institution's rent collection and arrears management **policy** should be the;

- Achievement of rental collection targets
- Adhering to good accounting practice
- Fair and just treatment to each tenant according to their specific situation.

The **principles** that underpin credit control are;

**Early contact with the tenant is essential** as it may resolve a problem before it becomes too difficult to resolve. Tenants may not see unpaid rental as high a priority, therefore it is essential that tenants be visited and the consequences explained. An early joint agreement on how to resolve the arrears will often resolve the tenant concerns while addressing the credit control requirement.

**Good credit control:** Effective management of tenant's who have been dealt with proactively and consultatively where arrear rent collection is concerned, have the potential to become a SHI's ambassador. The education and guidance received during the collection process empower the people to take responsibility for their financial situation and stop future late payments, leaving them feeling supported and loyal.

Possible **causes** of rent arrears;

<b>Changes in the household</b>	Increase in number of dependents i.e. children. Relationship breakdown.
---------------------------------	--



	Main wage earner has left, leaving vulnerable partner.
<b>Changes in employment</b>	Newly employed. Salary payment and banking structures not yet in place. Drop in income. Casual worker or working part time. Seasonality may influence income. Reduced working hours. Retrenchment.
<b>Other financial commitments</b>	Unexpected financial bills or commitments. Large electricity or water bills. Rental increase. Children have either reached school or college going ages where fees are high. Over extended credit after becoming a tenant
<b>Dissatisfaction with the SHI services or the unit</b>	Disrepair of the unit Security issues Poor services
<b>Illness or death</b>	Sickness or ill health. Death of the Lessor or partner

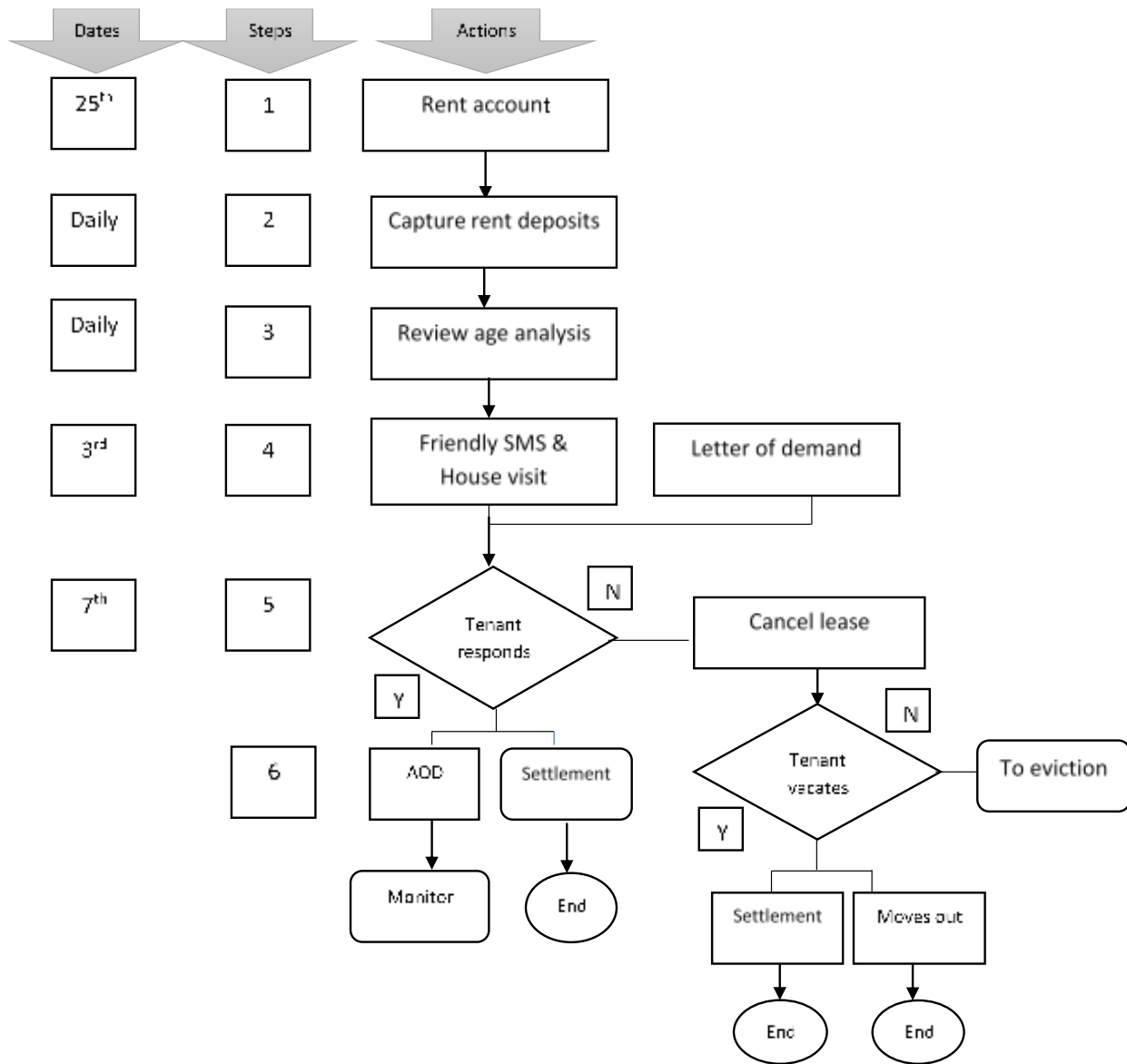
The **timeframes** for dealing with non-payment of rentals must be dictated by the rent deposit that is held by the Institution, usually it is equal to 1 month's rent. This means that;

- OPTION 1: the tenant is able to make an arrangement to pay off the current rental and arrears – see recommended criteria for arrangements below
- OPTION 2: your relationship with the tenant is so good that you assist the tenant to vacate the property, you may even go so far as to assist the tenant with the actual move of their belongings to their alternative accommodation or
- OPTION 3: If the tenant resists vacating the property the entire process up to eviction should be achieved within 30 days, this is not possible, but the Institution must attempt to achieve an eviction in the shortest possible time as the likelihood of recovering anything beyond the rent deposit is at risk – see the process for eviction below.

**Rent collection and credit control process**

Collections and deposits that have been made should be captured and a bank reconciliation is completed, payments received can be allocated to the corresponding debtors, on a daily basis, in order to produce an arrears listing from the rent roll or a debtors age analysis which can be used by the tenant liaison staff to engage the non-paying tenants. Then at the appropriate intervals the credit control staff must issue the various notices, to enable the Institution to proceed with the legal process of summons, default judgement and eviction.

DIAGRAM 1: KEY CREDIT CONTROL STEPS AND ACTIONS



**Unallocated deposits:** Often payments could be received in the institution's bank account without traceable reference. This will result in the tenants who had made these deposits being informed that payment has not been received and their disputing this. In these cases, proof of payment will be required to reconcile unallocated payments received. It is advisable to put in place a practical system to receive, copy and return such original documents that make up the proof of payment, to the supplying tenants.

### 1.3.1 MAKING ARRANGEMENTS WITH DEFAULTERS

When making arrangements with defaulters the SHI should consider the following good practices;

- A review of the tenant's credit worthiness through the appropriate agency (such as TPN) should be done to gain an understanding of the tenant's other credit obligations (loans and credit accounts). Ideally, if it is apparent that the tenant is over-extended, the first debt-scheduling arrangement that should be made is with the credit providers before a rental arrangement
- Not extend repayments for longer than 6 months.
- Structure arrangement instalments where it is not more than 25% of the current monthly rental. An analysis of income and expenditure must be undertaken to ensure that there is disposable income to cover the current and arrear payment. It is not advisable to enter into agreements that has no measure of being honoured.
- The agreement must include an upfront payment or deposit on arrears to show commitment. This could be paid over a maximum of 2 months.

The arrears policy should be structured so that a maximum of 2 month's rent can be recovered over a maximum of 6 months; otherwise the arrangement is not acceptable.

The rental deposit paid by tenants cannot be utilised to decrease rentals in arrears or for advance rental payments. Deposits can only be used by the SHI when the lease is cancelled and the tenant vacates the property.

#### **INFO BOX: COVID 19**

With the tenant's permission, rent deposits were allowed to be used to cover rental provided that there was a payment arrangement to replace the deposit.



#### **SH REGULATIONS PERTAINING TO RENT COLLECTION**

Regulation 18.

(j) have in place a robust and well-managed rental collection policy and process, including effective means of dealing with rental arrears;

### 1.3.2 THE LEGAL PROCESS FOR EVICTION

In terms of the Constitution, the court must be informed as to the circumstances of the case which go beyond merely stating ownership by the landlord as plaintiff or applicant and unlawfulness on the part of the tenant as the respondent or defendant. For an eviction from one's home to be lawful it must be done by obtaining an eviction order through a court of law, unless agreement has been reached with the tenant that they will vacate the premises and do indeed move out.

There are two key pieces of legislation regulating the eviction of a tenant from their home: The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE), and the Rental Housing Act, and the protections and procedures set out under those acts.

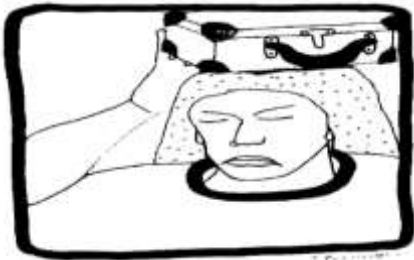
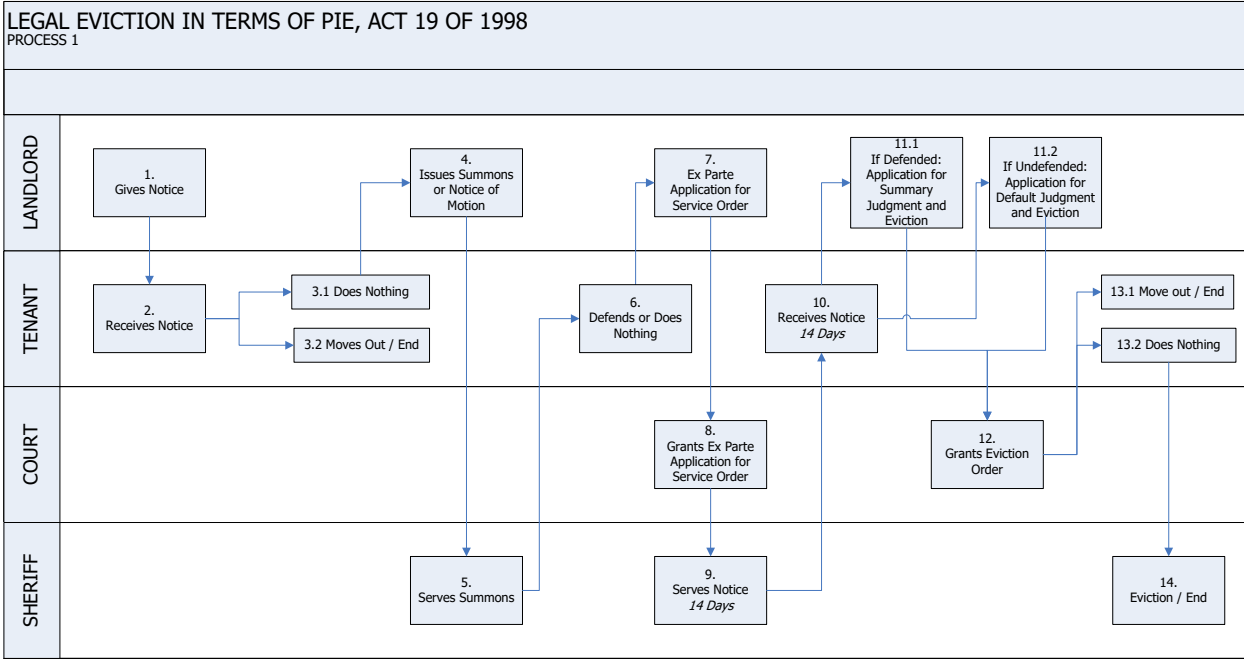


DIAGRAM 2: LEGAL EVICTION PROCESS



Source: Eviction Process Mapping Guide produced by the SHF and Urban Land Mark

**Out sourcing vs In-house**

There is often a misconception that the legal process for the collection of arrear rental must be out sourced. It can be out sourced or undertaken in-house by the SHI.

**Out sourcing**

When the decision is made to follow this route, the following must be noted:

- The process can take between 90 to 180 days, if not longer
- The collection and legal costs escalate quickly and can overshoot the rental owed by the tenant
- The SHI may not be able to recover these costs from the tenant but will be liable for it

**In-house**

Should the SHI wish to undertake the process internally the following must be noted:

- The SHI can get to the eviction stage in 35 days as a minimum.
- The legal costs are far less than if the entire function is out sourced.
- The SHI would have to train a credit controller or recruit a collections clerk (preferably a para legal or a person who worked for an attorney and knows and understands the collection processes). It is also important for this person to be well networked with the personnel that work in the courts and the Sheriff's offices.
- The SHI should use an attorney to represent it in court sessions.

What is important to note is that more often than not, once the SHI has issued summons and this has been served by the Sheriff, the tenant knows that the SHI is serious about the outstanding monies. The tenant at this stage will either pay the outstanding amount and legal costs incurred by the SHI, or make arrangements to pay. If this doesn't happen then the SHI will run the process to eviction stage.

See Annexure C, the Eviction process mapping guide as well as Annexure D, the templates of all the legal documentation required for the legal process – if the process is done in-house.

## 2. BAD DEBTS – PROVISIONS AND WRITE-OFFS

### 2.1 Bad debt provisions

SHI's have to make provisions for bad debts on the basis of past rent collection. A provision for doubtful debts will recognise any doubt as to the collectability of debts and the potential for a current debt to deteriorate and become bad.

Guideline for bad debt provisions:

DAYS IN ARREARS	CLASSIFICATION	PROVISION %	COMMENT
30 days	Low risk	0%	Issue letters of demand and summons as per credit control cycle.
60 days	Medium risk	0%	Issue letters of demand and summons, default judgement, EAO and of ejection as per credit control cycle.
90 days	High risk	100%	Ejection effected, EAO granted but not effected so transfer out of customer accounts.
120+ days	Loss	100%	Debtor cannot be traced or is unemployed.

## 2.2 Bad debt write-offs

Write-off recommendations should be made upon the determination that the SHI cannot recover the rental revenue despite its best recovery efforts. Such circumstances occur when:

1. Costs of recovery actions will exceed anticipated recovery amounts;
2. The debtor cannot be located;
3. It is not possible to collect any substantial amount;
4. Statutory requirement(s) exists to terminate recovery actions; or
5. Auditors have identified the need to adjust the records (e.g. audit findings) and management has agreed with the auditors.

On an annual basis, estimates of write-offs for the next Fiscal Year should be established. Recoverability of SHI's receivables should be evaluated on a monthly basis to quantify and recognise amounts to be written off, on a timely basis. The SHI should report on the level of actual write-offs vs. its original estimated write-offs.

### **Criteria for write-off actions**

Once considered irrecoverable, write-off actions should consider the following criteria:

1. Costs of further recovery actions will exceed estimated recovery amounts.

When making this determination, factors to be considered include:

- Costs associated with resources needed to pursue recovery, including internal administrative costs, and additional recovery services (e.g. collection agencies, Litigation costs); and
  - Likelihood of recovering costs from third parties;
2. Inability to locate debtor
    - Before establishing that a debtor cannot be located, all available and appropriate sources of information (i.e. tracing agents, or places of employment etc.) should be utilised.
  3. It is not possible to recover any substantial amount

The determination of what constitutes a substantial amount is a matter of judgment. When evaluating recoverability, the following factors need to be considered:

- Results of recovery actions already undertaken.
- Present and future financial condition of the debtor. Some examples include:
  - Assets and liabilities;
  - Potential for future earnings;
  - Bankruptcy; and
  - Availability of the debtor's assets for liquidation.

4. Statutory Requirement to terminate recovery actions. This would include any statutory requirements, which mandate the termination of recovery actions. For example, court order in favour of debtor.

**INFO BOX**

The accounting function related to bad debt provisions and write-offs is not covered in this guide, it is the function of financial management

## SECTION E: ORGANISATION AND MANAGEMENT

### 1. ORGANISATION

The Social Housing business model in respect of rental management varies from that of the private sector. The model takes into account the vulnerability of the target market and has its focus on building good relationships with tenants in order to collect rentals on the other hand, to maintain financial viability it has to take decisive action against defaulting tenants.

Thus, the staffing and capacity arrangements for rental management consist of both client services and financial management staff, with an emphasis on client services staff to effect rent collection and the financial management staff to fulfill the accounting function and taking legal action when necessary and as a last resort.

Typically, the tenant liaison staff will be responsible for tenant engagement around arrear rental and the community development staff for tenant education, in this instance it would be around budgeting and financial management. The financial management staff will include the accounting staff responsible for the bookkeeping functions and credit control staff responsible for the necessary review of the age analysis, arrangements/AOD, reminders, letters of demand, cancellation notices and managing the legal process up to eviction.

The systems required relate to policies and procedures and standard documents and forms for;

- Rent setting
- Rent deposit setting
- Rent increases
- Rent collection
- Bad debts

All of these aspects have been covered above.

### 2. PLANNING

SHI's must plan on an annual basis for the property management function of which rental management is a part of.

The annual operational/implementation plan should be informed by an analysis of past performance, the external environment affecting rental management, such as rental housing sector prevailing rentals, rental collection statistics and the internal organization environment which includes the staffing arrangements and systems.

The typical rental management plan would include the following:



STRATEGIC GOALS	KEY ACTIVITIES	DELIVERABLES / TARGETS/KPIs	RESPONSIBILITY	TIMEFRAME
Effective rental management services	Correct rent accounts	100% correct first time	Accountant	25 <sup>th</sup> monthly
	Rent accounts delivered	All rent statements delivered by 25 <sup>th</sup> monthly	Caretaker	25 <sup>th</sup> Monthly
	Rental queries attended to	All queries resolved within 3 days	Bookkeeper	Within 3 days
	Friendly reminders	95% rent collected All arrear accounts on 1 <sup>st</sup> month	Joint CSM & FM	Monthly
	Cancellation of lease	All arrear accounts on 1 <sup>st</sup> month	CSM	1 <sup>st</sup> Monthly
	AOD	With all qualifying defaulters	Credit controller	Monthly
	Vacating tenants support	All tenants requiring support with the move out		Monthly
	Summons	All cancelled leases (who have not vacated their units) for non-payment of rental		1 <sup>st</sup> following month
	Default Judgements	All that were served with a summons		11 <sup>th</sup> following month
	EAO	All eviction orders		28 <sup>th</sup> following month
Eviction and execution orders	All cancelled leases (who have not vacated their units) for non-payment of rental		28 <sup>th</sup> following month	

### 3. RISK MANAGEMENT

Rent setting, increases and collection are all important risk factors that will threaten the viability of a SHI. It is important at a functional level that rental indicators are tracked and analysed regularly in order to improve risk management strategies.

#### Example of a risk register related to rental management risks.

Risk category	Risk explanation	Mitigating strategy
<b>Financial</b>		
Poor payment behaviour leading to a rent boycott	Poor affordability check Income based rent setting Poor preparation & communication around rent increases Poor and inconsistent client services & rent collection practices Poor client relationships Job loss Income reduction leading to low disposable income Poor state of repair of the units	Good screening of tenants, Salary deductions with employers Good communication/relationship with all tenants for early warning signs of financial distress, Good and consistent credit control implementation, Internalise legal process Good relationships with provincial housing department/rental tribunal to support management principles
Unstable economic environment	Job loss Income reduction leading to low disposable income	Retool units to create more Affordable rentals
<b>Organisation</b>		
Lack of social housing expertise	Lack of client relationship management skilled staff Lack of a client relationship approach and poor credit control expertise	Capacitation plan must be implemented and specific social housing training must take place The establishment of the core unit and development of operational systems prior to 1 <sup>st</sup> project delivery Internships with established performing SHI's Capacity building programmes of the sector
<b>Asset management</b>		

<b>Premature ageing of the buildings due to poor maintenance</b>	Tenants don't pay because units are in a poor state of repair	A planned maintenance program must be developed and must be strictly adhered to.
<b>Legal</b>		
<b>Eviction</b>	The Courts take long to make an order The tenants oppose the orders and create delays	Defaulting tenant will be evicted within 35 days of default Evictions will be administered internally up to eviction
<b>Rental tribunal</b>	Rental tribunal is not active in your province Rental tribunal is not effective and decisive in its decision making	Co-operation with the tribunal on investigating and correcting tenant matters brought before the tribunal Defaulting matters will not be channelled to tribunal
<b>Marketing</b>		
<b>Marketability of the units</b>	Rental increases are set too high so tenants cannot afford to pay leading to vacancies	Research regularly to understand the profile of demand and the rental housing market. Flexibility in the design of units to enable it to be modified to suite the changing market demand
<b>Political</b>		
<b>Political interference risk</b>	Politicians don't support evictions Politicians interfere in the management of the SHI Politicians don't understand the SH/Rental model	Reinforce training that the SHI is a private company Regular contact and dialogue with local and provincial government will be a priority

## 4. PERFORMANCE MANAGEMENT

The performance management system must include the reporting arrangements, the monitoring and evaluation framework and how results influence the decision-making to bring about improved results.

### Key rental revenue concepts

Budgeted rental revenue = total rental from all units, including vacant units

Rental raised = rentals charged for occupied units (so less vacant units)

Rental received = rent collected, includes prepaid rental

Rent received = rent received excluding prepaid rental

Rental arrears = difference between rental raised and rental received

### The key performance indicators for rental management

KPI	SH Benchmark	SHI Threshold
Average Rentals		
Rent increases	CPI	
Rent collection rate	95%	
Debtors as a % of total monthly rental raised		
Total debtors	<3%	
Debtors over 30 days as a % of total debtors		

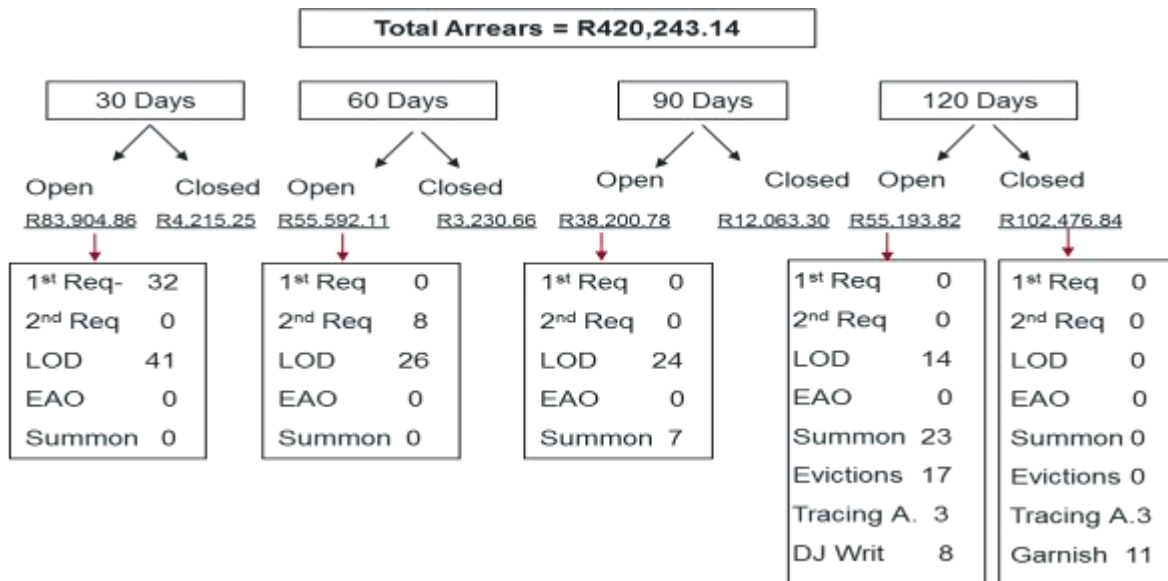
Debtors over 60 days as a % of total debtors	< 15%	
Debtors over 120 days as a % of total debtors	< 2%	
Bad debt provisions	3 to 5%	
Bad debts as a % of revenue		
Bad debt write-offs		

## An example of a rental management report

### 1. RENTAL ANALYSIS

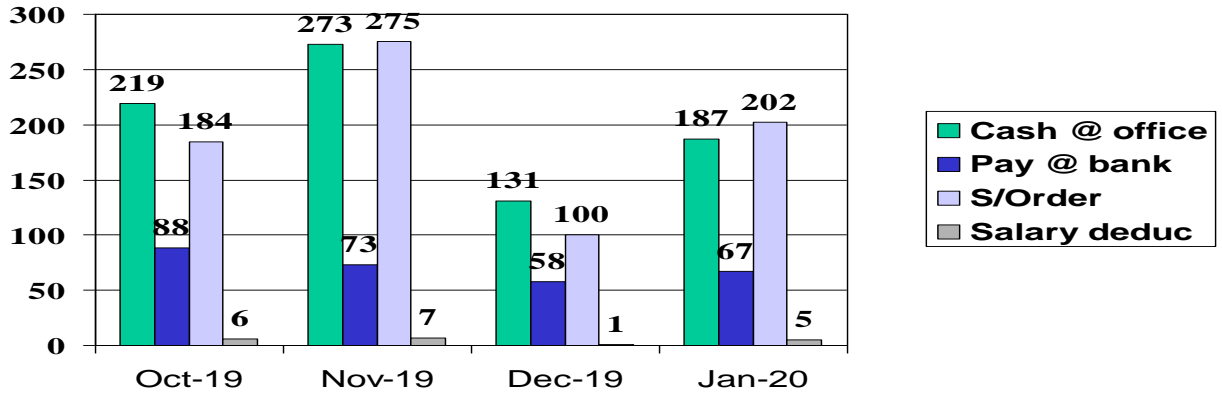
	Oct 2019	Jan 2020
Total Budgeted Income for the year	2,146,576.00	4,166,007.00
Total Debtors outstanding	335,108.33	420,243.14
Percentage of Debtors Outstanding in relation to total rental	15.61%	10.09%
Average Collection period in weeks	11.63	5.25

### 2. ARREARS PROFILE AND PROCESS

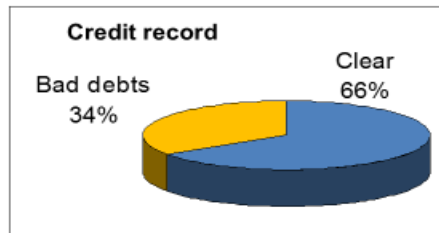
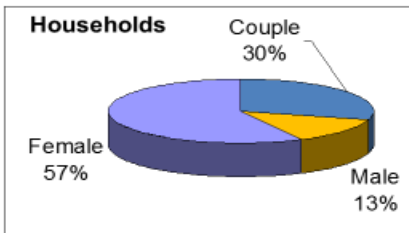
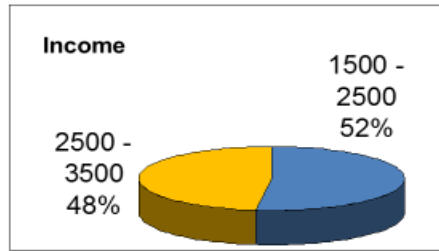
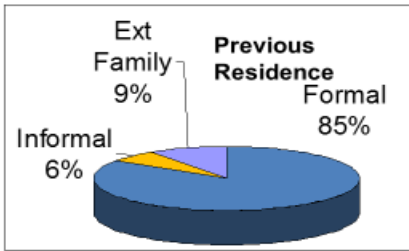


### 3. METHOD OF PAYMENT

Method of Payment: **Oct 2019 – Jan 2020**



#### 4. Profile of defaulters



## ANNEXURES

Annexure A: Rental Housing Legislative Report

Annexure B: Example of a Rental statement

Annexure C: Eviction process mapping guide

Annexure D: Templates for the legal process - if it is done in-house



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