



# LIMPOPO

**PROVINCIAL GOVERNMENT**  
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT**  
**OF**  
**PUBLIC WORKS**

<b>Policy Name</b>	<b>Rental Management Policy</b>
<b>The revision/ version of the Policy</b>	<b>01</b>
<b>Domain</b>	<b>Lease and Municipal Services</b>

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**1. ACRONYMS AND ABBREVIATIONS**

AO : Accounting Officer  
EA : Executing Authority  
GIAMA : Government Immovable Asset Management Act  
PFMA : Public Finance Management Act

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## **2. INTRODUCTION.**

This policy seeks to provide guidance in the management of residential and commercial properties that the Department of Public Works leases out to tenants.

## **3. PURPOSE AND OBJECTIVES**

To provide guidance on how to manage rental matters with regard to tenants leasing immovable government properties;

To clarify the environment in which the department leases immovable assets;

To specify the criteria for the leasing of immovable assets;

To ensure that Rental Management is managed fairly, efficiently and effectively.

## **4. AUTHORITY OF POLICY**

This policy is authorised by the Executive Authority.

## **5. LEGAL MANDATES**

The policy should be read in conjunction with the following legislation:

- Constitution of the Republic of South African, 1996
- Public Finance Management Act No. 1 of 1999
- Rental Housing Act No. 50 Of 1999
- Occupational Health and Safety Act 85 of 1993
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998
- Promotion of Access to Information Act
- Treasury Regulations, 2000
- National Building Regulations and Building Standards Act, 103 of 1977
- National Credit Act
- Government Immovable Asset Management Act 19 of 2007

## **6. SCOPE OF APPLICATION**

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This policy applies to all employees within the Department of Public Works as well as other user-departments, and all the tenants and prospective tenants in government-owned properties

## **7. DEFINITIONS**

- 7.1 “Essential services” means services that require officials to be allocated state housing which will be utilised as an instrument in the execution of their duties because work specifications require them to be available on terrain where such activities are performed; this is in terms of the Departmental Circular No. 4 of 2001 read in conjunction with Executive Council Decision 73 of 2000.
- 7.2 “Accounting Officer” means the accounting officer of the Department of Public Works as defined in section 1 of the PFMA;
- 7.3 “Custodian” refers to Custodian as defined in GIAMA;
- 7.4 “Department” refers to the Department of Public Works and the relevant Provincial Department performing the Public Works function;
- 7.5 “GIAMA” means the Government Immovable Asset Management Act, 19 of 2007;
- 7.6 “PFMA” means the Public Finance Management Act, 1 of 1999;
- 7.7 “Policy” means Rental Management Policy;
- 7.8 “Directorate” means Property and Facilities Management Directorate;
- 7.9 “Occupation” means receipt of the keys and not raising any concern with the department within seven days of receipt of such keys.

## **8. POLICY PRONOUNCEMENTS**

### **8.1 PRINCIPLES**

The following principles apply to the leasing out of immovable assets by the Department:

- 8.1.1 Property and Facilities Management will enter into agreements of lease with tenants and manage the relationship with the tenant on behalf of the Department of Public Works;
- 8.1.2 All processes to lease immovable assets must be considered in accordance with this policy and other applicable legislation;
- 8.1.3 Preference in respect of leasing immovable assets for residential purposes shall be given to officials rendering essential services.
- 8.1.4 Leases concluded in terms of this policy must not exceed a period of more than one



year (twelve months).

8.1.5 All tenants will be treated fairly and with dignity, in compliance with governing policies and regulations.

## **8.2 RENTAL MANAGEMENT PROCESS**

### **8.2.1 House Register**

Property and Facilities Management will keep and maintain a House Register containing all residential properties that are up for lease. The House Register will contain information about the full description of the property, market rental value, names of tenant, date of occupation of the tenant, rental amount payable, employer of the tenant, employment number of the tenant and any other information that will be deemed necessary for keeping record of occupancy of the property.

### **8.2.2 Allocation Of Tenants**

Property and Facilities Management will establish in each district an allocation committee comprising four officials from the Department of Public Works; the committee will be headed by the Property and Facilities District Manager. The Property and Facilities District Manager will be responsible for convening meetings of the committee and keeping record of activities of the committee in relation to allocations. The committee should have a secretariat that will be from Property and Facilities Management.

The directorate will keep a record of applicants for accommodation; the information will be recorded on a waiting list register and all such applications will be valid for three months.

On a monthly basis, the allocation committee will sit to adjudicate on applications that have been were received. The allocation committee will allocate giving preference to officials rendering essential services.

### **8.2.3 Tenant/Property Management**

The Directorate will have a standard lease agreement (recommended by the Accounting Officer and approved by the Executing Authority for Public Works) which will be signed by both the landlord (represented by the Property and Facilities District Manager) and the tenant upon allocation.

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The Directorate will outline procedures for management of the property before, during and after active occupation of the property by the tenant. The procedures must cover the following areas:

- Identification
- Applications
- Adjudication
- Allocation and lease contact
- Key deposit
- Statements of account
- Breach of agreement
- Vacation
- Eviction
- Termination of lease
- Refund

### **8.3 RENTAL**

8.3.1 The rental amount will be charged per bedroom and will be equal to the housing allowance as determined by the Public Service Coordinating Bargaining Council and ratified by the Minister of the Department of Public Service and Administration.

8.3.2 The rental amount will be determined by multiplying the number of bedrooms that the tenant is leasing by the housing allowance as per paragraph 8.1.

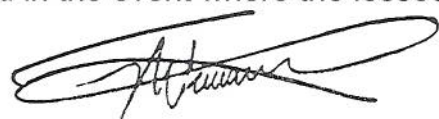
8.3.3 The adjustment to the rental amount will automatically apply upon increment or reduction of the housing allowance as per paragraph 8.1 and 8.2.

8.3.4 The lessee shall pay rental in advance on or before the 15<sup>th</sup> day of each month.

8.3.5 The lessee shall pay a deposit equivalent to the monthly rental.

8.3.6 The deposit is refundable to the lessee at the termination of this agreement. In the event where the lessee is responsible for damage to the property, or fails to return any key or equipment given to him by the lessor with regard to the property and/or be in arrears with rental and/or other amounts due in respect of the property, the lessor shall be entitled to retain the deposit or a certain amount thereof.

8.3.7 The lease agreement of the lessee shall be terminated in the event where the lessee

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is in arrears for three (3) months.

**9. DEFAULT**

All tenants failing to comply with this policy shall be evicted from the premises.

**10. INCEPTION DATE**

This policy comes into operation with effect from the date of approval.

**11. REVIEW OF POLICY**

This policy will be reviewed when there are relevant Legislative changes.

**APPROVED**

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**EXECUTIVE AUTHORITY**

25/07/13  
**DATE**