

## TENANT GUIDE

### 1. INTRODUCTION

This document is not a lease agreement. It is a tenant guide to some of the important terms in the TPN Residential Lease Agreement in plain English. It is not a summary of the TPN Lease Agreement and it does not replace the TPN Lease Agreement in any way.

### 2. TENANT GUIDE

- 2.1. The Consumer Protection Act: the residential lease agreement takes the requirements of the Consumer Protection Act ("the CPA") into account so that you are fully protected as a consumer (clause 25).
- 2.2. The Schedule: the first part of the lease agreement (clause 1) is called the schedule where you will find specific information that you have agreed to with your landlord. For example, the lease start date or the rental amount.
- 2.3. The Deposit: you must pay the deposit on the same date that you sign the lease agreement. Although the deposit is kept by the landlord or agent for the duration of the lease agreement, the deposit still belongs to you as the tenant. The landlord may use the deposit to cover costs for damages to the premises when the lease comes to an end (clause 13). If there are no damages, the deposit will be returned to you.
- 2.4. Interest: You must pay the rent on the 1st (first) day of every month. If you do not pay the rent on time, you will be charged interest on the outstanding amount (clause 10). The rent may be increased every year by the percentage in 1.13 of the schedule.
- 2.5. The Lease Term: the length of the lease agreement (clause 5) is either for a first period of less than 24 (twenty-four) months or for a first period of more than 24 (twenty-four) months. If you agree to a lease period of more than 24 (twenty-four) months, the financial benefit to the tenant as a result of signing on for a longer period must be recorded. The financial benefit, the start date and the end date is in 1.22 - 1.25 of the schedule.
- 2.6. Early Cancellation by the Tenant: the tenant may cancel the lease agreement at any time by giving 20 (twenty) business days' notice in writing (clause 21). The landlord may charge a reasonable penalty for early cancellation which will not be less than the amount in 1.29 of the schedule.
- 2.7. The End of the Lease Period: when the lease period comes to an end, the lease agreement will continue on a month-to-month basis (section 14 of the Consumer Protection Act will no longer apply) unless you or the landlord decide to end the agreement before the lease period is over or unless it is extended for a further fixed-term period (clause 6).
- 2.8. Notice of the End of the Lease Period: the landlord must notify you in writing between 40 (forty) and 80 (eighty) business days' before the end of the first lease period, of (i) the date the lease period is due to end; (ii) the fact that the agreement will continue on a month-to-month basis unless you end the lease at least 20 (twenty) business days' before the end of the lease period, or you sign on for a further fixed-term lease period; and (iii) any important changes that will apply if the lease agreement changes to a month-to-month lease agreement (clause 7).
- 2.9. Service Charges: you are generally liable for amounts owed to third parties who provide services such as electricity, water or internet. These charges include the credit check when you first sign the agreement, inspection fees and debt collections fees (clauses 11 and 12).
- 2.10. Access to the Premises: you need to allow the landlord or agent access to the premises to perform a joint out-going inspection within 3 (three) days before the end of the lease (clause 15). You must also give the landlord or agent access to the premises to make repairs or alterations but the landlord or agent must in turn give you reasonable notice. If emergency work needs to be done, you must give the landlord or agent access to the premises immediately (clause 16).
- 2.11. Maintenance: you must repair any damage which you are responsible for, if you do not, the landlord may have the repairs done by a third party and claim the costs from you. If there is repair work that needs to be done which you are not responsible for, you must notify the landlord in writing as soon as possible (clause 15).
- 2.12. The Tenant's obligations: you must take care of the premises at your own cost, obey all laws and rules and return the premises in the same condition as you received it. This excludes the normal wear and tear that takes place in a property over time. You must not rent out part of the premises without the permission of the landlord or make alterations to the premises in any way (clause 17).

- 2.13. Cancellation by the Landlord: the landlord may cancel the lease agreement (i) by giving you 2 (two) months' written notice if the landlord wants to move into or sell the premises; and (ii) by giving you 20 (twenty) business days' notice if you do not fulfil your obligations in terms of the lease agreement on 3 (three) separate occasions, for 3 (three) months in a row. This will apply even if you rectify the obligation you have not fulfilled at a later date; and (iii) immediately if you do anything that is criminal or illegal in the premises (clause 22).
- 2.14. Cancellation by the Tenant: you may cancel the lease agreement without a penalty charge if the landlord does not fulfil an important obligation in terms of the lease agreement and continues to do so for 20 (twenty) business days after having received a written notice from you (clause 24). You may also apply to court to enforce your rights if the landlord does not fulfil an important obligation in terms of the lease agreement.
- 2.15. Breach by the Tenant: if you do not pay the rent or any other amount due in terms of the lease agreement, or you do not meet your obligations in any other way, where (i) the CPA applies: the landlord may cancel the lease agreement by giving you 20 (twenty) business days' notice; and where (ii) the CPA does not apply: the landlord may cancel by giving you 7 (seven) calendar days' notice if you continue to not meet your obligations. In both cases, you must vacate the premises immediately (clause 23).
- 2.16. Notices: all notices given in terms of the lease agreement must be in writing and delivered to the addresses of the parties in 1.18 -1.20 of the schedule.
- 2.17. Tenant Information: by signing this lease agreement, you give permission that (i) the landlord or agent may obtain any information to check your credit worthiness and payment patterns; and (ii) that your personal information will be processed for certain purposes (clause 31).
- 2.18. Signature: the lease agreement must be in writing and signed by the parties (clause 36). Signed includes a handwritten signature and advanced electronic signature (in terms of the Electronic Communications and Transactions Act). No changes to or cancellations of the lease agreement are valid unless they are in writing and signed. This means that the lease agreement cannot be changed or cancelled by email, SMS or WhatsApp.
- 2.19. Estate Agent's Rights: the agent may earn commission on the lease agreement (and any renewal or extension of it) and may take their commission from the rental amount (clause 38). If you buy the premises during the first lease period, any renewal period or within 12 (twelve) months after the end of the lease, the agent may receive commission on the sale, calculated as a percentage in 1.30 of the schedule (clause 40).

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