

How to avoid risk when renting

According to Stefan du Plessis, managing member at Rent Protect, there are certain best practice principles that help all parties avoid the typical risks associated with rental agreements.



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“The absolute foundation that ensures the protection of your rights, whether you are a tenant, rental agent or property owner, is a balanced and iron clad rental agreement. This is particularly important for tenants who are often not completely aware of their rights.

“The next essential element for tenants is to make sure that they establish a good working relationship with the rental agent and/or landlord. This is an investment in their own reputation because good tenants get first pick when new properties come up for rent. Good tenants also get some leeway when times take an unexpected turn for the worst,” says du Plessis.

Property managers face many challenges

Always stuck in the middle are managing rental agents. Risks can infiltrate from both sides. Defaulting tenants, property damage, unhappy clients and legal procedures are a few of the many challenges property managers face. At the end of the day, the most successful property management companies, commercial or residential, need to engage with service providers that not only offer them protection, but create a better service offering for their clients. Tenant vetting services and rental insurers are a few examples of companies that can improve a rental agency’s client offering.

The group with the most to lose from an investment point of view is property owners. Du Plessis adds, “Whether the property owner chooses to manage their property themselves or make use of an agency, the pitfalls still need to be negotiated. It’s a necessity to make sure that your rental agreement is reviewed by an experienced and qualified property lawyer. Legislation is complex and shrouded in jargon, so if your agreement is not up to scratch, as a property owner, you are shooting yourself in the foot.”

Legitimate service provider

Du Plessis also advises that property owners who decide to engage with a rental agent need to make sure that they are dealing with a legitimate service provider. A Fidelity Fund Certificate is a must. A great rental agent not only has the standard NQ4 and NQ5 qualifications, but is familiar with the in’s and out’s of the Rental Housing Act and the inner workings

of various rental housing tribunals.

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