

THE END OF THE LEASE

Managing the Tenant Exit Process
- The Right Way!

presented by

ShaunLuyt

Your Partner in the "Business" of Residential Property Rentals



Residential Property Rental Procedures, Training & Advice

Shaun@RentalSphere.co.za | 071 360 1202 | Rentalsphere.co.za

The End of the Lease

Notice of Termination/Cancellation

When does the lease end?

Leases **DON'T** just **END!**

They need to be **TERMINATED!**



Who Can Terminate the Lease?

- Landlord
- Tenant



When Can the Lease be Terminated Legally?

- Fixed Term leases
 - End of the fixed term (tenant/landlord)
 - Early cancellation (tenant – CPA)
 - Breach & failure to remedy the breach (20bd - tenant/landlord)
 - Mutual agreement
- Month to month leases
 - Prescribed notice – minimum 1 CALENDAR month (landlord/tenant)
 - Breach & failure to remedy the breach (7+d?? - tenant/landlord)

When Can the Lease be Terminated?

- Month to Month
 - MIMIMUM 1 CALENDAR months notice
- Fixed Term
 - End of Fixed Term
 - Early Cancellation
 - Continued Breach

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Claim for Damages??

Claims for damages

- Managing expectations
 - until when does a tenant have a right to rectify damage?
 - when does the landlord's right 'kick in'?
 - does the landlord need the tenant's permission before effecting repairs and deducting the cost of damages?
 - can the landlord deduct the cost of damages based on quotes?
 - is the landlord obliged to get quotes and get the quote authorised by the tenant before fixing damages?

The answers are all in the RHA! Let's take a look . . .



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Best Practice Exit Procedure

Assumptions

- VALID notice has been given/received from ALL signatories to the lease

Communication is KEY!

- Explain the process
- Communicate clearly with both parties so that they clearly understand their rights AND obligations

The Process

- **PRE-EXIT INSPECTION**
- Do Exit Inspection
- Compare Exit Inspection with Entry Inspection
- Determine Damages
- Effect Repairs
- Deduct cost of repairs and any arrears out of the deposit
- Refund the balance of the deposit



Advantages of the Pre-Exit Inspection

- Highlight potential issues
- Explain deadline for tenant to do repairs and standard of repairs expected
- Explain importance that property must be vacant when you arrive and implications of them not being ready
- Recommend your contractors/cleaners
- Note general maintenance (LL responsibility) & get it done BEFORE the new tenancy starts so you start on a good footing
- Gives landlord an opportunity for input on basis of pre-exit report
- Depending on LL feedback you may recommend they attend the Exit inspection
- Opportunity to explain to BOTH parties that Exit inspection is FINAL
- Exit Inspection report forms the basis of Exit Report saving time at month end



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Some Things to Ponder

Some Tips

- How do you deal with tenants not being ready for your exit inspection? i.e. property isn't vacant
- What happens if you need to reschedule?
 - Have you ever thought of a prohibitive rescheduling fee????
 - Make sure it's in your communication!
- What happens if the tenant is 'only available' outside business hours?



Exit Inspection SOP Pack