



**TPN**

# Residential LeasePack UPDATE

**Students can  
build a positive  
credit record by  
co-signing on  
the lease**

## **A practical guide to student leasing in 2022**

The demand for student housing is consistently strong but the last year has amplified the need for landlords and estate agents to adapt in ways that we could never have expected. Going into 2022 this will be equally true, if not more so.

While student letting can be more profitable than other residential segments, it comes with its own set of unique practicalities to carefully consider and apply to attain and then maintain that profit.

### **What can go wrong?**

As with any residential lease agreement, the Rental Housing Act applies to student housing in the same way. It is common for landlords to experience more wear and tear in a student let. This is potentially tricky as students often fail to attend the in-going and out-going inspections, making clear and careful recording of inventory with evidence of the state of the property critical at each inspection.

But, what about the lessor known challenges faced when letting to students?

### **No credit history**

Choosing the right tenant is a challenge when not one of your applicants have a credit record! Not many parents realise that their child can build a positive credit record even before they get their first job simply by co-signing as a tenant on their student lease agreement. In this way, every positive rental payment made by a parent is a step towards the student's independence.

The only requirement to this solution is that the estate agent or landlord share how the parent pays the rent monthly with TPN Credit Bureau, which in itself is a selling point for a parent that may be eager to help their son or daughter get a start in life armed with a positive credit profile.

### **Signing a lease at a distance**

The most popular student towns are dotted across the country, think Grahamstown, Stellenbosch or Potchefstroom. And the biggest universities found in our cities enrol students from all around the country and abroad.

The application process for a property that is thousands of kilometres away culminating in the signature of the lease can become a laborious backwards and forwards of printing,



## Check that you are entering into an agreement with a real person

scanning and signing... only to forward it on to the next party to begin the process all over again. In the end, most leases are almost unreadable.

TPN eSign is now available on all your documents in the Residential LeasePack at no extra cost, including the Student Lease Agreement. The beauty of eSign is that you can create Application Forms and Lease Agreements to be signed electronically, track who opens the application, who starts the application and who completes the application, and store your leases in one secure location. That means no more lost documents, no more illegible leases and distance is just not an issue anymore.

### Identity theft

Identity theft affects millions of people per year. The Southern African Fraud Prevention Service (SAFPS) reports that identity fraud has increased by as much as 337% in the past year.

Landlords and Estate Agents are faced with distinguishing whether an application poses a risk for identity fraud and this is no different in student lease applications. The difficulty lies in the sophistication of fraud increasing daily and criminals constantly evolving their tactics to make it virtually impossible to detect a fraudulent identity document with the naked eye.

Biometrics is commonly used by embassies and banks, but now you can screen an applicant yourself to ensure you are entering into an agreement with a real person. TPN ID Biometrics provides your applicant with an SMS to perform a liveliness test using the camera on their phone to match their selfie with official records to validate their identity through facial recognition. Find out more [here](#).

### Communal rules and mandatory vaccinations

In terms of the Unfair Practice Regulations to the Rental Housing Act:

- (1) A landlord must make house rules in relation to the control, management, administration, use and enjoyment of the dwelling.
- (2) A house rule is enforceable against a tenant only if-
  - (a) its purpose is to:
    - (i) **promote the convenience, safety, health, or welfare of the tenant in the premises and that of the neighbours;**
    - ...
    - (c) **it applies to all tenants in the premises in a fair manner**
    - ...

A landlord may therefore impose and create house rules to “*promote the convenience, safety, health or welfare of the tenant*”.

The recent directions issued by the Department of Labour regarding mandatory vaccination policies for the workplace, may be an indication of the current pandemic and what will be allowed in the ordinary course of our day to day lives. For more about this, read the TPN Update on mandatory vaccination [here](#), and our blog post [here](#).



## A lease agreement or rules cannot be amended during the lease period unless mutually agreed

Imposing mandatory rules for a property that dictates that all persons whether in a flat share, student accommodation, digs or commune, must be vaccinated might not be considered irregular, unconstitutional or unfair. This however must still be adjudicated on.

What is apparent though is that the lease agreement or communal rules *cannot be amended during the lease period*, unless the landlord and the tenant mutually agree. To implement a mandatory vaccination policy as a rule, it will have to be done at inception of the agreement, regardless of the definite contentions to its legality.

### Conclusion

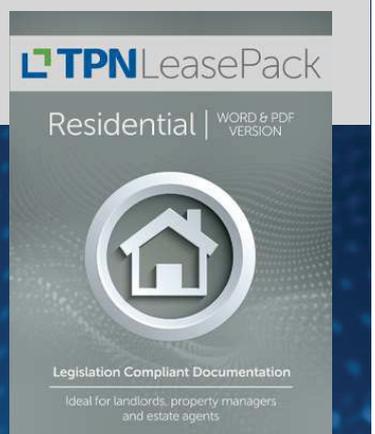
Every challenge holds the potential for adapting to a new way of working. Whether it is the need for electronic signatures, blocking identity fraud or understanding the implications of mandatory vaccinations in student housing, 2022 promises a fresh start with new possibilities for students and for their landlords.

To access TPN eSign, register or log in to the Residential LeasePack on the TPN Shop [here](#).

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Legislation compliant documentation, ideal for landlords, property managers and estate agents



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