

Considering a payment holiday for tenants? Put it in writing

By [Grant Smee](#)

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The banks have stepped up to offer landlords payment holidays during the lockdown, but will the effects be felt by tenants and what should a landlord with a struggling tenant do?



Image source: www.pexels.com

Tenants, landlords and their respective agents should work together and communicate throughout this time. Each relationship is unique, and this truly is a time for 'paying it forward'. I would encourage landlords with good tenants to come to a compromise if needs be.

How it works

Start the communication process for end April's rental payment(s) as early as now. If the tenant indicates that they are undergoing a salary cut or have been retrenched, then a clear plan of action needs to be put in place.



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Communicate and be upfront

Find out how much the tenant can pay for the time being. Try to secure a partial payment during this time for your own security and if needs be, contact your respective financial institution to instate a payment holiday. Be sure to discuss the interest rates and terms and conditions around this payment holiday with your respective lender.

Once you know how much the tenant can pay, ensure that they understand that this is a deferred payment to be settled at a later date as part of a payment plan or once-off once things have settled.

Compliance - put everything in writing

Any variation to the existing lease agreement must be clearly documented in writing for both parties. Keep track of all debt repayments via a monthly statement. Where possible, do not use the tenant's deposit to cover rental shortfalls during this period. This is strictly for any damages and to secure yourself in the long-run.



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Be compassionate

This is not an easy time for anyone, but I would strongly encourage landlords with good tenants to come to the party if necessary and if feasible. Finding good tenants is not easy - especially in this economy.

The next few months will be exciting for the residential property industry. There has never been a better time to invest. Property prices are now at their lowest and we should see a shift from businesses renting office spaces to rather working from home in future.

ABOUT THE AUTHOR

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