###### National Assembly

###### Question Number: 1121

**Mr T R Majola (DA) to ask the Minister of Transport:**

(1) With reference to her reply to question 484 on 8 March 2016, (a) what processes, (b) procedures and (c) mechanisms exist to ensure that each tenant has a legal, up-to-date and signed lease in each instance;

(2) (a) how many tenants do not have a signed lease agreement, (b) why is this the case in each specified case, (c) what is being done to change this and (d) by what date will each tenant have a lease agreement? NW1255E

**REPLY**

1. (a) PRASA CRES has four (4) Regional offices which are responsible for the management of their respective property portfolios including residential stock. Each region has dedicated Leasing Consultants that sign up tenants in line with the organisation Leasing Policy.

(b) Leasing procedure requires compliance with the following;

* Applicant completes an application form and provides the following documents:
  + Copy of identity document of an applicant
  + Copy of identity document of spouse (if married)
  + Foreign Nationals should have valid permits to reside in the RSA
  + Copy of Ante-Nuptial Contract if married by ANC
  + Copy of Divorce order & Settlement order - if divorced
  + Copy of current Utility or telephone bill
  + Copy of salary advice
  + Copies of 3 Month’s bank accounts
* Credit assessment is performed
* Affordability Test (income and expenditure analyses) performed
* Family size assessment (Right house for number of occupants)
* PRASA CRES Management final approval of application.

(c) Leasing Consultants conduct on a periodic basis a reconciliation exercise to ensure that house occupants are the tenants that have agreements with PRASA.

1. (a) A total of 193 residential occupants have no lease agreements across all four (4) regional

offices.

(b) Various reasons have been provided in table 1 below for each case per region.

(c)(d) Outstanding Lease Agreements will be concluded at different phases as provided in the

Table 1 below;

***Table 1***

| **REGION NAME** | **NUMBER OF TENANTS WITH NO LEASE AGREEMENTS** | **NAME OF THE PROPERTY** | **REASONS FOR A LEASE AGREEMENT ABSENCE** | **DATE FOR LEASE AGREEMENT CONCLUSION** |
| --- | --- | --- | --- | --- |
| **Western Cape** | **5** | 43 De Maas Road Vasco | **Illegal occupation.**  The tenant with the lease agreement is not the current occupant. | New lease agreement will be signed with the occupant by the 30th June 2016. |
| 75 Mcgregor Street Maitland | **Illegal occupation.**  The tenant with the lease agreement is not the current occupant. | New lease agreement will be signed with the occupant by the 30th June 2016. |
| 81 Nyasa Road Retreat: | **Illegal occupation.**  Illegal occupant, The tenant with the lease agreement is not the current occupant. | New lease agreement will be signed with the occupant by the 30th June 2016. |
| 11 Nyasa Road Retreat: | **Illegal occupation.**  The tenant with the lease agreement is not the current occupant. | New lease agreement will be signed with the occupant by the 30th June 2016. |
| 12 Vlottenburg Station | **Illegal occupation.**  When this house became vacant due to the previous tenant absconding, the house was illegally occupied by the current occupants. | New lease agreement will be signed with the occupant by the 30th June 2016. |
| **Gauteng South** | **173** | New Canada ( 5) | **Illegal occupation.**  Occupants refused to signed new leases with then Intersite when the assets where transferred from Transnet and they continue not to cooperate with the officials of PRASA, the cases were then taken to housing tribunal and the case is seating with PRASA legal team currently. | **Legal team to conclude the process.**  Evictions cannot take place without a court order to those tenants with files that have been handed over to legal.  The slow process of securing court orders to evict non-paying tenants’ results in premises being occupied without renewed leases especially in the case of paying tenants.  Most of the leases have a provision that in case there is no renewal of the lease, it is assumed to have been renewed on month-to-month basis. |
| Bekezela (110) | **Illegal occupation.**  An eviction order has been obtained and will be enforced soon. |
| Tshepo House (58) | **Illegal occupation.**  All cases are with lawyers |
| **KwaZulu Natal** | **14** | **Legal Matters (5)**   * House no 10 Patterson Street * House no 09 Moodie Str * House no 05, Brad Street * House no 02 Station Road * House No 10 Station Road Kelso | **Legal Matters (5)**  Tenants that are handed over to the attorneys are mainly due to them being in arrears. | The legal matters are being addressed by attorneys.  The region has engaged with the other tenants with the intention to resolve all outstanding issues and get the leases signed accordingly.  It is the intention to finalize the process and have the lease agreements signed by no later than 30th September 2016. |
| **Arrears (4)**   * House 6 Station Road, Umbongwithini * House no 03 Patterson Street * House No 01. Station Road * House no. 02 Station Road | **Areas (4)**  Tenants have not been handed over due to the fact that we try to negotiate and reach an acceptable settlement plan with the tenant prior to handing the matter over to the attorney. |
| **Query ( 5)**   * House no. 6 Old Main Rd, Park Rynie * House no. 122 Vausedale Road * House 126 Vausedale Road * House no 08 Patterson Street * Scottburgh Station | **Query ( 5)**  Tenants there is a dispute with regards to the amendments he made to the lease. The matter has been referred to Legal in order to reach a compromise and finalize the lease. The other 2 tenants have disputes in terms of the structural repairs required on their properties. It is our intention to effect the repairs in the 2016/2017 financial year |
| **Gauteng North** | **1** | * House No 39, Station House, Bloemhoff Station | The occupant of this property is an ex Transnet employee who is in occupation of the property for a very long time, the residential properties at Bloemhof Station falls within the properties which were taken over by PRASA from Transnet as part of the Legal Succession Act, when the property was taken over we found this tenant in occupation, we have signed leases with all occupants of the other houses at this station, however the occupant of House no. 39 is not co-operating to sign the lease.  Occupant has engaged with this tenant to get the agreement signed and has indicated to the tenant that should the lease not be signed in due course, we will have to give her notice. Lease Agreement is currently being negotiated with the tenant. | 30th June 2016. |