**National Assembly:**

**Question Number: 3416**

**Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

(a) What are the reasons that the rental for accommodation at train stations has been increased at train stations, (b) on what date did the rental increase and (c) what is the impact of the increased rental on the tenants and potential tenants?

**NW3905E**

**REPLY:**

1. Reasons that the rental for accommodation at train stations has been increased are:

* Tenants at all stations entered into Lease Agreements as prescribed by the Passenger Rail Agency of South Africa’s (PRASA) Leasing Policy for the use of such premises.
* The rentals paid at the station are market related and are negotiated and agreed upon with the tenant on a lease document signed by both parties.
* PRASA’s lease agreements provides for a rental escalation which occurs at the anniversary of each agreement.
* Such annual rentals escalation are market related researched and determined by the approved registered property valuers serving in the property sector.

1. Date of rental increase:

* Law of contract prescribes the lease agreement to have a start and end date to be a valid contract.
* Each contract will clearly indicate when the lease shall be due for escalation on the annual anniversary of each lease.
* Lease commencement dates will differ from lease to lease depending on when the agreed use of the property is envisaged to take place.

1. The impact of the increased rental on tenants and potential tenants are:

* Payment of increased rental based on escalation rates which is aligned to inflation and increased rates and taxes as well as electricity, the tenants will consider and adopt cost effective ways of doing business.