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Arrears Management Policy & Procedure INFO SHEET 2

We have a zero-tolerance policy to rent arrears & we require our rent arrears policy & procedure to be implemented without fear or favour.

When is Your Account in Arrears?

As clearly stated in your lease agreement, your full monthly rent, as well as any utility and/or other charges in terms of your lease agreement, need to reflect in our bank account on the 1st day of the month at the very latest - irrespective whether this is a working day or not.

If your rent, and/or any other amount due under your lease, are not received in full on the 1st day of the month, you are in arrears and in breach of your lease

Our rentals trust account is with Standard Bank - if you are with a different bank it's important to allow time inter-bank transfer delays, meaning that you probably need to make payment at least two business days prior to the date that your rent is due.

Step 1 – Courtesy Email reminder

If your account is not settled in full by the 1st of the month we will usually send you a reminder by email and/or SMS to alert you to the fact that your account is not in good standing. This reminder is not a formal notice, it is simply a courtesy reminder.

Step 2 – Lawyer’s Letter of Demand

If your account is not settled in full and ontime, the matter is handed over to our rental attorneys, [Marlon Shevelew & Associates Inc.](#) who will then issue a Letter of Demand (LOD) requiring full payment of the outstanding balance on your account, failing which the Landlord has the option to cancel your lease.

The cost of the LOD will be added to your account. Please also note that, as per your lease agreement, interest and/or penalties, may also be added to and/or charged on the outstanding amount.

Step 3 – Cancellation of the Lease

If the amount demanded in the LOD is not paid in full by the deadline specified in the LOD, we will seek instructions from the landlord to cancel your lease.

In addition to the above steps, we also retain the right to register late, part or non-payment of rent and other amounts due in terms of the lease, with TPN.

What should you do if you are unable to make full payment of your account on time?

If you know that you are not going to be able to make full payment of the amount due on your account on time, please inform us so that we can inform the landlord.

Unfortunately we are not able to prevent any of the steps above from proceeding, but if you keep us informed so that we can keep the landlord updated, the landlord may be more lenient when it comes to exercising their option to cancel your lease.

We are obliged to pursue arrears without with exceptions, fear or favour

Our contractual agreement (mandate) with our landlord clients imposes a contractual obligation on us to take the above actions, failing which we are in breach of our mandate.

The vast majority of our landlords have financial commitments with respect to their properties, e.g. bonds to pay. If they don’t meet their financial obligations there are consequences and usually additional costs and penalties payable.