

Removal of rent control hard on tenants

Sayed Iqbal Mohamed

IS a person still “protected” under the Rent Control legislation? In other words, are rent increases still limited to a 10% increase per annum and evictions restricted? Between 1978 and 1980, a large number of dwellings were phased out of rent control because of powerful campaigns by landlord’s representatives who had considerable support in the apartheid parliament. Consequently, rent control applied to dwellings built and first occupied on or before October 20, 1949.

Any tenant who occupied this category of dwelling, regardless of income, was “protected” by the provisions of the Rent Control law. As for dwellings that were phased out of rent control, a tenant also enjoyed the “protection” of the rent control legislation if she or he was in occupation at the time the dwelling was decontrolled (brought out of rent control) and his or her income was within a specific income category (amended regularly by Government Gazette).

A “protected” tenant enjoyed the same “benefits” under the Rent Control Act as a tenant living in a rent-control building. The income of a “protected” tenant, however, was not taken into account in determining the rent increase of rent-controlled dwellings. In reality, a pensioner ended up paying a rental similar to that paid by a millionaire occupying a similar dwelling in the same building. The Rental Housing Act, 50 of 1999, provided a “cooling off” period of three years for tenants who were living in rent-controlled dwellings.

On July 31 2003, rent control ceased to exist and landlords were allowed to hike rentals without restriction and were no longer required to apply to a statutory body for an increase (the defunct Rent Boards). This has been a great relief to landlords, but has also created crises in the lives of pensioners and poor tenants. Rent control laws started after World War 1 in most countries and were amended, abolished and reintroduced over the past 80 years.

Since the abolition of rent control in South Africa in July 2003, more tenants in the Western Cape than in other provinces have registered their dissatisfaction and anxiety at the massive rent hikes. The KZN Rental Housing Tribunal had a few cases of complaints about enormous increases in one leap-but generally granted such increases. This has left pensioners, single parents and poor tenants in a tight spot.

The response of the provincial Rental Housing Tribunals to complaints of exorbitant rent increases of formerly rent-controlled dwellings, the “struggle” by aggrieved tenants and the responses by stakeholders, will direct the future of tenant-landlord relationships in this regard. For now, Tribunals are asked to adjudicate a rental that is just and equitable to both parties, but market-related; an arduous and challenging task to balance the interests of competing parties within a burgeoning rental market, undersupply of rental dwellings and growing unemployment and homelessness.