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LEGAL REMEDIES FOR SHARE BLOCKS

Sayed Iqbal Mohamed

USE agreement of a share block is an important document between the shareholders of a company that gives a shareholder permission for the use and enjoyment of a unit (dwelling / flat).

The person who is in possession of the use agreement may rent out the unit.

The parties, as landlord / landlady and tenant enter into a contract, either verbally or in writing.

The tenant, even though acquainted with the use agreement and the Articles of Association of the company, is responsible to the landlord.

The lease agreement imposes rights, duties and responsibilities that may include the house rules of the share block.

Should the tenant violate the house rules or commit a nuisance, it is the landlord who has to ensure that his or her tenant adheres to the agreement and the house rules.

The house rules must be attached to a written agreement or a copy must be given to the tenant in the case of a verbal agreement.

This is the requirement stipulated in the Rental Housing Act 50 of 1999.

The body corporate must place the landlord on terms, who in turn, should

give the tenant an opportunity to remedy any breach. If the tenant fails to remedy the breach, the landlord can then proceed with cancellation of the agreement.

If the use agreement limits the occupants to three, but the landlord fails to stipulate this in the lease agreement, the landlord does not have an action against the tenant who occupied the unit with four other persons.

The share block company can take action against the landlord, but not the tenant.

Sayed Iqbal Mohamed
Chairperson, Organisation of Civic Rights
Member of the KwaZulu Natal Rental Housing Tribunal
www.ocr.org.za