

Beware the rules when Airbnb-ing sectional title property

While sectional title rentals are quite common, Paul French, commercial director for Coastal Property Management Services, says that there is a notable difference between long-term residential rentals and short-term holiday lets. In the case of long-term rentals, it is easy to integrate the tenants into the complex and its rules including security and access.



© goodluz – [123RF.com](https://www.123RF.com)

When it comes to Airbnb, the tenants tend to stay for a day to about two weeks on average, although stays can range up to six months. This, means plenty of disruption, especially given that people in sectional title schemes tend to live in close proximity and there is also the security of people coming and going that is often a concern for residents and property owners.

Although short-term letting is not defined as such in the governing sectional title legislation (Sectional Titles Act 95 of 1986 and Sectional Titles Schemes Management Act 8 of 2011), there are guidelines for rentals or ‘occupiers’ that property owners have to adhere to. This includes notifying the body corporate when a unit is rented out and attaching the conduct rules of the scheme to the lease agreement, thus making the new occupier aware of the relevant rules and regulations.

Short-term rentals rules

When it comes to short-term rentals, it becomes more challenging to manage occupiers and many schemes are beginning to put specific rules in place, says French. This is understandable, given the associated risks, from the constant coming and going of people to aspects such as noise, visitors and parking and security access which is generally quite guarded.

Many complexes close to the Cape Town Convention Centre and CBD, the sports stadia, V&A Waterfront and popular Atlantic Seaboard beaches make for excellent rental options for holidaymakers and business visitors. Property owners, says French, should therefore not be deprived of the opportunity to earn excellent rental returns on their property investment.

At the same time though, he says, property owners need to ensure that the renting out of their unit (or units as is sometimes the case), does not cause issues that may compel the scheme to restrict short-term rentals. He believes that this is another example of where a managing agent as a rental agent can make a notable difference in managing short-term rentals for seamless integration and adherence to the rules and as little disruption as possible.

For more, visit: <https://www.bizcommunity.com>