

Corporate rentals attractive to landlords

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Corporate rentals offer an attractive value proposition for businesses looking to accommodate their staff, and good returns for property owners too.

With hotel and B&B prices ever on the rise, increasingly companies are turning to corporate rentals as an affordable way of accommodating their staff on business trips for short and longer-term stays.

Besides being more cost-effective, corporate rentals allow families and partners to visit (or live with) the travelling spouse, and allow its residents to lead a more normal life than they would staying in a hotel.

Rentals to boost ROI

For investors looking for a good return on investment (ROI) on properties in their portfolios, it's worth serious consideration. The demand is massive, according to Michela Soukop, Soukop Property Group. "During the year we have a constant trickle of corporate rental enquiries, but the relocation season really begins in October and continues to February, during which time we have a huge influx of locals and foreigners. In many parts of the country, demand is so high that rental agencies can't find enough stock to offer clients. In some parts, normal tenants are required to move out during the season when landlords virtually double their monthly rentals."

Six months or more

While most corporates take out six to 12-month leases, many local companies sign longer leases on two or three-bed apartments simply so that their staff always have somewhere to stay. Although the initial outlay of furnishing a home for corporate rental may be sizeable, it is worth doing it properly, says Soukop. "Corporates do tend to prefer security estates, but there is plenty of demand for flats, apartments and houses closer to the city centres."

For those considering putting a property on the corporate market, it is advisable to go through an agency, as they generally have numerous clients on their books, and are able to meet the BEE and other requirements stipulated by many corporates.

Tips for marketing your corporate rental

- Most successful corporate rentals are fully furnished with up-market, modern or classically neutral decor.
- Offer a fully equipped kitchen
- Supply quality linen, although for leases of more than six months, companies often give their employees a linen budget.
- DStv, ADSL, Wi-Fi, electricity and water should be calculated into the price.
- The earnings of cleaners and garden staff should be calculated into the price.
- Security and off-road parking are a must.
- Corporates tend to prefer centrally situated homes that are close to amenities.
- They tend to prefer homes in gated estates or secure complexes, especially those with additional sporting and recreational facilities.
- Generally they sign for a period of six to 12 months, and then renew every six months.
- Use the services of a professional cleaning company to strip and clean a home before and after a corporate rental.

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