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## **PRESS RELEASE**

### **LHDA STANDARDISES RENTAL RATES FOR ITS LEASED PROPERTY**

The Lesotho Highlands Development Authority (LHDA) has completed a review of rental rates for its leased property. The purpose of the review was to standardize the rental rates across the three LHDA villages, namely Likileng (Botha-Bothe), Katse and Mohale. When fully functional, the revised rental structure will ensure, *inter alia*, that:

- a) Every tenant has a valid lease agreement;
- b) There is parity/equity in rented rates for similar houses and other facilities such as commercial buildings; and
- c) There are regularized service agreements for customers who receive only certain utility services such as water and electricity.

Extensive consultations with all the affected parties in the three LHDA villages were held from as far back as the beginning of 2008. Final consultations on the imminent new rental structure commenced in January 2009 and continued until April. LHDA used all resources at its disposal to ensure the highest level of inclusiveness, participation, and transparency in the consultative process.

It is worth noting that the new rental structure has actually yielded positive results for the tenants, as it has culminated in a net decrease in residential rates. For instance, a one-bedroom house initially attracting a monthly rental fee of M585.64 would have gone up to M644.20 after effecting the annual contractual escalation. However, with the present arrangement, the rate has been standardized at M640.00.

The above information notwithstanding, LHDA has received correspondence from some of the Katse Village tenants, voicing their concerns about certain items contained in the new structure. The concerns include the alleged short implementation notice and the perceived hefty lump sum security deposit.

Informed by its open-door policy, LHDA has since resolved to treat each case according to its own merit. LHDA therefore, grabs this opportunity to extend invitation to any concerned tenant to come forward for negotiations on how best to implement the new rental structure for the mutual benefit of both parties.