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# Introduction

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- Property Management by Investors for Investors
  - In depth understanding of the Property Management process
  - Identify with short comings of existing Rental Agents
- Combines traditional Rental Agent Services with the value added products and services
- Cost – 12.5% of monthly rental



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## Our Focus

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- We focus on 2 key elements of Property Management:
  - Investor Risk management
  - Maintaining of High Standards in rental management



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# Investor Risk management

- Vacancy Risk – we pride ourselves on effective marketing and will excel at placing a suitable tenant in the shortest possible timeframe.
- Legal Risk – Rental interdicts and evictions take time and cost money. Rent-Smart instigates the legal process at no cost to the investor or the Rent-Smart Regional office.
- Expense Risk – Pre-paid Electricity meters installed manage electricity usage and payment - at no cost to the Landlord
- Credit Risk – Statistically 30% of all tenants nationally are defaulters. We aim to counter act this risk by ensuring **stringent credit checking standards** and having a **Rental Guarantee** in place. The Landlord receives the monthly rental on the 1st of the month irrespective of whether the tenant pays.



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# High Standards in Property Management

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- Implementation of Property Management Processes and Training
- Provision of a robust, dynamic online web-base Property Management system to support the Property Management Process
- Ongoing auditing of the application of processes



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# Rent-Smart Offering

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- Traditional Property Management services enhanced to:
  - Manage Investor risk
  - Provide a complete end to end Property Management solution
- Debit order collection system
- Landlord Property Expense management paid and recovered
  - Rates and Taxes / Levies
  - Maintenance
  - Electricity, Water, etc.
- Tenant default risk management
  - 3 month rental guarantee
  - Legal process to evict at no additional cost to Landlord
- Superior web based Property Management systems:
  - Property Portfolio accounting
  - Property Status reporting



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# Rent-Smart Solution

- In addition to typical services the RS solution offers the following value added services and features:
  - Shift the credit and legal risk burden
    - Active and focused management of
      - Debtors
      - Lawyers
    - Insure against the impact of risk materialising
  - Enforce quality standards
    - Enforce strict screening and acceptance policies
    - Robust automated management systems
    - Alignment of interests
  - Robust Systems drive stringent Property Management processes



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# Rent-Smart Loyalty Card

- **Tenant**
  - **Pre-approved Rent-Smart tenant profile**
  - **Loyalty card value added benefits**
- **Landlord**
  - **Once off sign-up procedure to become a Rent-Smart landlord**
  - **Loyalty card value added benefits**



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# Product Features and Benefits

- Rental guarantee is underwritten by Hollard Insurance **which guarantees that rentals will be paid timeously**
- Rental guarantee to protect landlords/property investors rental income **which means that strict enforcement of vetting criteria mitigates against risky tenants**
- Covers all legal, rental recovery and costs in the event of a tenant eviction **which means no unexpected and unquantified legal costs**
- Tenant insurance **protects tenant against unforeseen catastrophe and provides landlord with dual protection**





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# Product Features and Benefits

- **Rent-Smart:**
  - Pays the rental for a maximum of 3 months or until the property is re-let (whichever the lesser) **which means a stable rental income stream**
  - Offers a complete end-to-end letting solution for rental collection **which means that contracts are enforceable**
  - Property Portfolio Management tools online **which enables Investors to have control over their investment and associated risks**
  - Install **Pre-paid electricity** meters to manage expense risk and minimise admin burden



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# Benefits to Property Investor

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- **Removing the uncertainties**
  - Reduce risk & hassle factor
- **Securitisation of rental revenue**
  - Stable cash-flow
  - Capped and predictable costs
- **Increased value of investment**
  - Lower cost base = Improved yield
- **Improved risk profile for capital financing**
  - Buy-to-let mortgage products
- Improved Cashflow
  - Rental paid over on 1<sup>st</sup> month
- Full end to end Property Management solution from tenant placement to accounting

**Enhancing the value proposition of residential property investment**



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**USP**

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**Rent-Smart** brings certainty and security to the revenue associated with residential property investment

“For market related Rental Commission; we **guarantee** that your rent will be paid by the first of the month. Plus offering additional value added **Property Management** and **Accounting** services”



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# Marketing Strategy

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- We believe that the most effective form of Marketing is direct to the target market
- There are a number of contact points in the process of an Investor purchasing a investment property
  - Investor Group
  - Developer
  - Estate Agent
  - **Bond Originator**
  - Attorney
  - Bank
- We aim to utilise these contact points to successfully market our services



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# Marketing Partnership Proposal

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Market Rent-Smart solution as follows:

- Email:
  - Rent-Smart Launch email
  - Regular Rent-Smart update email
  - Property Management link on all your email communications to investors
- Introduce Rent-Smart to all new investors when applicable



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# Marketing Partnership Proposal (cont.)

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- When appointed at preferred Bond Originator on:
  - Existing developments
    - Email introducing Rent-Smart
  - New Developments
    - Rent-Smart to be recommended as Property Management Service Provider
- Website
  - Associate or preferred supplier for Property Management
  - Exchange of website links



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# Why Partner with us?

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- **Partnering with us will offer your Investors**
  - **Added security of a Property Management Company that has rigorous processes that ensure quality Property Management**
  - **Effective Management of Risk**
    - **Vacancy**
    - **Credit**
    - **Legal**
  - **Therefore will encourage additional Investor investment**
- **Reciprocal marketing via:**
  - **Newsletter – exposure in our regular newsletter to our Investors database**
  - **Website exposure**
- **Financial Incentive**



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## Financial Incentive

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- Upfront Referral fee of R500 per property for every successful Investor referral
- A successful referral is defined as the take-on of the Investors property(s) i.e. Lease concluded
- Paid over via EFT transfer on the 1<sup>st</sup> of the month following letting by Rent-Smart
- Transparency - On-line access ensures transparency
  - Add your referred Landlords
  - Track the status of landlords introduced



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## Contact Details

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