

PAYPROP DEPOSIT **GUARANTEE**

Underwritten by RMB Structured Insurance Limited



An authorised financial services provider – FSP 43441

FAFFA KNOETZE
CEO - PAYPROP CAPITAL



An authorised financial services provider – FSP 43441

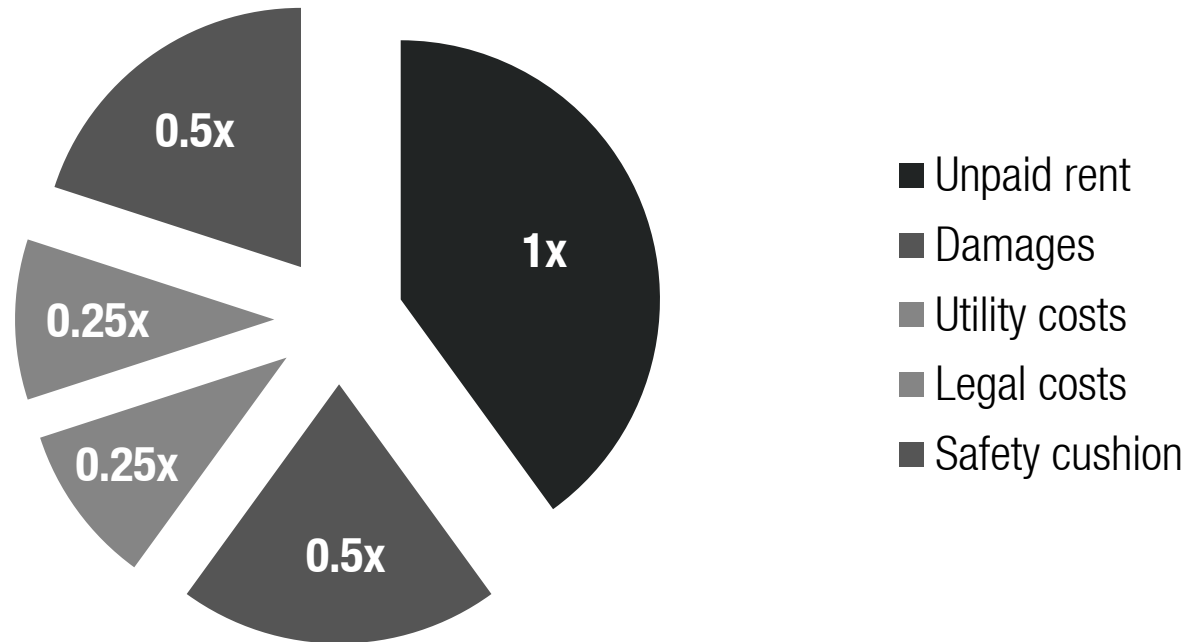
DAMAGE DEPOSIT Q&A

WHAT LEVEL OF DEPOSIT PROVIDES
ADEQUATE COVER FOR THE LANDLORD?

- 1.5 Times?
- 2 Times?
- More than 2 Times?

DAMAGE DEPOSIT Q&A

WHAT IS COVERED BY THE DEPOSIT?



2.5 times for **peace of mind**

DAMAGE DEPOSIT Q&A

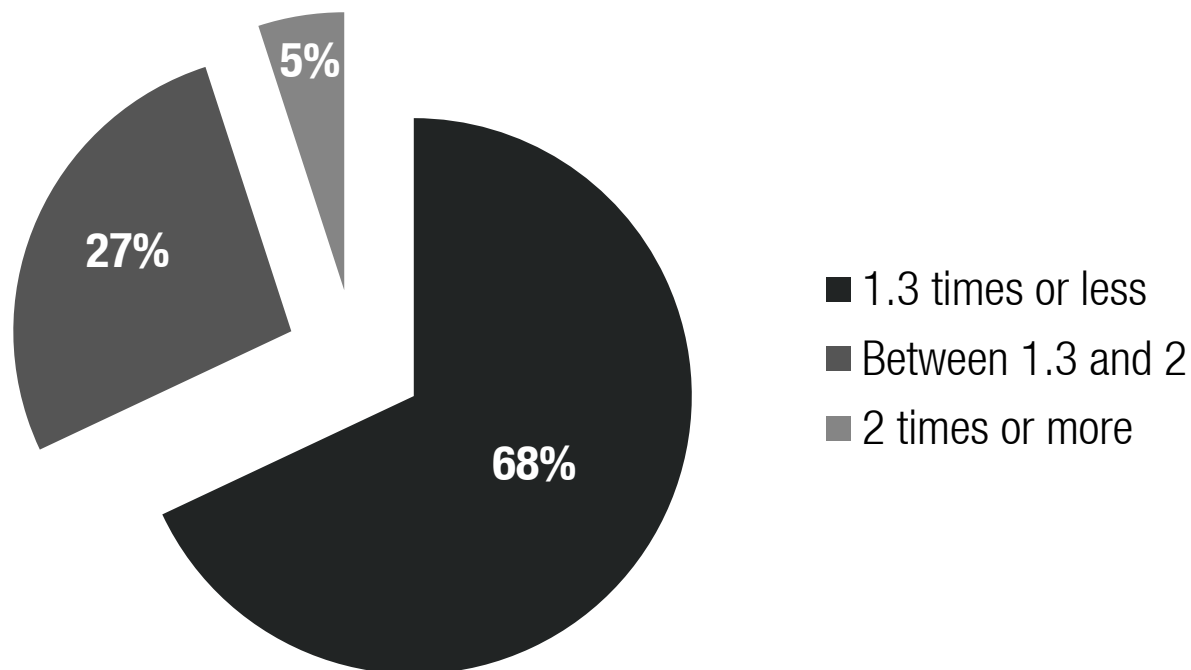
WHAT LEVEL OF DEPOSIT IS **AFFORDABLE** FOR THE TENANT?

- Zero?
- As little as possible?

Rather than locking money into a deposit
tenants prefer to pay obligations as and when they fall due

DAMAGE DEPOSIT STATS

SPREAD OF TENANTS PER DEPOSIT SIZE CATEGORY

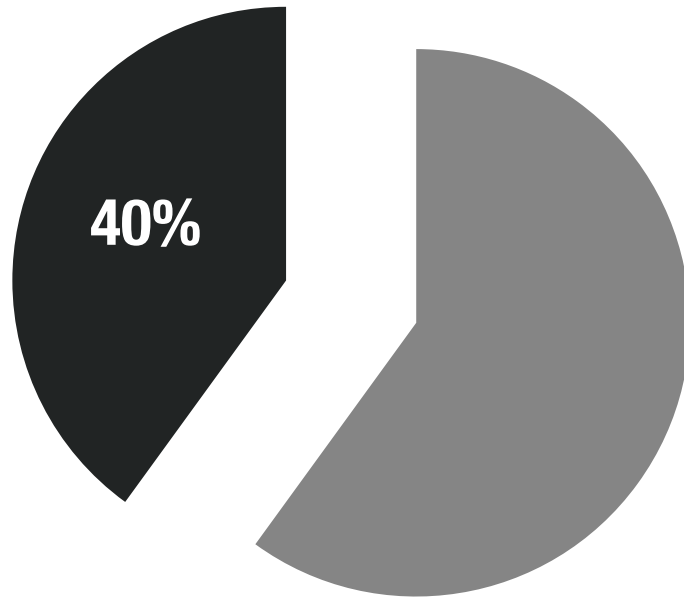


Average is **1.3 times**

* Source – PayProp

DAMAGE DEPOSIT STATS

40% OF TENANTS RECEIVED **NO MONEY** BACK

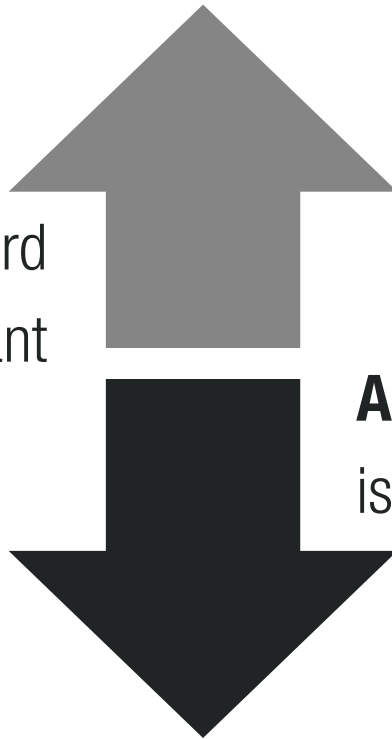


Many deposits are inadequate – many **landlords lose out**

* Source – PayProp

THE DAMAGE DEPOSIT CATCH-22

Adequate cover for landlord
is **unaffordable** for tenant



Affordable for tenant
is **inadequate** cover for landlord

PAYPROP HAS THE SOLUTION

Comprehensive
cover for landlord



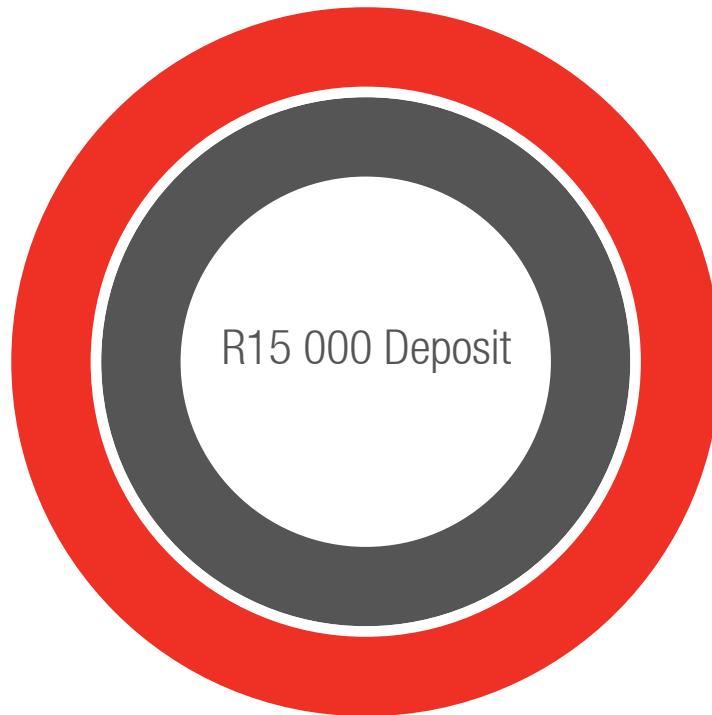
Affordable
for tenant

PAYPROP DEPOSIT GUARANTEE



COMPARISON OF POLICY & DEPOSIT

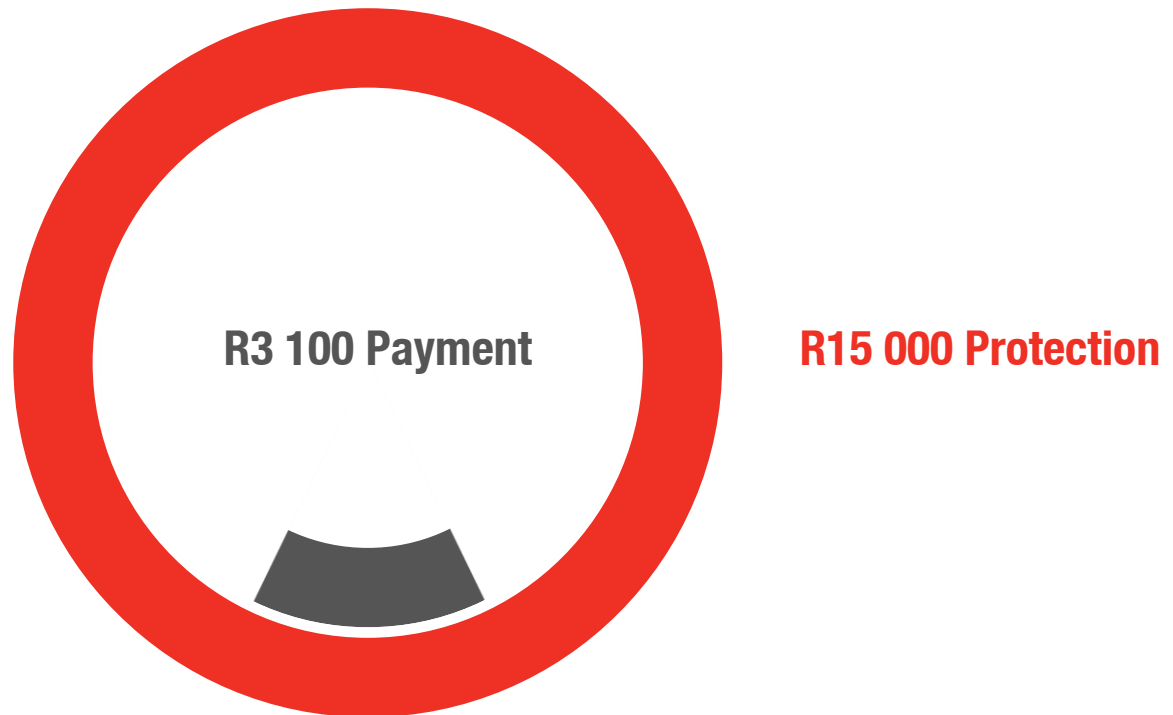
WEAKNESS OF THE DAMAGE DEPOSIT



R15 000 Protection

COMPARISON OF POLICY & DEPOSIT

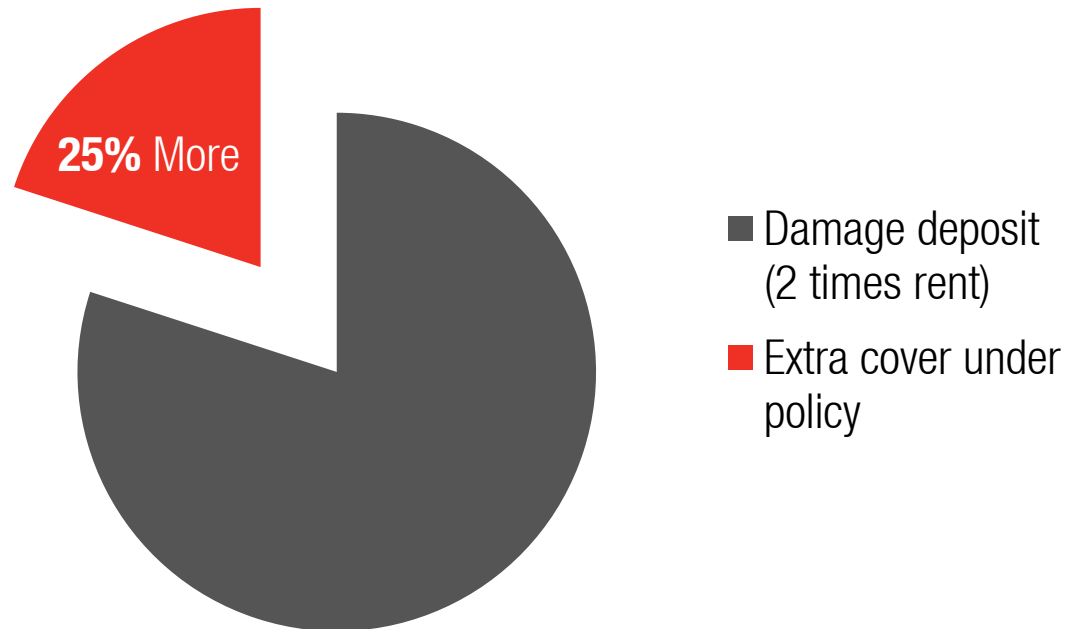
BEAUTY OF DEPOSIT **GUARANTEE**



Based on a 12 month rental of R6 000 p.m.

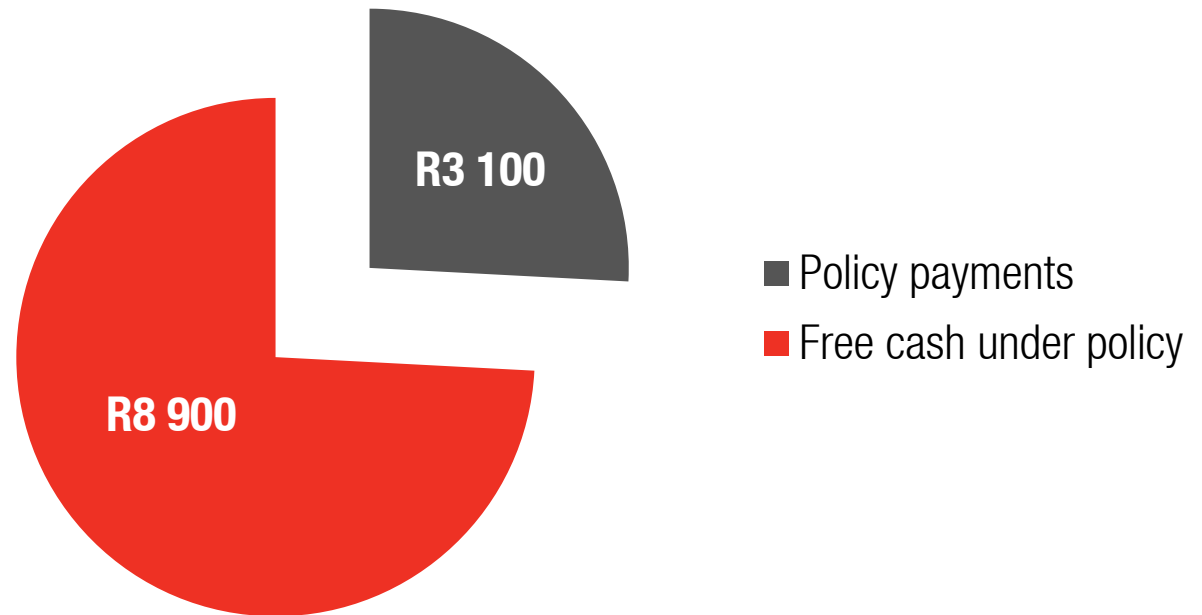
COMPARISON OF POLICY & DEPOSIT

PROTECTION FOR LANDLORDS



COMPARISON OF POLICY & DEPOSIT

AFFORDABILITY FOR TENANT

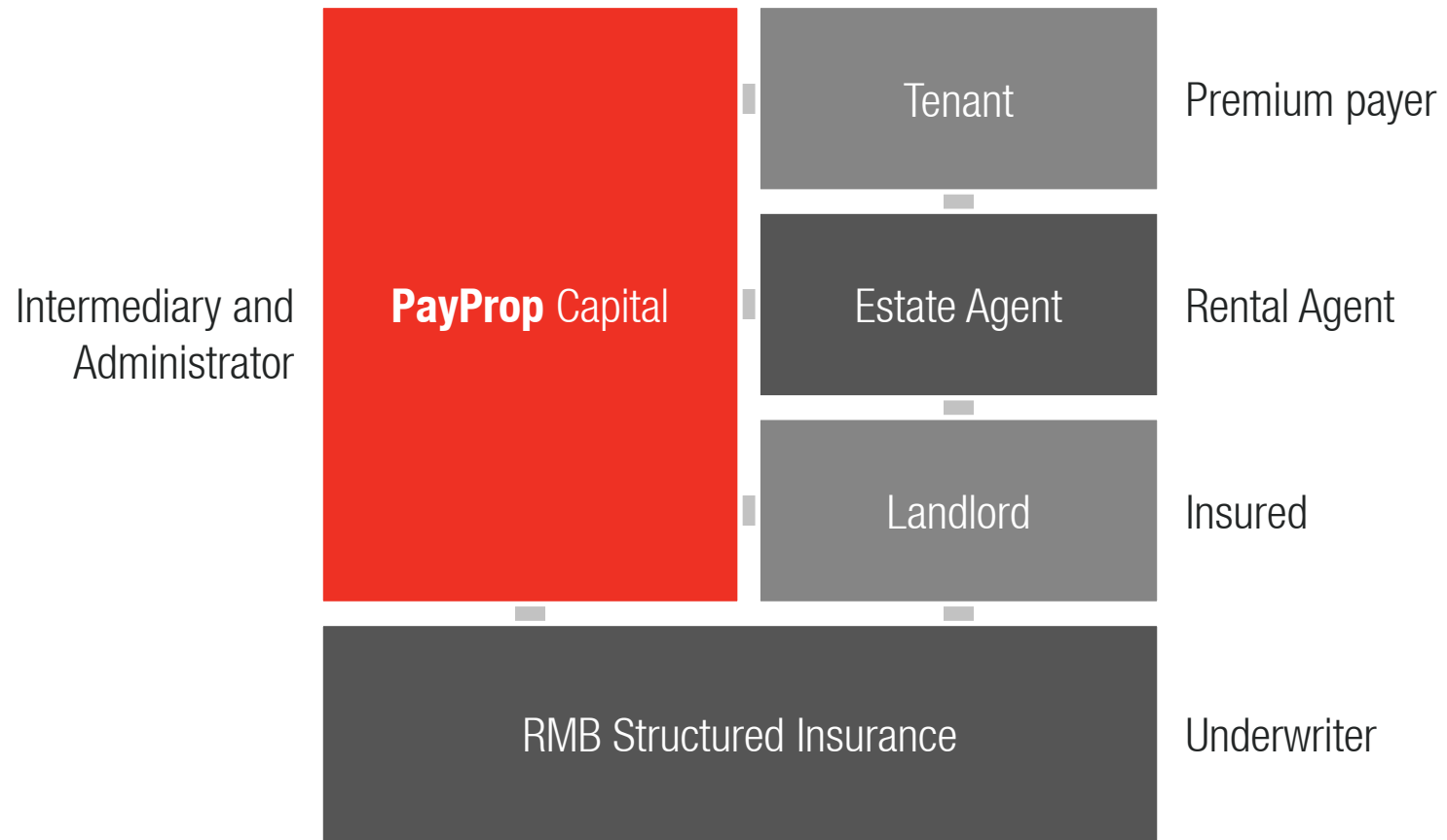


Based on a 12 month rental of R6 000 p.m. and compared to a deposit of 2 x rent (R12 000)

VALUE OF THE POLICY

- **Landlords** have **comprehensive cover** at no additional cost
- **Tenants** have more **affordable payments**

IMPORTANT PARTIES

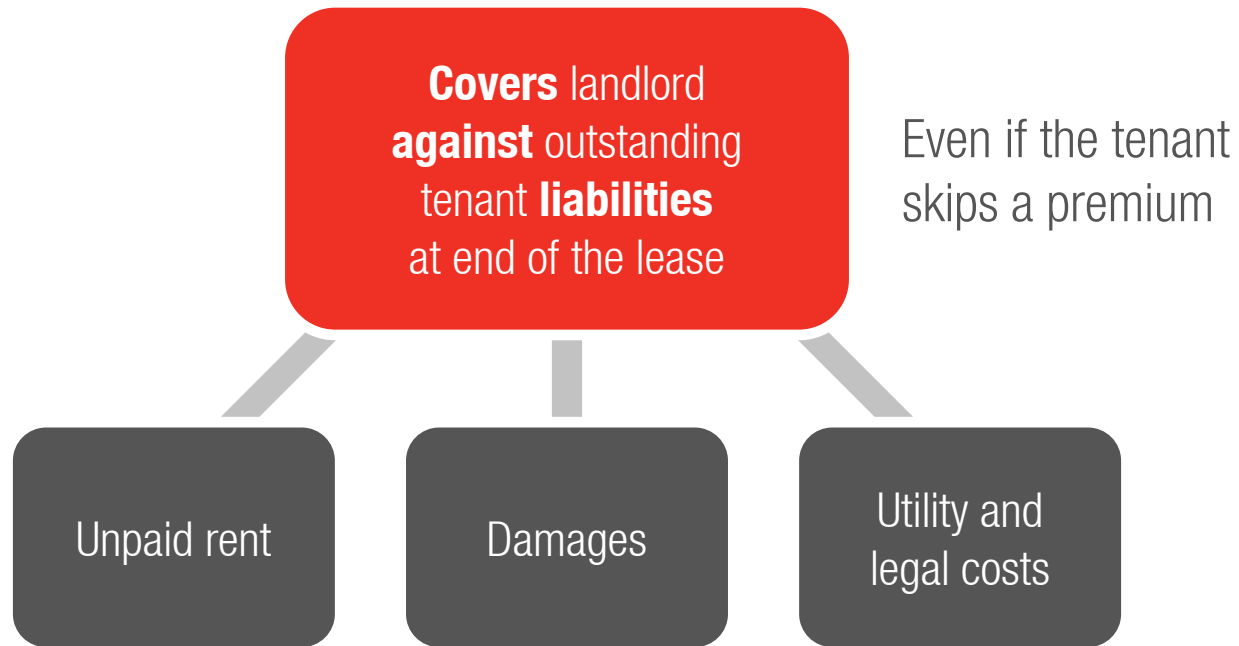


ROBUST LEGAL STRUCTURE



KEY FEATURES OF THE POLICY

THE LANDLORD IS INSURED



Limit of 2.5 times rent or R50 000. 1 time for unpaid rent.

KEY FEATURES OF THE POLICY

THE TENANT PAYS THE LANDLORD'S PREMIUMS

Admin fee = R175

Initial Premium = 35%*
of rent

Monthly Premium = 1,25%*
of rent

PAYMENT COMPONENTS

Cash bonus = 40% of
premiums (excl. VAT)

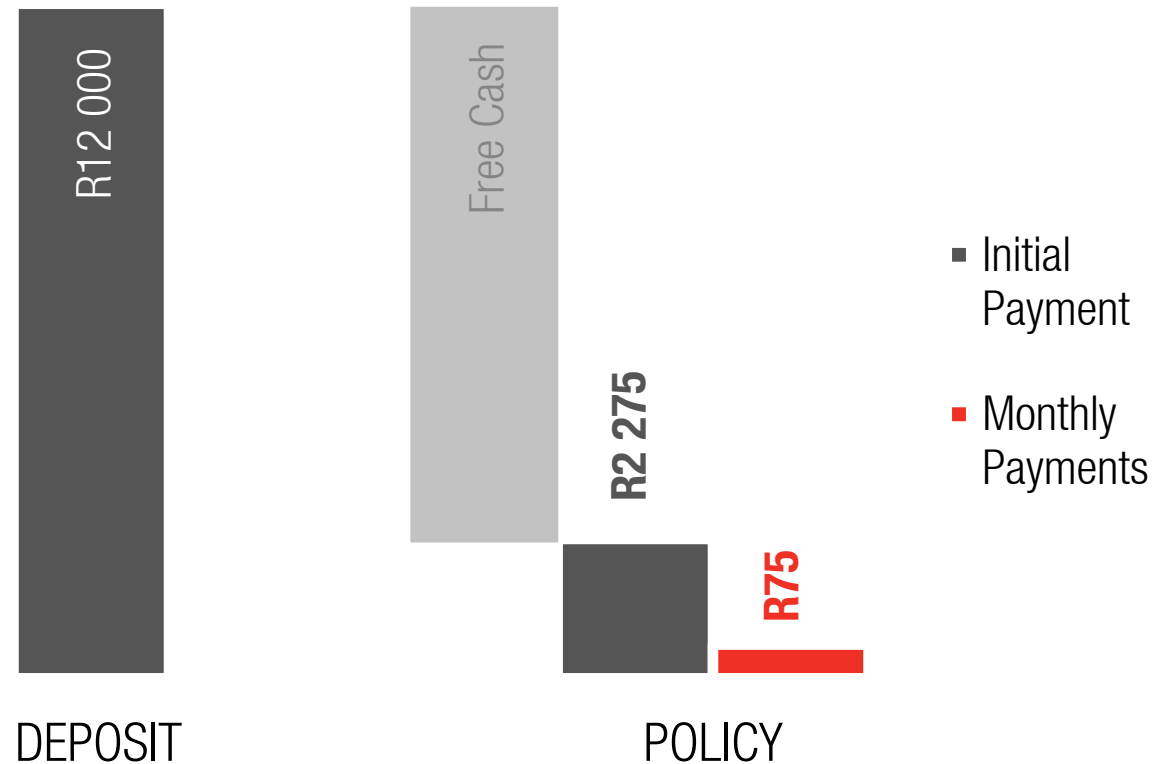
Good tenant certificate

TENANT CAN EARN

* Subject to minimum and maximum Rand amounts

CASH FLOW BENEFIT FOR TENANT

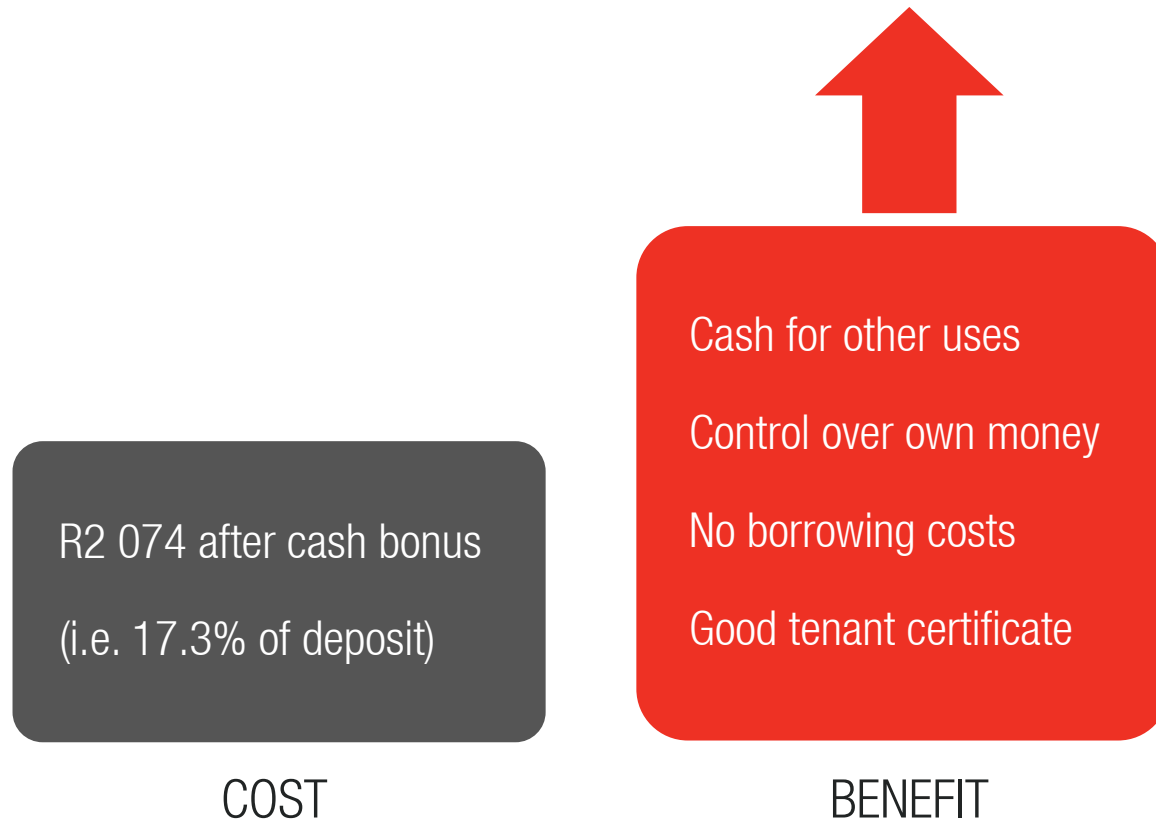
CASH FLOW BENEFIT IS CLEAR AND SUBSTANTIAL



Based on a rental of R6 000 p.m. and a deposit of 2 x rent (R12 000)

VALUE FOR THE GOOD TENANT

THE CASH FLOW AND OTHER BENEFITS OUTWEIGH THE COST



Based on a one-year rental of R6 000 p.m. and a deposit of 2 x rent (R12 000)

VALUE FOR THE LANDLORD

THE POLICY IS A GAMEBREAKER

- It **solves** the tenant's **affordability issues**
- Landlords can **insist on comprehensive cover**
- **No reason to settle for less** than 2.5 times cover

VALUE FOR PAYPROP'S PARTNERS

WE VALUE AND APPRECIATE ESTATE AGENTS USING PAYPROP

- Exclusivity
- Opportunities to:
 - **Add value** to existing **clients**
 - Attract **new clients**
 - Have **happier clients**
- Extra revenue
 - **R155 per property** with the policy

OTHER POINTS OF INTEREST

- Tenant must be **a natural person** (require SA ID)
- Landlord can be a juristic person too
- Monthly premiums continue upon **renewal of lease** (only one initial premium)
- Premium and cover are linked to increases in rent

CLAIMS PROCESS



The Trigger: Inspection report on PayProp

- Tenant consent



Cash bonus

- If tenant settles outstanding amount within 14 days from end of lease



Claim pay-out

- If amount remains outstanding after 14 days, the insurer pays and
- starts recovery against tenant

SIGN-ON PROCESS

THREE SIMPLE STEPS

Agent introduces policy option to landlord

- Discuss and hand-out product information to landlord
- Landlord authorises agent to offer deposit and policy option



Agent discusses both options with tenant

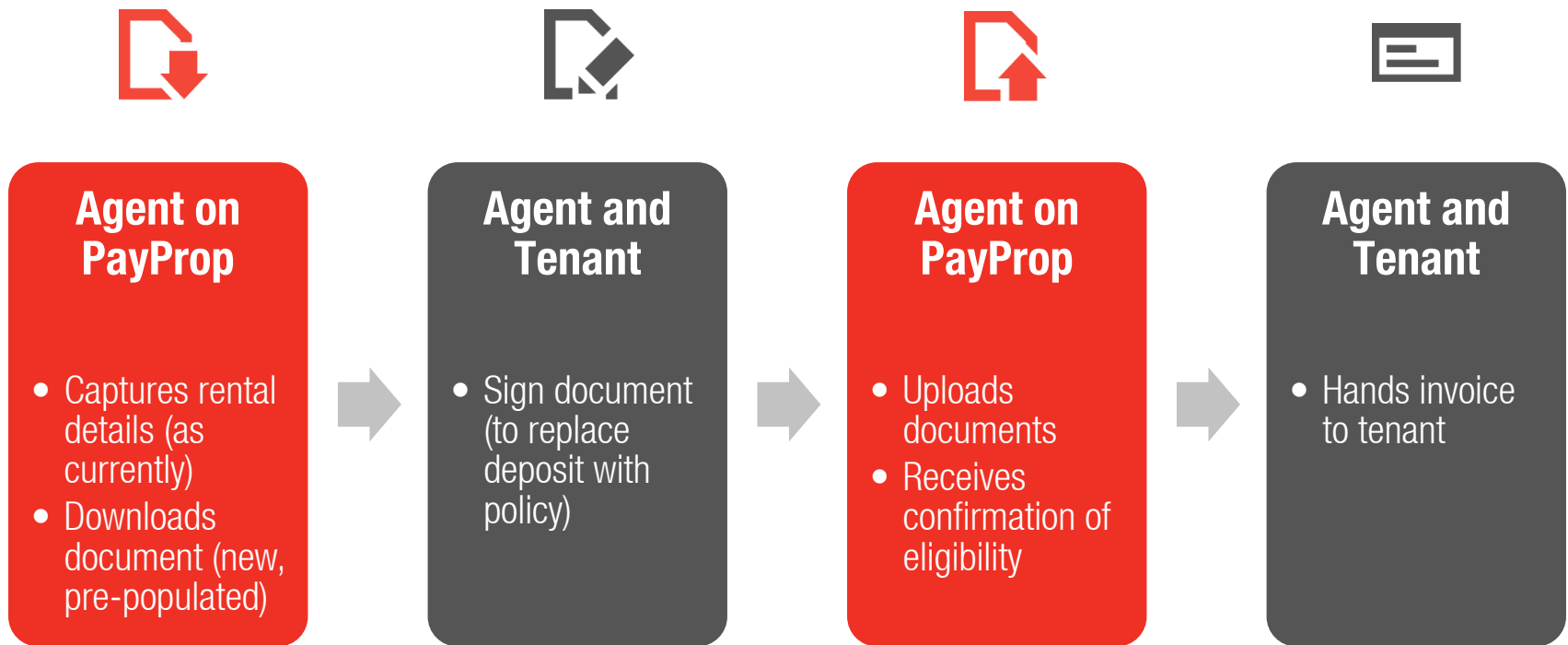
- Discuss and hand-out product information to tenant
- Tenant chooses the policy option



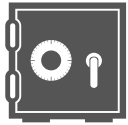
Putting the deal together

SIGN-ON PROCESS

STEP THREE: PUTTING THE DEAL TOGETHER



THE BENEFITS



Landlord

- Comprehensive cover at no extra cost
- Peace of mind



Tenant

- More affordable than deposit
- Free-up cash for other uses
- Rewards for good tenants



Agents using PayProp

- Exclusivity
- Value-add to clients
- Increased income

QUESTIONS



THANK YOU

WWW.PAYPROPCAPITAL.COM

SUPPORT@PAYPROPCAPITAL.COM

087 820 7368



An authorised financial services provider – FSP 43441

PAYPROP DEPOSIT **GUARANTEE**

Underwritten by RMB Structured Insurance Limited



An authorised financial services provider – FSP 43441