

Jawitz, oobainsure launch Rent Protector

Jawitz Properties, together with oobainsure (the insurance arm of the bond originator, ooba), have launched Rent Protector, a product that aims to solve the problem of tenants having to produce a sizeable deposit to secure a property.



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“The product requires that tenants need not put down a deposit, and instead works as a rental insurance policy covering missed payments, legal expenses and offering a host of other benefits, making this a tangible and financially, beneficial product for both tenants and landlords,” says Natalie Muller, regional head of rentals for Jawitz Properties in the Western Cape. “And we offer it to all our landlords nationally, as well as to tenants looking for alternatives to high deposits.”

Reduced financial risk

To illustrate, imagine a property for rent for R10,000 per month. Ordinarily a tenant would be required to pay R15,000 deposit at least, as well as the first month's rent – R25,000 – a sizeable sum to any pocket in these economically tough times. Instead, the tenant will pay R11,000 per month, which covers the insurance side of this product and negates the need for a deposit.

“That extra R1000 per month protects the landlord from late payments or defaulting tenants. The landlord can claim up to three months' worth of rent should a tenant miss payments or abscond, and oobainsure tends to the eviction process and covers up to R50,000 towards legal fees. Extra cover includes unpaid utility accounts and damages that occur during tenancy. The product is fully compliant with the Consumer Protection Act and is available to all tenants who pass the vetting process,” says Alex Bartels, national sales manager for oobainsure. “This zero-deposit option for tenants who do not always have the ability to pay one or two months' rent upfront to secure a lease, results in reduced financial risk for all parties involved.”

“It also allows tenants to move up on the affordability scale. Not having to pay a deposit upfront can stand their cashflow in good stead and allow them to look for a better or more expensive property because they can afford the rental. Often because of the deposit, tenants have to apply for cheaper housing from an affordability perspective,” Muller adds.

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