

WEBINAR

NEW BUSINESS PROSPECTING

Demonstrating the VALUE of your Service/s to Prospective Landlords

This Webinar will cover...

- Focussing on Benefits to Prospective Landlords
- How Landlords Benefit from Your FICA Obligations
- The Benefits of Using a Registered Rental Professional with an FFC
- YOU vs Your Competition

Date : Friday, 14 August 2020

Time : 10am – 11am

Location : Online via Zoom

1 CPD Point (non-verifiable)

presented by **ShaunLuyt**

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NEW BUSINESS PROSPECTING

Demonstrating the VALUE of your Service/s to Prospective Landlords

presented by **ShaunLuyt**

Your Partner in the "Business" of Residential Property Rentals

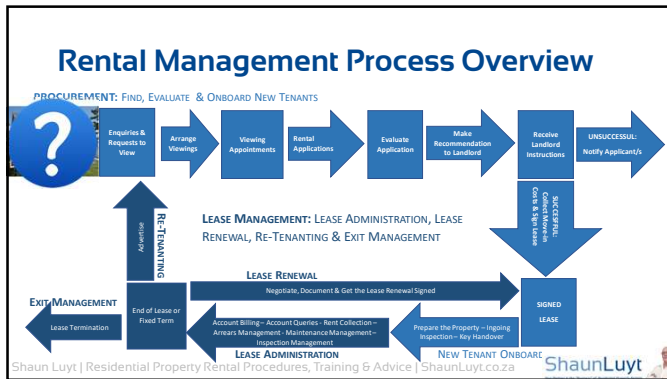
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New Business Prospecting

Rental Management Overview

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New Business Prospecting

Why is Prospecting So Important

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The Goal of Prospecting

- To make a consistent / good income from property rentals
 - You need to consistently tenant or re-tenant properties
 - Ensure that your property portfolio remains constant or grows
- Despite doing everything right, you WILL lose Landlords & properties
 - Properties get sold
 - Property Owners move back into their properties
 - etc.

GOAL

Goal:

- Sign up new Landlord and / or rental properties

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The Prospecting Process

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The Prospecting Process



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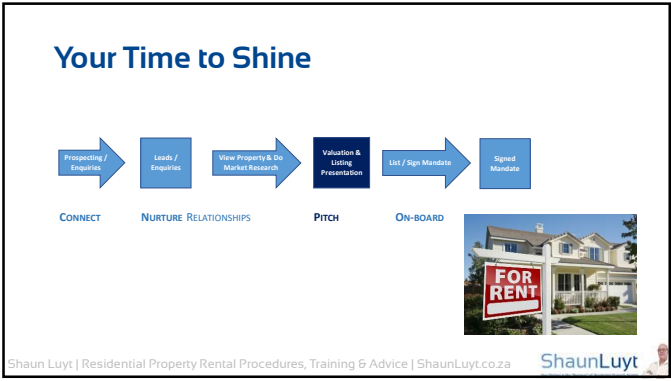
The Goal of Prospecting

- **Connect** with as many 'Landlords' (multi-property owners) as possible
 - Find them, or
 - Enable them to find YOU
- **Create** relationship/s with Property Owner/s / Landlord/s
- Develop & **nurture** these 'potential future business' relationships
- Demonstrate knowledge & skills & build **trust**
- Make sure they think of YOU when they want / need to rent their property out – **Top of Mind Awareness**

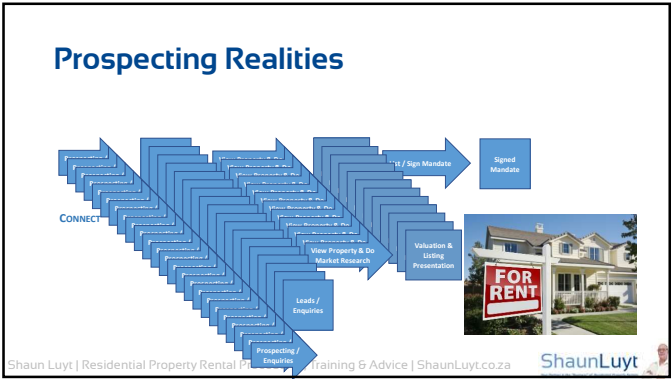
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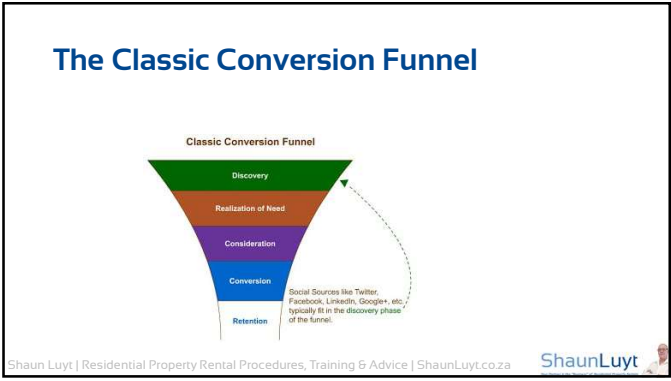
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New Business Prospecting

Showcasing VALUE & Benefits

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Showcasing Value & Benefits

PROSPECTING: FIND, DEVELOP RELATIONSHIPS, PITCH & ONBOARD NEW LANDLORDS &/OR PROPERTIES

Prospecting / Enquiries

Leads / Enquiries

View Property & Do Market Research

Valuation & Listing Presentation

List / Sign Mandate

Signed Mandate

CONNECT

NURTURE RELATIONSHIPS

PITCH

ON-BOARD



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Prospecting Ideas & Tools

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Finding/Identifying Prospects



FIND

Make sure as many people as possible know what you do

- Friends & family
- Previous business contacts
- Everyone you meet
- Real Estate Sales Agents

Some Tools

- Social media
- Flyers
- Phone calls
- Business Networking Groups
- Private landlord 'For Rent' advertisements
- Properties that have been on the market 'For Rent' for a long time
- Free Rental Appraisals for properties for sale
- Name badge

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Developing Relationships



DEVELOP RELATIONSHIPS



Become a person

- Face-to-face meetings
- Phone calls

Top of Mind Awareness

- Regular contact
- Share useful information
- Show your expertise

Some Tools

- Email mailing list
- Regular newsletter with interesting information
- Social media posts with interesting information
- Blog articles

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Rental Appraisal & Listing Presentation



PITCH

Prepare

- Prepare a 'Listing Presentation'

Practice

- Know what information is in your presentation
- Be prepared to overcome objections
- Be totally comfortable with the content of your presentation

Some Tools

- Prepared listing presentation
- Stories of success
- Stories that show your expertise
- Listing Kit – examples of reports, etc.

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Explaining & Signing the Mandate



ON-BOARD



Prepare

- KNOW your mandate

Practice

- Explaining your mandate to new Landlord clients

Tools

- Onboarding procedure & communication templates

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Dealing with the Initial Enquiry

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New Business Enquiry Form

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The Rental Appraisal

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Rental Appraisal Template

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The Listing Presentation

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Listing Presentation Example/s

The Complexity of Residential Property Rentals

- Residential Property Rentals in South Africa is complex and rental activities are subject to numerous pieces of legislation, including:
 - Rental Housing Act
 - Consumer Protection Act
 - Prevention of Illegal Evictions Act
 - National Credit Act
- The consequences of not adhering to all applicable legislation can have severe, and costly consequences, for landlords

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Listing Presentation Example/s

Potential Consequences of Non-Compliance

- Example of Consequences of Non-Compliance with Legislation:
 - Not following the prescribed procedure for arrears management (or any other breach) could result in unnecessarily (and costly) delays in legally cancelling the lease agreement and / or successfully evicting a tenant (and all other occupiers)
 - Not carrying out the ingoing and outgoing inspection, in accordance with the requirements of the Rental Housing Act could result in the landlord not being able to claim for any damages caused to the rental property during the course of the lease

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Listing Presentation Example/s

Potential Consequences of Non-Compliance/contd.

- Example of Consequences of Non-Compliance with Legislation/contd:
 - Not following the prescribed procedure for evicting illegal occupants could result in the occupants applying for, and obtaining, a spoliation order, with severe negative consequences for the landlord

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Listing Presentation Example/s

Our FICA Obligations = YOUR Advantage "Peace of Mind"

- Real Estate Agents (including Rental Agents) are defined as accountable institutions under Financial Intelligence Centre (FICA) legislation
- This requires them to conduct prescribed checks on all rental applicants before they can enter into a lease agreement
- These checks include:
 - Collecting & verifying the applicant/s ID
 - Collecting & verifying the applicant/s proof of residential address
 - Conducting a risk assessment on all applicants
 - Establishing the source of fund of all applicants

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Listing Presentation Example/s

The Importance of Employing a Registered Estate Agent

- Estate Agents are required to have a current & valid Fidelity Fund Certificate (FFC) issued by the Estate Agents Affairs Board (EAAB)
- Employing an Estate Agent with a valid FFC provides landlords with important protection, namely:
 - The ability to claim reimbursement from the EAAB Fidelity Fund if you suffer financial loss as a result of theft of trust monies due to dealing with an estate agent
 - Rent collected by the agent needs to be held in a trust account, thereby protecting you

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Listing Presentation Example/s

The Importance of Employing a Registered Estate Agent/contd.

- When dealing with a registered Estate Agent, you are also protected in the following circumstances:
 - Failure of a principal estate agent to open and keep a separate trust account with a bank
 - Failure of the estate agent forthwith to deposit all monies held or received on behalf of any other person into the trust account
 - Failure on the part of a principal estate agent to retain the trust money in his trust account until he was lawfully entitled or lacted to make payment

These protections are only available to landlords who use an Estate Agent holding a valid Fidelity Fund Certificate

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Listing Presentation Example/s

Money we Collect or Hold on Your Behalf is Protected

- All monies received – rent, other charges & rental deposits – are held in Trust accounts, as required under section 32 (1) of the Estate Agents Act 112 of 1976
- These accounts are independently audited
- We report to our auditors on a weekly and monthly basis on funds held in these Trust Accounts
- A full audit of our trust accounts is carried out by our auditors annually, as per the legislative requirements

A trust account protects all money paid into and/or held in this account

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Listing Presentation Example/s

Applications

- All applicants have to complete a comprehensive application form which includes the following information:
 - employment information, as well as
 - current and previous landlord/agent information
- Our application process includes conducting all FICA-related activities
- Our application form also specifically includes the tenant's permission to allow us at all times to check their credit, etc. so we can ascertain if their financial position changes if we notice any change in their payment behaviour

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Listing Presentation Example/s

Application Vetting & Credit Checks

- We have a comprehensive standard company procedure of vetting applications to ensure only the best applicants are recommended to you
- The credit checks we use provide us with information on the applicant's current financial obligations & payment history
- We will only recommend applicants to you that we are comfortable housing and managing
- You always have the final approval of any successful applicant/s

Thorough application vetting is the key step to minimise any potential problems with tenants

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Listing Presentation Example/s

Damage Deposits

The Damage Deposit is the only security you hold for the tenancy – it should be paid immediately and never negotiated down – In the event of non-payment it takes at least 2 missed rent cycles before you can legally cancel the lease

- To afford you the best protection
 - We do not accept less than a rental deposit equal to two months' rent
 - We do not accept any payment arrangement for the payment of the deposit
 - Where utilities are invoiced to the tenant separately through us, a separate utility deposit is charged
 - Our rental procedures require that the full damage deposit be paid before the lease agreement is prepared

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Listing Presentation Example/s

Arrears Management

- We have a zero-tolerance policy for rent and other arrears
- On the second business day of each month tenants in arrears are sent both email and SMS reminders
- 2 business days after the reminder, our rental property solicitors, Marlon Shevelew & Associates, are instructed to issue CPA-compliant Letters of Demand to all tenants that are not fully paid up

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Listing Presentation Example/s Lease Renewals

- The Consumer Protection Act requires that the Landlord (or us as the agent of the Landlord in the case of a managed property) must notify the tenant 40 – 80 days prior to the end of a fixed term lease and provide specified information
- Failing to follow the procedure required under the CPA could result in the lease converting to a month-to-month lease at the end of the fixed term and/or you not being able to increase the rental at the end of the fixed term
- To fulfil the requirements of the CPA, and protect your rights, we initiate lease renewals 90 days prior to the end date of any fixed term period

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Listing Presentation Example/s Inspections & Maintenance

- We use a mobile-based app to conduct inspections and to manage our maintenance
- We take comprehensive photographic evidence of the condition of the property
- The photo's are all date and time-stamped
- All maintenance or repair issues are managed through our online dedicated maintenance management software
- You and the tenant are kept update on all actions taken

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Listing Presentation Example/s End of Lease

- The lease needs to be ended properly, in writing and in accordance with all applicable legislation and the lease agreement
- The tenant has a right to early termination in terms of the CPA – you are entitled to a reasonable cancellation penalty, but only if you do the right thing
- A through exit inspection needs to be conducted in terms of the Rental Housing Act
- Any deductions from the Rental Deposit must adhere to the requirement of the RHA

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Resources

- Checklist – Listing Kit Documents
- Listing Presentation Example Template
- Checklist – Landlord Information Pack
- Landlord Checklist to Evaluate Rental Agents
- EAAB Info Sheet: What is the Estate Agents Fidelity Fund and Its Purpose
- Property Information & Services Responsibility (PFOOI)
- Service Packages Template

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Lease Renewals

Resources

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Advanced Training - MasterClasses

<https://shaunluyt.co.za/online-courses/>

- The Rental Listing Presentation
<https://shaunluyt.co.za/product/the-listing-presentation-ifor-individuals/>

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Best Practice RentPacks

<https://shaunluyt.co.za/rentpacks/>

- Listing Presentation RentPack

<https://shaunluyt.co.za/product/the-listing-presentation-document-pack/>

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Zoom Webinar Feedback

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Staying in Touch

- WhatsApp Groups
- Facebook

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