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How to rent out your home safely

Looking to rent out a room, a flatlet or even your whole home?

Be sure to talk to your insurance company first to ensure that you're covered for any additional risks.

That's the advice from King Price Insurance's client experience partner, Wynand van Vuuren, who says opening your property to paying guests can expose you to a range of risks and liabilities which you may not even have thought about, and often aren't covered by standard homeowners' policies.

"It's becoming increasingly common to see people sharing spaces and renting out rooms to save on living costs.

"And with the holiday season coming up, many rent out their homes or flats on platforms like Airbnb to generate income.

"But they need to think about the effects this will have on their insurance," says Mr Van Vuuren.

The risks include loss of, or damage to, your own belongings; loss of guest belongings; third-party liability if paying guests are injured on your property; and even damage caused to the buildings themselves by tenants.

● When should you talk to your insurer?

Even if you're only renting out a room, you need to let your insurer know, as there may be conditions on your cover. For example, many insurers will exclude cover for communes and boarding houses, as the risk is simply too great.

When operating an Airbnb, it gets a bit more complicated, as you're actually running a business.

This means that the risks are entirely different, and as such, the conditions of cover – and your premium – will also differ.

Renting out a 'granny flat' on your property may not have a significant influence on your buildings insurance, but it's still advisable to check with your insurer. You should also check in with the tenant regularly to ensure that the conditions of cover are being met – it's your asset, after all.

● Whose responsibility is it to insure home contents in rental situations?

Home contents should be insured by whoever owns them. So, if you rent out a furnished flat, you should take out cover for the building and the furnishings.

If you're just renting out the building, the tenants should have their own home contents and portable possessions policies for their belongings.

"And, as always, the golden rule here is to insure contents for their current replacement value – not what you paid for them," said Mr Van Vuuren.

● If an Airbnb guest's belongings are stolen from the property, who's liable?

The landlord would generally obtain insurance for their paying guests' belongings under business insurance cover. This cover would normally be limited to a pre-determined value.

"Renting out a property, or running an Airbnb, is a smart side hustle, or even a main income stream, for many South Africans. Just be sure that you and your guests are adequately covered if anything goes wrong," said Mr Van Vuuren.

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