



Laing+Simmons property investor news

Natural Disaster Insurance Review

Have you been affected by a natural disaster recently? Let's face it, if you haven't you will know someone that has. Well, help is at hand! Following on from the extreme weather in 2010/2011, the government has announced a Review into disaster insurance. This Review was set up by the Assistant Treasurer, the Hon Bill Shorten MP.

Known as The Natural Disaster Insurance Review, the Review will focus on insurance for individuals and small businesses that experience loss or damage from flooding and other natural disasters.

The aim of the Review is to find ways to make sure that individuals and communities who are at risk from extreme weather conditions understand and are aware of those risks and as a consequence are able to find suitable protection against those risks. This includes having access to the right insurance.

The Review will look at the following areas:

- The reasons and extent of those who have no insurance or are under insured.
- The plausibility of private insurers being able to offer insurance that is both adequate and affordable to individuals, small businesses and governments to cover natural disasters.
- To see if there is any supporting evidence to offer an insurance premium subsidy for individuals and businesses who are at the highest risk and face the highest premiums.
- To see whether the Commonwealth Government should help provide disaster insurance or reinsurance to the private sector.
- The connection between reducing the disaster impact and the "availability and affordability of flood and other disaster insurance."
- To see whether a national disaster fund should be set up to support the "rebuilding of public infrastructure in the aftermath of events such as the recent floods."

As you know, landlord insurance does not cover any of the above, so we advise you to contact your insurers to make sure you have the best cover available to you.



Flood



Cyclone



Bushfire



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A great reason for hiring independent property managers!

Managing your own property can turn into a nightmare, as one landlord discovered to her detriment recently when a tenant sought compensation from her for breaches of the tenancy agreement. Prior to this claim the landlord had used her husband as her property manager but has since hired an independent property manager.

Evidence submitted by the tenant included:

- Claims of abuse by the agent (it is unclear what type of abuse).
- An extra unwarranted \$10 per week for a water charge.
- Some of the rooms were uninhabitable due to a leak.
- The ingoing condition report was false.
- The tenant was charged for all three electricity meters on the property.
- The dishwasher had broken twice and was unusable.
- The oven top was rusty.
- There were problems with a sliding door.
- Screens were missing.
- The back toilet leaked.
- Cockroaches & mice infested the property.
- The house was mouldy and the backyard was too rocky to mow.

The landlord accepted that the premises were old when the tenant moved in, but said that the carpet had been replaced, the leak had been rectified and the mould had been remedied.

The landlord noted that the sliding door was indeed difficult to open and close. The landlord also agreed that there was some rust on the stove top but this had no impact on its use, and that the dishwasher had been broken twice and it had been repaired only once.

The landlord denied that there were screens missing and counterclaimed that the tenant had moved the screens around, the back toilet had been fixed on two occasions and there was no evidence of cockroaches. The tribunal found in favour of the landlord on the grounds that the tenant had altered the tenancy agreement and the evidence tendered by the landlord was preferable. This case highlights the need to remain independent from the tenant and to hire a professional property manager.

Did you know?

One of your obligations as a landlord is to keep your tenant safe and ensure that your property is adequately secure to prevent unauthorised entry.

This means that you need to ensure that the doors are functioning and have locks on them, the windows are secure and have locks attached and there is adequate external lighting.

If the property is not secure and the tenant is burgled then you could be held responsible for the cost of the damage, theft or injury to the tenant.

Tips to secure a great investment

Investing in property for the first time? Or have you already started your investment property empire?

Whilst it pays to keep abreast of the current thought patterns on whether it is a buyer's/seller's market, whether it is a great time to invest or where the next hotspot is it does at times all get rather confusing!

If you are investing to make money in the long term then as John McGrath, CEO, McGrath Estate Agents says, "while yield is important, the serious windfall comes when you identify a hyper-growth area through solid research, observation and calculated risk."

Some tips for this include:

- Look for a median priced property within a 10km – 15km radius of a major CBD, university or city beach in areas that are not currently popular or show signs of growth.
- Look for areas that have a community feel with lots of activities and places to go (or that are close to areas like these).
- Don't be afraid to get into debt. Use the equity in one property to kick start your next property purchase.
- Get expert advice.
- Do not get emotional as you will always find another house you like just as much.

From the desk of
Melanie van Bentum

I hope you are all keeping warm and well thru winter. I know I seem to be frequently writing about the importance of Insurances but sadly it seems a lot of our clients are still opting NOT to have relevant insurances. Home & Building insurance, Contents Insurance and Landlord Insurance.

What do you currently have? What should you have? Are your current covers up to date and will they work for you in the event of a claim? What are your excess charges in the event of a claim and what are your claim limits? Yes this is a lot to think about but make the time to ensure you have what's right for you and your investment.

Shop around because your investment is worth it. And remember to check with your accountant what you can claim at the end of financial year. Don't put off to tomorrow what we can do today!

For those on winter getaways travel safe!

As always, don't hesitate to call your Property Manager to discuss any concerns you may have.

Kindest regards,

Melanie
Senior Property Manager