

# R&W

## Property Management News

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## Don't allow your investment property to deteriorate

Allowing your investment property to deteriorate over time is a big mistake.

While in the short term it may be tempting to save money on regular maintenance, in the long run neglecting the property will prove very costly. Your investment is less likely to increase in value as much as others, the rental income will be lower and tenants will be less likely to respect the premises.

### What should you be maintaining?

If you own a rental property, it pays to spend money on things like;

- quality locks
- a fresh coat of paint
- floor coverings
- tap fittings
- and repairs to cupboards.
- security screens
- air-conditioning
- window treatments
- contemporary tiling

Many of these expenditures are tax deductible and will likely lead to higher returns.

A well-maintained investment property is also less likely to be damaged by tenants. Though rare, the best way to avoid destructive behaviour is to provide tenants with a property in top condition. Most tenants will keep a rental property in the same condition they found it.

You can also make things easier on yourself from the outset by purchasing a rental that is low maintenance and structurally sound from the outset, however even the best investment properties need regular maintenance and occasional upgrades.



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# Landlord Insurance – Do you have adequate cover?

As property managers, we advise our landlords to secure Landlord Insurance to ensure they are protected from financial risk, however selecting a Landlord Insurance policy and provider that offers adequate cover is the landlord's responsibility. Making an informed decision can be easier said than done.

Property investors in Australia are increasingly putting themselves at financial risk by not having adequate cover

As a landlord you need to understand and ensure that the policy you get does in fact offer the cover that you expect and require for your own peace of mind, risk reduction and to look after your valued tenants.

There can be a mine-field of fine-print and special clauses to understand within insurance disclosure statements and each landlord's investment property; their tenant and tenancy agreement can impact what is covered within a Landlord Insurance Policy and what is not.

It is helpful to consider the following before you as a landlord get to the fine-print and sign up to a Landlord Insurance Policy.

## Know your responsibilities:

Understand the responsibilities you have to your tenants as a landlord. Each state and territory has its own laws and we recommend seeking your own expert advice for information on landlord obligations.

## Ensure you secure adequate cover:

Do you know that standard building insurance doesn't necessarily cover you for common tenant related risks? Landlord Insurance will help cover your rental property and rental income.

## Building Insurance:

There are various types of property damage: Accidental, deliberate and malicious. Consider whether you are covered for each of these as a Landlord.

Generally Building Insurance covers damage to your building from events like fire, storm, flood and water damage (we always recommend reading the Product Disclosure Policy as cover can vary amongst providers).

Building Insurance covers damage to your building caused by tenants or unknown persons. It includes cover for loss of rental income if your building is damaged by an insured event.

Note that Body Corporate public liability insurance may only cover common areas around apartments and flats. Landlord Insurance can provide landlords with public liability cover for inside their individual investment property.

## Loss of rental income:

Tenant related risks that can cause loss of rental income (including a tenant breaking their lease or being evicted) can be covered under 'Landlord Insurance - loss of rental income'.

It can also cover damage to your property contents – especially furnishings you forget like; curtains, carpets, blinds and light fittings. Additional benefits can include cover for re-letting costs above the tenant's bond, removal of goods and replacement of locks following an eviction.

## Pets:

Are you allowing your tenant to have pets within your rental property? A standard policy may not cover you as a landlord for pet caused damage to your rental property.

## Tenancy Agreement:

This may affect your Landlord Insurance cover. For example; are you still covered by your insurer if your tenant is on a periodic lease? Landlord Insurers like Terri Scheer offer policies that cover for both fixed term and periodic leases including any continuation of a lease\*. Don't just assume your policy provider does cover for all lease agreements... look for it in writing within the Product Disclosure Statement!

## A final note - If you have adequate Landlord Insurance, don't forget to use it!

As property managers of many rental properties it is not uncommon to see tenant accidental damage. Unfortunately, there are times when a landlord has adequate Landlord Insurance but will not use it when a claim opportunity arises.

# R&W

Have you joined our love local loyalty card program? If not, you are missing out on free of charge offers of special discounts with partnered companies in the area.

Please contact our office to register your interest.



**Hendra Wijaya**  
Principal

## Recent Rentals

904/747 Anzac Parade, Maroubra 1 Bedroom 1 Bathroom 1 Car \$600 pw

2309/18 Park Lane, Chippendale 1 Bedroom 1 Bathroom 1 Car \$730 pw

102/116 Maroubra Road, Maroubra – 2 Bed 2 Bath \$640 pw

4/1 Muller Lane, Mascot - 3 bedroom 2 Bathroom 2 Car Space \$960 pw

## Recent Sales



58 Fairsky St, South Coogee  
Bed 4 Bath 2 Car 2  
\$2,103,000



5 & 5A Dampier St, Chifley  
Bed 3 Bath 2 Car 2  
\$2,950,000



14 Newton St, Little Bay  
Bed 3 Bath 3 Car 2  
\$2,020,000

## The best reputation in real estate

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