



## Property Management News

May 2019

# IF ONLY WE HAD TAKEN OUT INSURANCE...

In 2018, one of Australia's leading insurers settled more than 5,000 claims – with a total value in excess of \$16.5 million. For the mathematically inclined, around \$3,300 paid out per claim.

Of course, that's an average and many claims were of lesser value while others were substantially more. And while many landlords would be able to 'find' the \$1,175 one policyholder was paid to fix a broken window and other minor reparations, few could foot the \$746,000 bill another landlord faced after a fire.

Owning an investment property comes with a unique set of risks – not only is there the risk the rental could be damaged due to fire, flood, storm or any number of other insured events, there are specific risks, like

**LAST YEAR ALONE,  
MORE THAN 1300  
OF PAID CLAIMS  
WERE FOR TENANT  
DAMAGE**



tenant-related damage (accidental, malicious and deliberate) and loss of rent, that also need to be factored in.

Last year alone, more than 1,300 (or 26 per cent) of paid claims were for tenant damage. This covered everything from wine spilled on carpets to homes having to be decontaminated.

A rental property is an investment from which the owner expects to derive an income. So, when a landlord suffers rental losses, it can have a devastating effect on their cash flow and personal finances – banks generally insist on mortgages being repaid, regardless of whether the landlord actually received any rent.

Almost 3,000 claims (or 58 per cent) for loss of rent were settled in 2018. Sometimes the result of bad tenant behaviour (absconding, rent default, breaking leases), other times the non-payment was the result of circumstances beyond the control of tenant, landlord or agent – such as relationship breakdowns, domestic violence, job loss, serious illness, or tenant death.

While prudent landlords often factor in a few weeks each year when the property will not generate an income, unexpected damage or loss of rent frequently derails even the best plans. This is when the financial security blanket that is landlord insurance comes into its own.

## ENERGY EFFICIENT APPLIANCES



In a world where energy efficient appliances and strategies can impact so many areas of our lives, we need to be more conscious than ever before of saving money and protecting the environment. Not just for ourselves and our own homes but for our tenants and investment properties.

Here are a few tips to help in the home:

- Switch to energy efficient light bulbs
- Insulate ceilings, walls and floors
- Switch to Solar Hot Water Systems
- Provide outside blinds or shutters to help cut down the need for cooling appliances
- Change showerheads to water saver heads
- Provide recycling options such as recycle bins, compost bins, etc
- Update toilet system to dual flush (older homes)
- Provide a list outlining different ways a tenant can reduce energy use within the home. There are some practical ideas that are easy to implement and low cost and in some cases, no cost (just little changes in the way we do things).

Some of these things will have an immediate impact on the wallet and environment.

Appeal to all prospective tenants. Small things like those listed could make the difference between tenants choosing your property over another. Let tenants know that you care.

Be sure to research relative government rebates available in your state or territory.

## WHY WE RECOMMEND TOP UP CLEANS

In all cases a tenant is required to leave a property reasonably clean and as Property Managers we ensure this is the case... However in our experience there is the general living 'wear n' tear' that after a few tenancies - when a property is handed to us thoroughly cleaned at the end of the tenancy, it isn't as clean as it was when the first tenant moved in.

In such scenarios as this we recommend a top-up clean so we can bring the rental property back to a very high standard again as it was in the beginning of your first tenancy.

A sound long-term view of maximising your rental is to keep your investment property in the best condition possible and most appealing for good tenants. This requires a landlord that is willing to invest back into the rental property to achieve such goals.



Along with general cleaning and thorough cleaning to maintain the condition and appeal of your rental property it is also important to be mindful of other areas of the property that might need renewing or updating.

We recommend that you focus on making your property the best it can be at all times as this means when it comes time to sell, you will receive the best price possible without having to spend lots of money making it 'sale ready'.

Let us know if you would like us to advise what improvements you could make to ensure your rental investment is bringing the very best return the marketplace can offer you.

# R&W

Throughout the years, mothers have contributed immensely to society and the future of humanity in so many ways. So, this Mother's day is a great opportunity to thank them, and we wish all the



mothers out there a Happy Mother's Day!

**Hendra Wijaya**  
Principal

### RECENT RENTALS

- 9/574 Botany Road, Alexandria  
1 bed 1 bath 1 parking \$500
- 21/274 - 300 Anzac Pde Kensington  
1 bed 1 bath 1 parking \$460
- 56/56 Anzac Parade Kensington  
1 bed 1 bath 1 parking \$480
- 106 Gale Road Maroubra  
4 bed 2 bath+1 toilet 3 park \$1300

### FOR SALE



4/42-56 Harbourne Road,  
Kingsford  
2 Bed, 2 Bath, 1 Car



807/13 Joynton Ave,  
Zetland  
2 Bed, 2 Bath, 1 Car



S12.05/178 Thomas St,  
Haymarket  
1 Bed, 1 Bath, 0 Car

## The best reputation in real estate

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