



## Beautiful day for a BBQ

**Thank you to those who called in to our East Maitland office opening BBQ.**

On what was a warm spring day, it was a great way to not only 'show off' our new building but to say thanks to those involved and catch up with some of our owners and tenants who also dropped in.



## Landlord Protection Insurance & the case of the \$5,500 coffee machine!

**You just cannot afford to think that it won't happen to you...**

As our owner of an exclusive \$800 per week property would attest, even in executive properties there can be unpredictable issues. This poor owner was shocked to learn that their tenant had inadvertently put hot chocolate in the coffee machine; which in this instance was included as part of the tenancy. No ordinary coffee machine this one, at \$5500 ...and it had to be replaced! For most of us this is almost unimaginable but the cost for this owner was very real.

We go through an exhaustive process when it comes to screening potential tenants for a property, as well as conducting regular and thorough inspections during the tenancy; however experience shows that tenants' circumstances can change, even for the very best of tenants! Job loss, illness or relationship breakdown can cause significant duress and with it may result negative consequences for the premises, including rent not being paid.

We do not excuse arrears and take great pride in maintaining negligible arrears across the board, but we have to realise that these things do happen. Often the only outcome is to seek vacant possession of the property through the Consumer Trader and Tenancy Tribunal, which can take anywhere from 2 to 10 weeks, depending on many factors. Without painting too gloomy a picture; in around half the cases where rent has fallen behind, we also see a loss of interest from the tenant in maintaining the property, so that cleaning and maintenance are required once possession of the property is finally gained.

And of course we understand the difficulty this can cause for the owner of the property and that is always our primary concern. Whilst it is comforting to know the bond can be called on to reimburse any loss, in some cases it does not cover the total cost of arrears and repairs required to return the property to an acceptable standard. It is in these situations that Landlord Protection Insurance can prove invaluable.

Over time we have seen a significant increase in the number of our owners taking out Landlord Protection Insurance. However, we have experienced cases where the insurance policies have not covered items such as cleaning, rubbish removal, repairs and suchlike, unless malicious damage can be proven. This may be near impossible given that most times it has been accidental or as a result of lack of care for the property; negligent and irresponsible perhaps but not considered malicious.

The crucial message here is to review your insurance policy; read the fine print carefully and make sure that items apart from loss of rent are also covered. We do not favour one insurer over another, however there are companies that specialise in Landlord Insurance and seem to have an understanding of the implications of owning investment property. You may like to use them for comparing your policy at least. If you would like further information please visit [www.terrisheer.com.au](http://www.terrisheer.com.au) or [www.ebmininsurance.com.au](http://www.ebmininsurance.com.au) or talk with your property manager.

Please note: As at 20/11/2011, this eBulletin is intended as general news and not as advice, as each individual's situation will vary depending on specific circumstances relating to that individual. You should seek professional advice as it relates to your own circumstances.

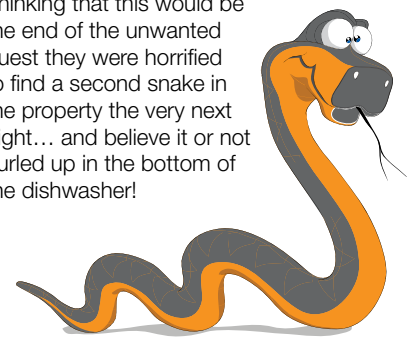
## There's a snake in the what?!

There are many unusual situations we come across in our day to day work; so many that we tend not to be caught by surprise... but this one particularly caught the interest of Cheryl, a Senior Property Manager at Warners Bay.

One of her Marmong Point tenants recently had to make a frantic phone call to a snake catcher after encountering a large red belly black snake slithering around the downstairs area of the house.

It took a while for the snake catcher to flush the snake out but eventually with enthusiastic assistance from the tenant's three year old, the snake was eventually found and evicted from the property.

Thinking that this would be the end of the unwanted guest they were horrified to find a second snake in the property the very next night... and believe it or not curled up in the bottom of the dishwasher!



A late night phone call to the same snake catcher sent this one on its way...without wash and rinse we think.

It's fair to say the tenants were a little unnerved by their double snake episode.