

# scheer landlord tips

## A note from Terri

According to Australian Property Monitors, whilst rents around Australia have increased significantly, yields in most capital cities remain below 5% resulting in landlords relying heavily on capital growth.

Average rents for houses and units over the past year to 30/9/07 increased as follows; Sydney 14%, Melbourne 16%, Brisbane 10%, Adelaide 8%, Canberra 18%, Perth 23%, Darwin 8%, Hobart 8%.

Vacancy rates nationally are still below 2% with Sydney and Melbourne at 1.4% according to the Real Estate Institute of Australia.

This scenario explains why landlords may not be spending money upgrading their rental properties, the cash flow just isn't there.

This is just another reason why Landlords can't afford not to be insured.

*Terri*

## A message for Landlords

Marion Blackham, State Manager  
New South Wales

### Can you afford to pay an account for \$17980.71?

That is what Terri Scheer Insurance brokers paid out on a recent claim. Imagine the financial strain this landlord would be under if they did not have landlord insurance.

We work very closely with Property Managers to assist them in the task of ensuring their landlords are informed of the inherent risks of owning a rental property. We see the frustration and despair that agents experience when the inevitable happens and one of their landlords is faced with a huge financial burden because they did not apply for landlord protection insurance.

Fortunately, this landlord did and was protected with our Landlord Preferred Policy. They could have been complacent and lulled into a false sense of security in believing that nothing will happen to them. The policy was in place for the second year and they had not had a claim.

However, the inevitable happened.

Rent was being paid on time until one day the tenant fell 14 days in arrears and were served a notice to vacate the premises. A few days later the property manager attended the property to find a landlord's worst nightmare. A fight had broken out in the property the night before requiring attendance by the police. All the windows had been broken, fly screens were damaged and the doors had been kicked in. There were major holes in the walls, ceiling fans had been pulled from the ceiling and destroyed and blinds had been ripped and torn. Every single wall and door in the premises had been damaged by graffiti, along with the fridge which was left in the premises for the tenants use.

An assessor was appointed immediately to assist the agent with the overwhelming job of getting the property repaired and back on the market as quickly as possible.

As a result of the damage the landlord was paid \$4,000 to repaint the premises, \$1,500 to replace the carpet and \$10,000 to repair the damages to the property. They were also paid loss of rent for the 58 days it took to repair the property and 5 additional days to re-let.



Can you afford for this to happen to you?

## A "Handsome investment"

Below is an extract from a letter we received from a Property Manager, in which their Landlord who had a recent claim with us wrote to her. Their claim was for Loss of Rent and Malicious Damage and their total payout was in excess of \$16,000.00.

*...We would also like to thank you for recommending that we take out landlords insurance with Terri Scheer Insurance a few years ago. It is an investment that has paid off handsomely given that we would have been up for over twenty thousand dollars replacing carpets, repainting and repairing the interior/exterior and in loss of rent.*

*We were very happy with the fact that the assessor moved so quickly to assess the damage, approve the claim and assist with payment. At every stage Terri Scheer Insurance accepted responsibility for this claim. If you have any property owner who has not taken out landlord insurance I would strongly advise them to protect themselves against unexpected setbacks and insure. Given the support Terri Scheer Insurance provided I have no hesitation in recommending them as a suitable agent.*

## Landlords duck for cover!

Dehran Rendall, Business Relationship Manager  
Queensland

The number of landlords without adequate landlord protection has been a concerning issue over previous years.

With the cost of living on the rise, not to mention interest rates relentlessly increasing, landlords are becoming more susceptible to suffering a loss due to their tenants struggling to keep on top of their rent with today's inflationary environment.

Escalating interest rates have resulted in the recalculation of many landlords' budgets with little room for error. Suffering a loss due to a defaulting tenant, or the damage they may cause to a rental property can prove to be a significant strain on such budgets, which can be overbearing.

Many landlords have opted for a package deal for their landlord insurance, which has saved them a few dollars initially, but when the time came to make a claim, we have heard recent stories that the true value of their policy was discovered. Many landlords have been caught with policies that have huge hidden excesses and very limited cover. These landlords generally transfer to another policy following a loss.

Terri Scheer Insurance Brokers specialise in the provision of landlord insurance, to Landlords of professionally managed properties. We continually update our policy to make it even better value for the Landlords. For example, our policy includes tax audit cover.

Being proactive in ensuring your landlords are adequately insured will save both you and the landlord many frustrations in a situation where the landlord suffers a loss but has inadequate insurance that will not cover the expenses.

Terri Scheer can provide you with mail-out letters that can be sent to Landlords periodically to remind them of the availability of Landlord insurance.



## A good long weekend!

Rhianna Willis  
Claims Officer, South Australia

Some of us enjoy the gift of time on long weekends, but others aren't so lucky. Imagine being the landlord of the property subject to a recent claim we received (described below), following a recent long weekend!

The tenant arrived home from a very eventful Friday evening after consuming a few too many celebratory beverages and it left them feeling a bit under the weather. In an attempt to freshen up, the tenant took a shower during the early hours of the morning.

A few hours later the tenant awoke to find themselves lying on the floor of the shower, blocking the drain. It appears the shower was a little too relaxing and the tenant had lost consciousness mid-shower.

The tenant, now slightly more alert than before, then ventured through the unit which was now ankle deep in water!  
.....Woops!

Thankfully for this landlord, they had made a smart move by taking out our Landlord Preferred Policy. This protected them against the not so smart actions of the tenant and allowed their water damaged carpets to be replaced less the applicable policy excess.

This is a perfect example of a completely unforeseeable event that no landlord, property manager or even tenant could have predicted. Thank goodness for landlord insurance!



## Water restrictions, the affect it may have on your garden

Most states and territories are faced with harsh water restrictions, preventing most of the nation from frequent watering of plants, gardens and lawns.

Landlords should be encouraged to ensure their garden is not high maintenance in regards to watering and that any plants are drought tolerant so that you can be confident of still having a healthy looking garden at the end of the tenancy. A good cover of mulch will also keep the moisture in and the sun out!

The easier it is for the tenants to maintain and the cheaper the water bill, the happier the tenants and they may be more inclined to nurture the garden.

## Landlord Insurance, it's scheer simplicity!

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