

A note from Terri

As you get nearer to the end of that traditionally 'extra busy time' of year for rentals, we remind you of the importance of keeping processes and procedures, even checklists for all of your properties. Now might be a great time for you to review your checklists to make sure everything is listed.

We suggest that you include in your checklists a section for insurance:

When you commence management, does the landlord want you to arrange building or landlord insurance, and have you done it? Imagine what could happen if you forget to arrange insurance?

And when management ceases, if the insurance is no longer required, have you requested cancellation of the policy?

These are two things that can be added to your checklists to help ensure they aren't forgotten. You'll not only be providing your landlords with excellent service, but you'll also know that you've not left anything out which could cause you potential problems in the future—scheer simplicity!

Terri

We are happy for you to use any of the information provided to you in scheer tips for your own newsletter. You should however, acknowledge that the information was provided by Terri Scheer Insurance Brokers otherwise you might be at risk of providing advice.

Please contact Carolyn Majda - carolynm@terrischeer.com.au if you need further advice.

Terri Scheer is happy to provide you with this information. However, if you would rather not receive future issues please let us know and we will delete you from our distribution list.



Get 15412
Because you can't watch
your property 24/7.

BONUS Three months with a
12 month Landlord Insurance policy

15 4 12

With Terri Scheer Landlord insurance, your landlords can have peace of mind 24 hours a day, 15 months a year*.

For a limited time only, your Landlords can take out (or switch to) a Terri Scheer Landlord Preferred, Residential Building or a Scheer Short Stay policy and we'll boost their 12 month cover by an extra three months*. That's 15 4 12!

Terri Scheer is the only insurance provider to specialise in landlord insurance. Our policies provide affordable cover for the unique risks that come with owning a residential rental property. Terri Scheer is the smart choice for investors; and under current tax laws, the premium is tax deductible.

If you would like to inform your landlords of our 15 4 12 offer, simply contact your local Terri Scheer office and we can provide you with additional brochures to include with your end of month statements and new listing packs.

* Conditions apply, for full details visit www.terrischeer.com.au

Landlords' Personal Details

Roman Surina, Client Service Associate, New South Wales

From time to time, we find that some Property Managers are hesitant to provide us with their landlord's personal contact details when arranging policies on the landlord's behalf. Usually this is due to a concern that to provide such information would be in breach of privacy legislation.

We take this opportunity to remind you that providing Terri Scheer with this information is not against the Privacy Act as it falls within the confines of the service you provide to your landlord and they would reasonably expect their information would be disclosed in this manner.

The most important reason for requiring this information is that your landlords have an insurance policy with us and it is our legal obligation to provide them with a Product Disclosure Statement and Financial Services Guide for consideration. This assists the landlord to make an informed decision on whether or not to acquire the insurance product.

The Terri Scheer Insurance Brokers Privacy Policy restricts us from using the information we receive for any purpose apart from what would be expected in our business, so you can be assured that your landlord clients personal information is kept very secure and is not used for any purpose other than to provide insurance services. Full details of our Privacy Policy can be found on our website - www.terrischeer.com.au

Thank you for your co-operation, we appreciate your business. Should you have any questions about our Privacy Policy, please contact our local Terri Scheer office during business hours where you'll always talk to a real person!

Send your breach notices - no matter what!

Rhianna Willis, Claims Officer for Queensland

Section one of the Landlord Preferred Policy wording states:

"If you or your property manager fail to issue and act on vacate/breach notices as provided for under the Act, then the insurer will not pay you under this policy for arrears that have accrued up to the time the tenant departs the property".

Regardless of a tenant's personal issues, their financial situation or the upcoming expiry of their lease, breach/termination notices for non payment of rent must still be issued and enforced in line with the tenancy act guidelines in you state or territory. Typically this can be done after 14 days of rent has accrued but it is as low as 8 days in QLD and ACT. If the tenant then fails to rectify the breach (i.e. pay the rent arrears) in the allocated time, then an application to court for an eviction should be made in order to minimise further rent loss accruing.

Promises, promises, promises! Tenants make these all the time in regards to paying rent or advising when they will leave but how often do these promises amount to nothing? If you trust the tenant to pay and don't issue your notices and then they let you down, where does that leave you and the landlord? You end up issuing the notices as you should have done in the first place, but only after unnecessary rent arrears has accrued which will not be covered by insurance. This will result in your landlord being out of pocket, being upset and you will have some serious explaining to do.

This unpleasant scenario can be easily avoided by following correct Tenancy Act procedures in a timely manner irrespective of what the tenant promises. Providing the appropriate steps are followed, then your rent loss claim, whether it be through to the end of lease, re-let date or policy limit (which ever occurs first) can be considered. Surely a positive claim outcome is a win/win for all concerned and we're sure your landlords will appreciate your efforts for making it happen.

If you have any questions regarding the above, please feel welcome to contact our claims department on 1800 804 016.

Terri Scheer appreciates the referrals we receive from Property Managers. Our way of saying 'thank you' is to provide your office with referral fees for all new policies.

At present, our referral fees are \$15 for a new Landlord Preferred Policy and \$25 for each new Scheer Short Stay Policy. On renewal, where you pay the renewal premium for the landlord, we pay a processing fee of \$10 per Landlord Preferred Policy (except QLD where the processing fee is \$12 each year) and \$15 per Scheer Short Stay Policy.

Once you have reached a \$100 threshold, a payment will be prepared in the form of a cheque (unless we have been notified of your bank account details for direct deposit). Attached to your cheque will be a recipient created tax invoice for your GST records.

Good tenants are too good to lose

Carolyn Majda, Marketing & Operations Manager

Landlords who raise their rents too high risk losing good long-term tenants. Terri Scheer Insurance Brokers is cautioning landlords and agents not to take tenants for granted in the current interest rate environment.

Following recent interest rate rises and in line with current low rental vacancy rates, some landlords may be tempted to increase rents. Rising interest rates are likely to be taken into consideration by landlords when leases on their properties come up for renewal so it is understandable that landlords may need to raise their rents to keep pace with rising costs. However, financial considerations should be balanced against the importance of keeping good tenants in a property.

Unreasonably high rent increases may prompt the angry departure of good long-term tenants, leaving empty rental properties generating no income for weeks, it could turn out to be a very costly affair.

The message is simple: **don't take good tenants for granted.**

We see many cases where tenants have caused extensive malicious damage to rental properties or absconded without paying their rent. A tenant who pays their rent on time and maintains your property is well worth keeping. This doesn't mean you should never raise the rent, but think carefully if you are considering a significant increase. In some cases it may be worthwhile 'rewarding' good long-term tenants by keeping rent rises to a minimum.

Given that it can take four to six weeks to re-let a rental property, you need to weigh up the benefit of an annual rent increase against the cost of losing a good tenant. The legal guidelines relating to when a landlord can raise the rent and under what circumstances vary from state to state, and landlords considering a rent rise should check with their relevant rental tenancies authority.

When raising the rent, many landlords with long-term tenants often forget to review the bond amount. In a scenario where a tenant has lived in a property for a number of years with regular rent increases, the bond that was lodged may eventually fall short of the requirement for a certain number of weeks' worth of rent. If you are raising the rent, make sure you also consider a 'top up' of the bond amount. You should check with your relevant state authority for guidelines on this.

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