



PROPERTY MANAGEMENT NEWSLETTER

Property Marketing and Management

June 2008 No. 74

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Located opposite Eastlands
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End of Financial Year

End of financial year statements – for emailed owners they will be posted out on Tuesday & for mail owners they will be enclosed with their June statement.

Farewell to Peter

We would like to thank Peter LeFevre for all his hard work during his time in the PMM property management team. We wish him all the best in his future endeavours.

Accidental Damage Claims for Rental Properties Soar

The number of landlords submitting claims for accidental damage to their property by tenants has increased by 73% over the past year, according to a leading Australian provider of landlord insurance.

At the same time, the average cost of accidental damage claims has increased by 18%, from \$721 to \$850, figures from Terri Scheer Insurance Brokers show.

Damage to carpets, furniture, windows and glass, and the building itself, were the main causes of accidental damage to rental properties by tenants.

"While landlords can have their pick of tenants in the current rental market, they should not let this give them a false sense of security that nothing unforeseen will ever occur," Terri Scheer Insurance Brokers' Marketing and Operations Manager, Ms Carolyn Majda, said.

"These figures show that despite their best intentions, more tenants are causing accidental damage to the properties they are renting.

"Even a model tenant can unintentionally damage a property, lose their job or suffer other financial hardships that leave them unable to keep up with their rental payments.

"As a result, landlords who find a good tenant should not be lulled into a false sense of security that the tenant will be able to avoid accidental damage and continue paying their rent."

Ms Majda said to minimise the risks involved with owning a rental property, landlords should ensure they purchased comprehensive insurance cover.

"Insurance is vital to ensuring a landlord will continue to receive rental income, no matter what may happen to the property," she said.

"While in many instances rental property owners will use the services of a real estate agent or property manager to oversee selection of the tenant, it is the landlord's responsibility to ensure they have a suitable insurance policy in place.

"When choosing an insurance policy, landlords should ensure it contains a clause specific to accidental damage."

Ms Majda said an accidental damage clause would provide cover for situations such as the spilling of red wine on a pale carpet.

"Accidental damage also covers the actions of small children but does not insure against general wear and tear that has been sustained over time," she said.

Ms Majda said when purchasing an investment property, investors were sometimes offered standard building insurance by their lending institution. However, she warned that these policies may contain clauses excluding accidental damage.

"For the owner of an investment property, accidental damage is one of the most common reasons why claims are made," she said. "Landlords need to have all bases covered because it is simply impossible to predict what might happen.

"In line with this, an insurance policy that caters specifically for the risks associated with renting a property should be purchased."

Increase Your Investment Portfolio Great Investment Opportunities



Howrah

3 1 1

An opportunity to secure an excellent family home in popular Howrah. This family friendly home features a light & spacious lounge with heat pump, adjoining open plan dining/kitchen, upgraded bathroom & secure yard.

Buyer Inquiry Range \$270,000 - \$350,000
Contact Cindy McDonald 0409 545 779

8 Berega Street, Howrah



Bellerive

2 1 osp

Reduced To Sell! In the heart of Bellerive is this low maintenance unit. Offering 2 bedrooms, sunny open plan living & separate kitchen. Situated close to all amenities, on a bus route & only a short stroll from Bellerive Beach.

Buyer Inquiry Range \$155,000 - \$195,000
Contact Stefanie Szyczman 0407 497 271

Unit 8, 33 South Street, Bellerive