



# PROPERTY QUARTERS

*Leasing and Management*

## INSURANCE

Landlord Insurance policies vary considerably. Shop around, check the fine print and make sure you are covered for the areas you need.

### LOSS OF RENT

This covers you for loss of rent in the event that the property is not habitable and cannot be leased due to any of the events listed above.

It also covers any rent default by the tenant. However, there are usually conditions attached to a rent default claim, so check the conditions carefully. Also check the policy for how long the insurance company will pay for loss of rent as well as the default period before a claim can be lodged.

Beware, on some policies you are only covered for loss of rent if the tenant is in a current, unexpired, fixed-term tenancy agreement – you are not covered if your lease has expired and is now a periodic tenancy agreement. This adds unnecessary risk, as it's not always possible to have a tenant continuously sign a new tenancy agreement.

### CONTENTS

You will need contents insurance to cover:

- Carpet and other flooring
- Light fittings
- Window finishes
- Manchester and linen (if supplied)
- Any furniture itemised in the tenancy agreement
- Kitchenware cabinets and appliances
- Bathroom vanity, cabinetry and shower screens
- Tap ware
- Tiling, paint and wallpaper
- Household goods such as gardening equipment
- Washing machines and dryers
- Potted plants
- Portable pools, spas and equipment

In an apartment, make sure you know which items are not covered by the strata building insurance so that you can include them in your own insurance. In the event of fire elsewhere in the building, your unit may be affected by smoke and water damage, possibly needing new paint and carpet, or at the very least cleaning. You do not need to take out contents insurance for the tenant's belongings, nor can you insist they do so.

### BUILDING

Building insurance covers:

- Replacement cost of the building;
- Demolition and removal of debris;
- Locks and keys; and

New structures to comply with all statutory requirements

If you own an apartment, the Owners Corporation, or company if it's a Company Title, owns the building.

They are responsible for the building insurance, which you pay through your quarterly fees. Wallpaper and paint may not be included and should be allowed for in your contents cover, together with other items added separately, such as air-conditioning, lighting and flooring.

### EVENTS

here are a wide variety of events that can be covered, including:

- Accidental loss or damage
  - Malicious damage
  - Theft
  - Fire or explosion
  - Lightning
  - Earthquake
  - Riot or civil commotion
  - Water damage – leaks, rain, floods and tsunamis
  - Oil heater leakage
  - Accidental glass breakage
  - Storm or rainwater
  - Electric motor burn out
  - Impact from aircraft, trains, automobiles, space debris, satellites, falling trees or branches, TV antennae, satellite dishes or radio masts
- Make sure you get the cover you need, and check the policy exclusions carefully.

### PUBLIC LIABILITY

This relates to your legal liability as the owner in regards to an event at your investment property which results in death or injury to other people or damage to other people's property in or at your investment property.



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02 8866 5000  
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