



Welcome to  
**talk of the town**

issue 522

**IN THIS ISSUE**

- \* Insurance
- \* Renting the Smart Way
- \* P is for Prevention



# Did you know?

## IN THE REAL DEEP SOUTH

It's a fact: at 41.2o South, Wellington is the most southerly capital city on the planet. Cities on similar latitudes in the Northern hemisphere are Barcelona, Istanbul and Chicago.

## OLD CARS

NZ roads don't need to be salted so cars rust very slowly.

Around a fifth of cars are less than seven years old.

Around two thirds of cars are between seven and 16 years old. Around a sixth of cars are more than 16 years old.

## CAR CRAZY

With 2.5 million cars for four million people, including children, New Zealand's car ownership rate is one of the world's highest. New Zealanders make only about 2% of their journeys by bus and fewer than 1% by rail.

## FATTY FOODS

For each person who lives here, New Zealand produces 100 kg of butter and 65 kg of cheese each year.

# Insurance

Whether you're in your own home, about to purchase a new home, renting or flatting, everyone needs insurance. Without protection in case of theft, fire or other event, the impact of loss can be devastating. Take a minute to picture losing everything you own - including your furniture, appliances, clothing, entertainment systems and your home itself. With this in mind it isn't hard to realise just how important insurance is.

Different insurers offer varying levels of cover but generally with home insurance, your home will be protected against damage or destruction of your home (eg, by fire or water). Most insurers will offer two options: either a full replacement (with no regard to cost) or a replacement up to a specific cost.

Additional cover could include allowances for additional costs such as the necessity to rent elsewhere during repair or rebuild. Most insurers will offer bonuses such as protection against losing your no claims discount for glass breakages.

### How much do I insure for?

Calculate the total value of all your belongings and your home itself. Start by taking a piece of paper from room to room; divide your paper into two columns listing each item, along with its value. This is the time to record the details of your belongings - write down exact product names, any identifiable marks or identification codes and even take photographs. Don't forget to step outside and count the BBQ and outdoor furniture and into the garage or tool shed.

You will probably be surprised at how much everything comes to in the final tally and realise the importance of this exercise. Once you have recorded your list, keep it in a safe location with a copy away from the property to access in case you need it.

When was the last time you updated your insurance?

### Can I save some money?

There are many ways to reduce your premium, and these do differ between insurance providers, so talk to your insurer about suggestions

to help make your premium more manageable. Some common discounting options include installing a monitored security alarm, increasing your excess amount, combining car and business in a package deal and benefiting from a no claims discount.

### What if I'm renting?

If you're currently renting you still need insurance. Not only do you stand to lose the value of your contents, but you also risk liability for accidental damage to the home you are living in. For example, in the event you



Make sure that saving money on insurance doesn't mean reducing your cover

accidentally burn your rental home to the ground, your landlord's insurer may come after you personally to recover the cost of the house itself. If you are not insured against this, you are not protected and could be found liable for damages in the hundreds of thousands.

### Don't forget...

If you are renovating or building, talk to your insurer about a policy specific for your project - you may not be covered by a standard policy. If you are going away for a number of weeks, tell your insurer. It is also advisable to keep your insurer up to date with other information, such as a change in those residing at the property or any major new purchases.

When was the last time you updated your insurance and will your current cover replace everything you now own?

Now is a good time to talk to your insurer about your home and contents. Ask as many questions as possible, look at the fine print and get down to details like "If I discover a leaking tap has caused damage, will I be covered?" There will be many "didn't think of that" examples that a good insurer will be able to talk to you about. To avoid the disappointment of having a claim declined, be informed and prepared for securing cover that protects you and your home.

■ [nailed.co.nz](http://nailed.co.nz) kindly contributed to the article

*"Our team at Professionals are here to help you with all your rental requirements"*

# Renting the Smart Way



Buying a residential investment property can be an excellent investment for both yield and capital gain. One thing you should consider is that looking after an investment property can be hard work, but a good property manager can take the day to day hassle off your hands, helping in instances of insurance claims and tenancy wrong doing. It is important to be aware of all the rights and responsibilities of landlords and tenants, and to know the best way to set up, maintain and end tenancies.

## Presenting your Property

When tenants look for a rental property, they are quite often looking for the same attributes as someone who is buying their own home. They often evaluate each property with the following in mind:

1. Is the property clean and tidy? Does it require renovation or repair?
2. What is the location like?
3. Is it close to public transport, schools and community services?
4. Is the home quiet, warm and dry and will you be comfortable living here?
5. What facilities does the home have?
6. Does the home have enough power points, phone jacks and television cables?
7. What parking is available?
8. What security is available?
9. What are the neighbours and the community like?

Most rental properties are now advertised on property websites, as well as the more traditional newspaper classifieds and in Real Estate office windows. Some companies also profile properties with large "For Rent" signage. Make sure you get the highest profile for your property to ensure the best possible tenants.

## Arranging a Tenancy

Before choosing a tenant for your rental property, it is imperative you check their history. This should include a full credit check, a Tenancy Tribunal check as well as speaking to previous landlords and employers. Always get a copy of the tenant's ID so you know exactly who you are dealing with!

Once you have selected a tenant, you need to complete and sign a tenancy agreement. This should include basics such as details of the tenant, landlord, property and rental terms. Also consider things like who pays for water rates, who maintains the gardens, and if smoking and pets are allowed. Always collect all the money upfront before handing over the keys! The maximum you can require upfront from a tenant is 4 weeks bond and 2 weeks rent in advance.

Another important thing to consider when a tenant is moving in is a property detail report. This should be a thorough inspection of the property noting the condition of the property when the tenant moves in. Photos are a good idea or even video, highlighting areas of existing damage/disrepair. Get both parties to sign and keep a copy of the report; this will make life easier when allocating the bond at the end of the tenancy.

## Repairs

Landlords are responsible for most repairs and maintenance at a property, unless the damage is caused by the tenant. You should always factor into your financial projections a budget for repairs and preventative maintenance. This will allow you to keep your tenants happy, and protect and enhance the value of your investment.

If you discover damage to the property that the tenant is responsible for and you are unable to sort it out by phone, then you can issue them a 10 working day breach letter asking them to make any necessary repairs. The tenant can also issue the landlord a 10 day breach for any repairs that have not been carried out in a timely manner.

## Ending a Tenancy

Notices to end a tenancy should always be issued in writing, with details including the date of notice, the date of the end of the tenancy, the property address and details of the landlord and tenant. Unless you hand deliver a notice, you should allow 4 extra days to any notice period if it is sent via post.

Fixed term tenancies cannot be ended with notice, except by the agreement of both parties or by a Tenancy Tribunal ruling.

For periodic tenancies, the tenant must give a minimum 21 days notice to the landlord. If the landlord has sold the property unconditionally, then they may give the tenant 42 days notice. If the landlord or one of their family members are intending to move into the property, then the 42 day period applies as well. For all other cases, a landlord must give 90 days notice to a tenant, and no reason needs to be specified for this.

## Bonds

A bond of up to 4 weeks rent must be lodged with the Department of Building and Housing Bond Centre within 23 days after it has been paid. Bond lodgement and refund forms are available from the Department of Building and Housing, or from their website [www.dbh.govt.nz](http://www.dbh.govt.nz).

At the end of the tenancy, once any arrears or tenant damage, cleaning etc have been agreed to, both the landlord and tenant must sign the bond refund form and return it to the Department of Building and Housing. If the landlord and tenant cannot agree to the bond refund allocation, then the bond will be put into dispute and either party can then make an application to the Tenancy Tribunal who will decide the outcome.

## Disputes

Disputes between tenants and landlords happen from time to time. These could arise from a disagreement about bond refunds, repairs, rent arrears, damages etc. Communication is the most effective tool to deal with these disputes before they escalate, and this is where a good property manager can help. If a satisfactory outcome cannot be reached then the Department of Building and Housing can provide information and advice, as well as a mediation service, and, failing that, the Tenancy Tribunal where an adjudicator's decision will be issued as a Tribunal Order (Court Order).

Whether you are looking to rent or looking at finding a tenant, taking care at the beginning of the process should see you having a positive and happy experience. Our team at Professionals are here to help you with all your rental requirements



# P is for Prevention



It used to be just a simple letter in the alphabet but in recent years Methamphetamine (commonly known as P) has risen in notoriety and become associated with a lot more than that. Also known as speed, crystal meth, ice, pure, rock just to mention a few, the nickname 'P' is unique to New Zealand. Causing untold damage to people and property, it is important to recognise and protect both.

New Zealand Police have exposed more than 450 P-Labs over the past three years, including 137 last year, and experts say buyers and landlords need to be aware of the toxic dangers that living in a house exposed to this insidious practice presents. Methcon, a drug education group, receives a couple of calls a week from people who have unwittingly moved into a former P-Lab. More often than not they start noticing insomnia, a general feeling of lethargy, stinging eyes, sore throats and headaches.

Tenanted properties provide an easy access base and therefore make up the majority of P-Labs in New Zealand. Innocent property owners are often unaware of any manufacture, damage or illegal activity until well after the tenants have moved on. If a P-Lab is discovered, the clean-up is time consuming and expensive with the property often uninhabitable for some time and costing anywhere between \$5,000 and \$35,000. Combine this with loss of rental income and the long term impact on future rentals, the end tally can be extremely costly. The clean-up may involve removal of items including benches and sinks, baths, stoves, wallpaper and linings, carpet and drapes and even soil and septic tanks. Usually contamination damage is identified during Police investigations but a regular thorough landlord property inspection can lessen the risk and subsequent damage from methamphetamine manufacture.

When it comes to insurance some insurers now have specific clauses relating to the regularity of property inspection and these must be adhered to, to help validate any claims. If in doubt, ask the question with your insurer to make sure you know what is required.

If you suspect a dwelling or property is being used as a P-Lab contact the Police. They would call in the ESR (Environmental Science & Research) response team of forensic scientists who remove chemicals and conduct tests. If, as a tenant, you think you are living in a property that has been used as a P-Lab you should obtain as much information as possible to support your concerns and approach your Property Manager, Landlord or the Police. If, as a landlord, you are looking for that extra support surrounding this issue, consider using

a Professionals Property Manager to regularly inspect your property working with you to help minimise the risk.

There are a number of signs a property may be being used as a P-Lab. Both landlords and tenants should check for these signs before renting a property.

- \* Unusual chemical smells that are not normally present in the area.
- \* Numerous chemical containers (labelled solvent, acid, flammable) stored or stock piled.
- \* Stained glass equipment and cookware.
- \* Plastic or glass containers fitted with glass or rubber tubing.
- \* Numerous cold tablet packages lying around or in the rubbish.
- \* Portable gas tanks or other cylinders not normally seen or used in the area.
- \* Chemical stains around the household kitchen sink, laundry, toilet or stormwater drains.
- \* Yellow/brown staining of interior floor, wall, ceiling and appliance surfaces.
- \* Reports from neighbours of unusual activity particularly at night
- \* Windows covered/sealed day and night.

If a property is discovered to be operating as a P-Lab the council has several procedures in place including the order to make a Cleansing Order under Section 41 of the Health Act 1956. There are a number of P-Lab cleaning companies but no standard to meet before a house is deemed safe. Councils may also note former labs on their LIM (Land Information Memorandum) reports but there is no legal requirement to do so.

Police are grateful to hear from locals reporting suspicious activity or behaviour. With your help, they can reduce victimisation and the serious levels of harm illicit drugs cause to our community and properties alike.

