

### S.A. GREAT FOR INVESTING IN UNITS

Over the past year we have seen an average of 0.96 units sold for every group we manage. This is an unprecedented level of sales for our clients.

Normally we would see a slowdown in Winter however this year the sales continued. A recent article in the Australian read..

Plummeting interest rates and some of the cheapest house prices in the nation are turning the most unlikely Adelaide residents into real estate tycoons. Sue Hemmings, 39, of Semaphore, is self-employed and, with her partner, a student, the proud owner of three homes bought in the past three months in the working-class beachside suburbs of Largs Bay and Exeter.

All three homes cost the couple a total of \$400,000 and can expect to be rented out for up to \$200 each a week. In Sydney, the same property portfolio in Sans Souci would cost more than \$1.5 million.

"We probably will be looking at buying some more properties and have them all paid off by the time we retire or sell one to pay off the rest and live off the rent," Ms Hemmings said.

Adelaide's house prices — up to 40 per cent cheaper than in the east — and the lowest interest rates in 30 years were considered a far better investment than low-yielding superannuation funds.

"We decided to buy one investment property and then we found we could actually buy another one using our equity and so we kept buying," Ms Hemmings said.

Another investor and a former teaching

graduate, Cathy Pearce, has built up a portfolio of more than 300 properties in Adelaide's seaside and inner-city suburbs since starting with a \$15,000 deposit in 1992.

Middle-income earners were renovating bargain-priced real estate for resale at a considerable profit or for rent at a significant return.

"I think there are more people involved in multiple property purchase in South Australia because houses here are more affordable in terms of purchase prices, mortgage repayments and return on investment," Mr Brock said.

Ms Pearce said Adelaide was a cheap, untouched developer's paradise.

"Adelaide is the best place to develop and invest because we've got strong capital growth and there's not so much competition here," she said.

The 28-year-old, who gave up a teaching career to renovate and sell properties full-time five years ago, said anyone could make money from real estate in Adelaide.

"All you need is a deposit, a bit of know-how, good negotiating skills and remembering to buy with your head, not your heart," she said.

At UnitCare we are seeing surprising prices paid for units in all suburbs. The challenge we see in the near future is resolving tensions between a growing number of tenanted units and the diminishing percentage of owner occupiers.



view-



emergency numbers

#### Service

Plumbing, Gas, Roof Leaks, Breakins, Electrical, Glazing  
Police to attend - noise/robbery etc  
State Emergency Services

Regards,

Gordon Russell crei

#### Number

0412 420 544  
11444  
8204 2999

Unitcare Fleurieu Peninsula  
Local plumber:  
Fawcett Plumbing  
0414 835 566

# www.unitcare.com.au

### INSURANCE PREMIUMS UP

South Australians face substantial rises in insurance premiums this year following the losses in America, the collapse of HIH Insurance and natural disasters around the World. We expect increases in body corporate premiums during the year as will be the case with most insurance policies. The following is an extract from Common Ground, a publication of CHU Insurance..... (Note: CHU insures through QBE more than 40,000 body corporates in Australia. UnitCare is an agent for CHU.

Current estimates of the insured losses arising from the terrorist attacks in the US range from \$US30 billion, to as much as \$US70 billion. To place the magnitude of this loss in an industry perspective, the largest loss recorded by the insurance industry previously was Hurricane Andrew, which struck the US southeast coast in 1992. The insured losses from that disaster amounted to roughly \$US20 billion.

The core of the insurance industry is re-insurance, insurance companies spread risk by offloading part of their exposures to re-insurers, who, in turn, spread their risk in a complex chain that runs through the international insurance industry.

QBE was exposed to all four hijacked aircraft and the resultant aviation property, business interruption and other claims, in a prospectus dated 19 October 2001, QBE's directors confirmed that, after a review by senior management, insurance underwriters and internal auditors, the current best estimate for the impact of the loss from the terrorist attacks remains in the region of \$250 million after tax. The directors also confirmed that QBE has sufficient capital — with the company's capital after this disaster (and after allowing for the loss) still in excess of the Australian Prudential Regulatory Authority's (APRA) proposed minimum capital requirement at 1.29 times and QBE's shareholders funds at around \$1.9 billion as at 30 September 2001. QBE has since announced a capital raising of \$663 million, of which \$542 million has been received so far.

continued page 2



#### UnitCare Services

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## Insurance (continued)

As for the re-insurers, ninety-seven per cent of QBE's estimated reinsurance recoveries are from a broad spread of organisations rated 'A' or better by internationally recognised ratings agencies, and the other three per cent is with reputable and long-standing companies.

The long-reaching affects of the terrorist attack will involve reconsideration of particular classes of insurance and universal premium rises.

QBE and all other insurance companies will reconsider their involvement in some classes of business, insurance companies have put liability caps in place since the terrorist attacks and further exclusion clauses might be added.

Terrorism may be excluded from many classes of insurance unless there is some form of terrorism catastrophe arrangement, government protection, or terrorist pool.

One other certainty is, as a result of the terrorist crisis, insurance and re-insurance premiums will rise, not only for aviation and other classes that have been hit so spectacularly, but across the board, whether exposed to such events or not. The increase is forecasted to be between 15 and 25 per cent.

## Account Notices

Some owners are using old pay-in slips from their account notices. This sometimes leads to incorrect payments especially where the owner is overdue. To avoid this confusing in the future the date of printing now appears on the tear off slip as well as the main body of the account.

Since the middle of last year we have electronically recorded the sending of every account notice and arrears advice to owners and their agents. This log has been useful when owners sent to the debt collector claim never to have received a reminder.

NOTE: Those sending cheques please send in the slip or write your details on

## New Publications

The Body Corporate Managers Division of the Real Estate Institute of S.A. has just published two new booklets to help unit owners and those looking to buy a unit.

The booklets were launched at the recent annual Community Awareness Day held in the Rundle Mall.

(photo from left Gordon Russell UnitCare, Joyce Woody CEO of REISA, Kent Farminer Manager CHU Insurance Adelaide)

The Strata Title booklet takes owners and purchasers through the basics including who owns what, Meetings, Animals, Alterations and includes a full set of the model Articles.

The Community Title booklet takes owners and purchasers through the basics of this new title system (1996) including the role of the Community Corporation, the Management Committee, Meetings and Financial Management.

In S.A the Government supplies little or no help to unit owners on their rights and responsibilities. The REI has used its funds in the community education initiative.

Copies can be obtained from the REI at 249 Greenhill Road, Dulwich (8366 4300) or by contacting UnitCare on 8364 0022 and we will post one out.

## New Fax Number

We have a new Fax Number. Please ensure your records show **8364 6822**.

Our phone number remains the same 8364 0022

Our street address is 46 Kensington Road, Rose Park



New info from REI

## Free Mediation Services

Over recent years there have been substantial changes to the legal and mediation services available to South Australians. This is a valuable service and to that end we are publishing some of the content of their current brochure....

We deal with the following kinds of disputes: Trees, Fences & Boundaries, Noise, Abuse or Harassment, Water Drainage, Landlord & Tenant, Extended Family Relationships, Retaining Walls, Property Damage, Animals, Strata Titles, Clubs & Associations, Business & Social & Community Service Management.

We provide a free service in any of our offices and interpreters can be arranged if necessary. They are available to talk to interested groups and offer training in conflict resolution and communication.

**What We Do:** In many cases mediation can provide a more effective solution than legal action through the courts. It is more likely to enhance and preserve good relations between people.

The Community Mediation Service can assist by:

- \* providing information about positive and constructive alternatives to the legal system.
- \* discussing the options available to all parties in the dispute.
- \* referring to other agencies if and where appropriate.
- \* negotiations with the other party to discuss options to a resolution that will suit everyone.

\* mediation is a process which encourages people to explore options together to reach a mutually acceptable agreement.

### ADVANTAGES OF MEDIATION

\* Mediation is a voluntary process. People with a willingness to explore positive options can work together to resolve problems.

\* Mediation saves on lengthy and costly legal proceedings.

\* Mediation sessions are confidential, conducted in private, and can be arranged at a time to suit all parties.

\* Mediators are trained to be impartial and nonjudgmental.

\* Mediation can contribute to the early resolution of problems, reducing stress and anxiety.

\* All parties take responsibility for their role and are given the opportunity to resolve their own disputes.

\* Disputes settled out of court usually result in friendlier ongoing relationships.

### Where to find them..

#### Southern Community Justice Centre

40 Beach Road  
Christies Beach SA 5165  
Ph: 8384 5222

#### Central Metropolitan Area & Riverland

situated in the office of  
Adelaide Central Mission  
14 Pitt Street  
Adelaide SA 5000  
Ph: 8202 5111

#### Northern Metro & Mid North

situated in the office of  
Para Districts Community Legal Service  
26 John Street  
Salisbury SA 5108  
Ph: 8281 6911

#### Western Metro & Iron Triangle

situated in the office of  
WestSide Community Lawyers  
Entrance 4. Traford Street  
Angle Park SA 5010  
Ph: 8243 5521



mediation services