



A MESSAGE FROM THE MANAGING DIRECTOR

WHO PAYS ... LANDLORD OR TENANT?

Essential Safety Measures (ESMs) in Commercial Buildings

From 23 September 2020 a landlord under a retail lease can pass on the costs of repairing and maintaining essential safety measures (ESM), and the costs of installing ESMs as part of a fit-out, to their tenant as outgoings. However this is only where the tenant's lease and disclosure statement or annual estimate of outgoings enables them to do so.

ESMs include smoke detectors, sprinkler systems, fire extinguishers, fire exit signs and the annual safety inspections. These changes apply to new and existing leases, but don't enable a landlord to recover ESM costs that they have already paid. A tenant can now also agree to carry out repairs and maintenance works to an ESM.

The changes apply as a result of the *Retail Leases Amendment Act 2020*, which amends the *Retail Leases Act 2003*.

Christmas Greetings from AESI

As we move forward from a year that has been like no other we wish all our clients and friends happiness, good health and cheers to the new year and new beginnings....



David Hassett MD AESI

SUMMER WARNING TO CHECK AIR CONDITION UNITS

This summer, experts are warning that rising temperatures can strain air conditioning units and, if they are not properly maintained or continually left on it can turn them into dangerous fire hazards. But these fires can be prevented through proper maintenance. Changing the filter and ensuring adequate power supply to the unit are two safety measures that can help avoid potential problems. Avoiding the use of damaged extension cords is also important, as they can cause overheating that quickly ignites a fire.



NEW TENANCY ACT TO INCREASE LANDLORD OBLIGATIONS

What you need to know

Safety and compliance obligations are set to significantly increase for Victorian Landlords when the changes to the *Residential Tenancy Act 1997 (Vic)* become law with the new ACT on or before January 1, 2021.

For the first time Regulations will make it mandatory for Landlords to ensure their properties have:

- Smoke Alarm safety checks at least once every 12 months
- Gas & electrical safety checks of all appliances, installations & fittings least every 2 years; and
- Detailed records of all safety checks retained and reports made available to tenants on request.

In light of the demanding time frame, AESI has negotiated with its company, GMH Fire Safety Australia Pty Ltd to bundle all of these services into one low, fixed annual fee that covers all your smoke alarm and gas and electrical compliance requirements.

What you need to do

Your property must first complete an Initial Compliance Safety Service – covering a comprehensive check on your smoke alarms and your gas and electrical appliances, installations and fittings to certify that your property meets the new Residential Tenancies Act safety requirements.

AESI Recommendation

We think some 600,000+ Victorian rental properties will need to meet the legislated obligations for biennial gas and electrical services from 1 January 2021. With this urgency for property compliance and to enjoy "Peace of mind" we recommend that you act now to avoid any delivery shortages and possible price rises as demand increases.

For any assistance and guidance on the new *Residential Tenancy Act 2020* please don't hesitate to call our MD Brad Green at GMH Fire Safety Australia Pty Ltd. Phone 1300 154 554

LANDLORD NEWS



OWNERS BEWARE! UNOCCUPIED BUILDINGS CAN BE COSTLY!

Many commercial insurance policies will only provide cover for between 30 and 60 days of the building becoming unoccupied. After this they will insist upon an additional and possibly considerably more expensive policy.

There are several reasons for this including the increased possibility of severe damage caused by squatters, vandalism flooding and fire

Ways of protecting your premises could include back to base alarms, key operated deadlocks on doors, key locks or bars on windows and even security guards or full-time caretaker. But beware these additional costs added to any loss of rent can see an unoccupied building become very expensive for the owner.

Our Advice

Consult a broker who knows and understands your location, has access to all the latest unoccupied commercial property insurance information and who will work with you to find the best available policy at the most affordable price.

Relevant case study

The situation: Before the lease commenced, the landlord provided the tenant with an estimate of outgoings. The estimate was \$7,000 for outgoings per annum.

Within the following year however and after paying all the invoices, the tenant realised they were paying far more than the estimate provided.

The process: The landlord agreed they had underestimated the amount for outgoings per annum.

The solution: Through negotiating with a VSBC Dispute Resolution Officer the landlord agreed to cap the outgoings at \$7,000 per annum.

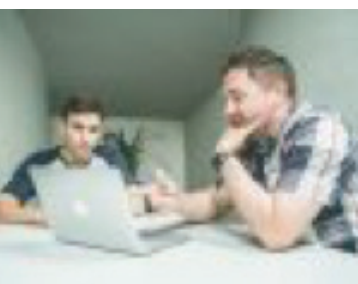


EXIT SIGNS CRITICAL FOR THE WORK PLACE!

No matter the size of your business enterprise, it is essential to have exit signs that keep your employees, clients and your business safe if a fire occurs. These illuminated signs are invaluable life-saving devices as they stand out above heavy smoke and can be identified at a distance guiding people to escape the building quickly and safely.

Exit signs are available in varying sizes and clearly show where exits are located in the event of a fire, gas leak, or other dangerous situation. Signs must be working and clearly visible at all times.

AESI offers everything you need to maintain a safe facility, including exit signs, emergency lighting, fire alarms and extinguishers, fire systems, and more.



COVID AND RESOLVING RENTAL DISPUTES

What should I do if my tenant has stopped paying rent and won't respond to my request to negotiate rent relief?

We suggest you can apply for free mediation with the Victorian Small Business Commission (VSBC) to resolve your rent dispute, making sure you include a copy of your tenant's lease. After you apply for mediation, the VSBC will forward your application to your tenant with a dispute notice letter and suggested form of response

OR

A case officer from the VSBC will contact you and your tenant to try to resolve the rent dispute and, if needed arrange a free mediation session. This session will be conducted by an experienced, independent mediator via video or telephone.



AESI ... EXPERTS IN FIRE SAFETY & ESSENTIAL SAFETY MEASURES

Making your property fire safe is paramount to saving lives and protecting your valuable investment.

AESI expertise will steer you in the right direction with all aspects of fire safety and building compliance namely: Current Building compliance and safety audits; Essential Safety Measures inspections & maintenance; Asbestos identification and compliance; Evacuation Plans & Training, Repairs and Maintenance, and OH&S Audit and Report.

AUSTRALIAN ESSENTIAL SAFETY INSPECTIONS

For confidential advice and assistance contact AESI.

Australian Essential Safety Inspections Pty Ltd
Suite 7, 476 Canterbury Rd, Forest Hill VIC 3131

Phone: 03 9894 2064 Fax: 03 9894 8376

Email: office@aes.com.au Website: www.aesi.com.au

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