



A MESSAGE FROM THE MANAGING DIRECTOR

Building Owners...Importance of Building Safety Compliance during Pandemic

"We had no warning [the pandemic] was coming, no time to prepare for it, we can't control it and we have no idea how long it will last."

The COVID-19 situation seems to be ever-changing and we wanted to take this opportunity to discuss some business considerations for efficiently managing the safety of your property and ensuring it remains legally compliant in these difficult circumstances.

Understandably, given the unprecedented and disruptive climate, many businesses (shops, offices and factories) are closed with landlords and tenants being confused and not comfortable with people visiting their property. Already property managers are lobbying councils to help landlords and tenants come to some agreement by deferring rents and property rates, holding mortgage payments and interest and waiving other costs such as marketing levies. Recently a property director wrote to councils suggesting, "banks, utilities, insurers and governments should be waiving interest or freezing payments all in line with the mandatory code-of-conduct. He said, "In this way the costs a landlord will save can be passed on directly to their tenants."

The fact remains however, that property owners and occupiers still have legal obligations to keep their buildings safe and compliant with the possibly outdated government regulations. At the moment penalties for non-compliance with Essential Safety Measures may result in an infringement notice or a significant fine being issued by council or the fire authority. In some cases unsatisfactory owner response can even result in the business being closed down. It should be noted also that insurance claims can be considerably reduced or denied if it is found that Essential Safety Measures have not been maintained or not fit for the purpose.

By employing a sound policy of efficient safety management owners can avoid legal and insurance risks by not only protecting the building asset and its occupants but also having 'peace of mind' that the business and your financial future is safeguarded.

Give us a call to discuss how we can assist you in being compliant and staying compliant.

David Hassett MD AESI

NEW LAWS TO TRACK & MONITOR DANGEROUS CHEMICALS



Illegal stockpiles of chemical waste were discovered after a major West Footscray warehouse fire

Victoria's pollution watchdog had "unacceptable" practices that failed to properly monitor and track dangerous chemicals and sites across the state, a scathing report into the Environment Protection Authority (EPA) has found.

The probe said there was a poor quality of pollution reports. A series of toxic fires and the discovery of illegal stockpiles of chemicals has dogged authorities in recent years. Governance was also found to be a major issue with inconsistent approaches to incident management.

The Victorian Government has moved to bolster the EPA investigations, but new environmental protection laws due to start this year have temporarily been put on hold due to coronavirus.

OUR 2020 WINTER TIP

Now is the time for commercial property managers/owners to identify and assess all potential fire hazards in the business and understand the risks associated with lack of maintenance and improper use.

We see it each year where the cold winter months in particular present a greater risk for workplace fires with overworking of heating systems and malfunctions in electrical equipment presenting the most likely dangers.

THE PROPERTY LEASE...WHAT YOU ARE REALLY PAYING FOR

In a commercial lease, rent is only one part of the tenant's ongoing financial obligation. Additional costs called "outgoings" are usually passed on to the tenant by the landowner.

What are outgoings? Outgoings are the landowner's reasonable expenses associated with the premises, and they can pass these on to the tenant if properly documented in the lease. Commonly, outgoings include:

1. Taxes, charges and fees such as council rates, body corporate levies and audit fees;
2. Day to day premises costs paid by the landowner, such as: cleaning, garbage collection, security services and fire protection equipment
3. Maintenance and repair services, paid by the landowner and not for fair wear and tear (e. g. air-con servicing); and
4. Marketing and advertising services for a shopping centre building



BEWARE! UNOCCUPIED COMMERCIAL PROPERTY CAN BE COSTLY!

Many 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

DID YOU KNOW?

What to do before entering a Lease

Landlord — As a Landowner you must ensure:

1. All outgoings you wish to collect from the tenant are clearly and specifically disclosed in the Lease and Disclosure Statement.
2. The Lease contains all the provisions mandated by the Leases (Commercial and Retail) Act 2001.
3. Failure to do either of these things can result in time-consuming and costly disputes between yourself and the tenant and may prevent you from recovering your expenses relating to the premises.

Tenant - As a tenant, make sure you:

1. Read and understand the Lease and Disclosure Statement. These documents will record what outgoings you have to pay. Make sure you are certain which outgoings you are liable for, in what proportion and when you must make any payments.
2. If your lease is one of several for a particular building, make sure the outgoings are fairly apportioned in the lease by reference to the lettable area of your premises.

locks or bars on windows and even security guards or full-time caretaker. These additional costs added to 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.

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.

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