

# Real Estate Case Study

## Poor property management by landlord



### Case Details:

The claimant had alleged our client failed to arrange maintenance and repairs for the property causing the tenant to vacate the property.

The owner of the property was notified of the tenant's early vacate and termination of the lease. Upon further questioning by the owner as to why the tenant vacated, it was evident that it was due to the lack of maintenance and repairs.

The insured provided documentation to verify all correspondence between the tenant showing requests for maintenance and repair work to be completed. The insured appears to have not responded to these requests nor had they forwarded any of these requests to the owner.

The matter went to QCAT which found the insured to be negligent and uncompliant to the requests of the tenant given the hazards that were reported. The insured was ordered to reimburse the tenant of their bond.

The owner of the property went on to claim damages from the insured for loss of rent and prospective interests.

Panel solicitors were appointed on behalf of the insurer to act on the best interest and determined it was best to resolve the matter pre-trial, given the outcome of the QCAT.



### Case Outcome:

#### Legal Response

The matter was able to be resolved in mediation as all parties accepted the settlement of \$50,000 cost inclusive.

#### Policy Response

The insured was also exposed to a number of OH&S issues by not maintaining and adhering to repair requests. Policy was triggered as insured acted negligent by not managing the property as per their agreement.



### Reduce Your Risk:

- Keeping a ledger between the tenant and landlord will help keep track of all requests that are made and completed. This will also minimise exposure in terms of property management;
- Thorough review of all rentals prior to tenant's entry may provide an outlook on maintenance issues that will need addressing either now or in the nearby future;
- Task triggered reviews in all rentals may assist with responding to tenants and owners in a timely manner.