



Drug Labs in rental properties – what you need to look for..


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Drug Labs in rental properties – what you need to look for...

Many people own an investment property and these properties are generally simply unassuming private rental properties in residential areas – just the type that most tenants are looking for. Unfortunately, these are also the properties that organised crime gangs access for the set-up of their illicit drug labs.

EBM RentCover published information on what to look for. It is invaluable information for both landlords and their managing agents. The core of the information in this newsletter is taken from the full article which can be accessed at <https://www.rentcover.com.au/info-centre/could-you-be-managing-a-drug-lab>. We suggest that you read this

and distribute it to all of your property management team. This is not an advertisement for EBM RentCover, but it certainly highlights that not all landlord insurance policies are the same and it is essential that you as an agent remind your landlords to check their policies.

COVID-19 has presented a lot of challenges for landlords, with a moratorium on evictions for rent arrears, reduced rents, broken leases and higher vacancy rates. The pandemic has also thrown a spanner into the works for organised crime gangs who have found their international drug trafficking and domestic supply chain operations curtailed by border closures. This transport bottleneck has led to more clandestine labs being set up to manufacture drugs locally – and private rental properties are often targeted by gangs. With landlords facing a tough market, the temptation to scrimp on prospective tenant checks, to quickly secure rental income, can expose



owners to the risk of turning over their investment property for use as a drug lab.

But even for the most diligent of landlords and their diligent agents, there is no fool-proof way to foresee a tenant turning a home into a drug lab. Organised crime is very adept at getting around normal screening protocols, like reference checks, and frequently uses 'dummy' prospective tenants to secure a lease. EBM RentCover, are obviously one of the providers of landlord insurance, who at the end of the day are left to cover the costs of removing and cleaning a property after it has been identified as a drug lab. Naturally, landlords need to have their landlord insurance in place to ensure that they are covered for such instances, which is where you as the agent need to remind your landlords that this is a possibility.

EMB RentCover in their article suggested that agents (landlords) need to watch for:

Before signing the lease agreement:

- » Prospective tenants disinterested in the features of the property, like the kitchen, bedrooms, bathrooms, or surrounds such as proximity to public transport, schools and shopping (as the 'cooks' rarely live on the premises)
- » Potential tenants willing to pay rent months in advance
- » Rental applicants who attempt to avoid background checks
- » Applicants willing to install extensive security at their own cost

During the tenancy, be alert for:

- » Locks being changed without permission
- » Installation of additional security systems, CCTV, window bars, guard dogs or deadbolts/alarms on internal doors

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- » Smoke detectors disconnected/ removed
- » Light bulbs removed (sparks can cause explosions)
- » Curtains always drawn
- » Complaints from neighbours about unusual behaviour, visitors to the property late at night, and suspicious comings and goings
- » Tenants regularly avoiding/ postponing/cancelling routine property inspections

If you suspect that a rental property is being used as a drug lab, do not attempt to enter the premises (booby-traps are not uncommon) or confront the tenants – call the police. If your suspicions are confirmed, get in touch with the property’s insurer to start the restoration process as soon as the police give the go-ahead.

Legislative requirements for evicting tenants vary in each state – some don’t require a notice period when a tenant has used the property for illegal purposes, whereas others require the tenant be given notice and time to remedy. Follow the right procedure in your jurisdiction and keep the insurance provider in the loop. Remember that the sooner the

insurer knows of the incident, the more advice and support they can give to you as the agent representing the landlord.

The cost of repairing damage and remediating a contaminated home can stretch into the tens of thousands of dollars – and it’s a cost many landlords face alone. Often, landlord insurance policies exclude claims relating to drugs, whether it is a blanket exclusion or one related to a premises being used to generate income or used for illegal purposes. EBM RentCover is one of the few landlord insurance providers that protect a landlord’s investment property by covering drug lab clean-ups (up to \$65,000 to cover damage to the building and contents caused by meth labs or hydroponic set-ups).

It is essential that you as an agent inform your landlords to check their landlord insurance policy to ensure that it includes coverage for claims relating to drugs.

‘Til next time, wishing you every success in your business ventures,

Rosy Sullivan
Director | College Principal

UPCOMING WEBINARS

3 HOUR COMPULSORY CPD

Strata Management	TUE 24TH NOV
Sales & Leasing	TUE 12TH JAN

3 HOUR ELECTIVE CPD

Residential Property Management	TUE 17TH NOV
Stock & Station	FRI 27TH NOV
Property Sales	TUE 1ST DEC

Please note: All Webinars will be held via Zoom and run from 9am - 12pm unless stated otherwise.



UPCOMING FACE TO FACE COURSES

COMBINED CPD (COMPULSORY & ELECTIVE) - REGIONAL NSW

Stock & Station Wagga Wagga	TUE 17TH NOV	On-site Property Mgmt Ballina	TUE 24TH NOV
Stock & Station Orange	MON 23RD NOV	Property Sales Ballina	24TH-25TH NOV
Property Sales Tweed Heads	MON 23RD NOV	Residential Prop Mgmt Ballina	24TH-25TH NOV

Two 3-hour sessions. 9am - 4pm unless stated otherwise

3 HOUR COMPULSORY CPD

Strata Management	FRI 11TH DEC
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3 HOUR ELECTIVE CPD

Strata Management	FRI 11TH DEC
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ASSISTANT AGENT - CERTIFICATE OF REGISTRATION

Real Estate and Stock & Station	7TH - 10TH DECEMBER
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Units taken from nationally accredited training qualifications from the CPP41419 Certificate IV in Real Estate Practice.

Strata Management	15TH - 18TH FEBRUARY
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Units taken from nationally accredited training qualifications from the CPP40516 Certificate IV in Strata Community Management.

Please note: All face to face courses will be held at our Town Hall premises in the Sydney CBD with the exception of combined regional CPD



From the office

So we have just had a fortnight celebrating our 17th birthday – and we have another fortnight to go.

We have already given away ten \$50 Visa Gift Cards, a \$1,000 Visa Gift Card and three (3) sets of ACOP's Consumer Education Guides. And the gifts will continue for the next fortnight, culminating in the major prize of \$4,000 for anyone who enrolls into a course during the month of November. We have been sharing all of the party news on our social media pages and some members of the team have even taken to TikTok to honour ACOP's 17 years as a College. And there are still more surprises to come – and they are all benefits to you, our students. So stay tuned to our social media and our website for more details on a daily basis.

Training this past fortnight has included a Certificate of Registration (Real Estate and Stock & Station) program, a Trust Accounting licensing course, a Property Management

licensing module, the Present at Tribunal module (so exciting being part of a mock Tribunal case) and loads and loads of CPD classes (face-to-face and webinars). We are all really enjoying having students back in the College in greater numbers and as always talking and sharing knowledge with them through telephone and emails.

And the celebrations this fortnight have not only been focused on ACOP's 17th, month long, birthday party. We have also celebrated the impending marriage of our Training Manager, Megan. Of course, the occasion called for a white cake, ok it was coconut, and plenty of decorations. Megan and fiancé Matt have down-sized their wedding for COVID and after 12 years together are making it all official. We can't wait to welcome back the new Mrs Gravas (although she'll still be a Sullivan to us).

UPCOMING FACE TO FACE COURSES

PROPERTY LICENSING

Commercial Sales & Leasing SYDNEY CBD	11 TH - 12 TH MAR
Property Sales SYDNEY CBD	25 TH - 27 TH NOV
Stock & Station Agency Practices SYDNEY CBD	8 TH - 10 TH MAR
Strata Management Agency Practices SYDNEY CBD	23 RD - 25 TH FEB
Auctioneering SYDNEY CBD	2021 DATES TBA
Property Mgmt Business Development & NCAT SYDNEY CBD	23 RD - 24 TH NOV

PROPERTY LICENSING

Financial Management SYDNEY CBD	30 TH NOV - 1 ST DEC
Trust Accounting + Insurance SYDNEY CBD	FRI 26 TH FEB
Trust Accounting SYDNEY CBD	18 TH - 19 TH JAN
Property Management SYDNEY CBD	20 TH - 22 ND JAN
Business Broking Agency Practices SYDNEY CBD	3 RD - 4 TH DEC

Units taken from nationally accredited training qualifications from the CPP41419 Certificate IV Real Estate Practice and CPP40516 Certificate IV in Strata Community Management.

FINANCE & MORTGAGE BROKING COURSES

Certificate IV in Finance & Mortgage Broking SYDNEY CBD	8 TH - 10 TH FEB
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Diploma of Finance & Mortgage Broking Management <i>(Upgrade Program - Must hold Certificate IV in Finance & Mortgage Broking)</i> SYDNEY CBD	11 TH - 12 TH FEB
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Units taken from nationally accredited training qualifications from the FNS Financial Services Training Package.

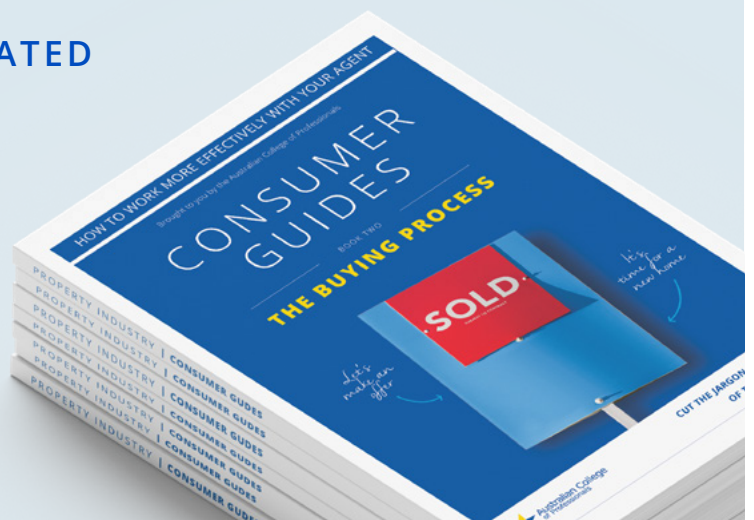
PROPERTY SERVICES

CONSUMER GUIDES

THESE 9 GUIDES WERE CREATED TO HELP AGENTS AND CONSUMERS WORK MORE EFFECTIVELY WITH EACH OTHER

Purchase the Consumer Guides at

acop.edu.au



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