



The RentCover Report

Industry News and Views from EBM

03|08

RentCover Report – we've got you covered

Welcome back from what I hope has been a terrific Easter break.

As we head into April, the first quarter of 2008 has been hectic to say the least. Economic gloom in the US continues to reverberate around the world and, at home, the Reserve Bank of Australia has been grabbing the headlines as they apply the pressure needed to slow our own economy down.

In this edition of the RentCover Report, we look at the impact on home owners, purchasers and renters alike. There's also an invitation to join EBM at AREC08, we introduce you to Rebecca Blattman as part of our profile series and ask you to share your stories with us for the chance to win a double movie pass.

We are getting some great feedback on our RentCover Report newsletters – so thank you for your comments and we look forward to receiving more ideas for future editions. Please email any suggestions you might have for themes, issues or products you'd like covered to marketing@ebminsurance.com.au.

We hope you enjoy this edition of the RentCover Report and we look forward to updating you with more EBM news in the upcoming months.

Sharon Fox-Slater
General Manager, RentCover

Time to invest in property?

The property industry has certainly been in focus in the first quarter of 2008 with plenty of media and community interest around interest rates, the US credit crunch, housing affordability and the rental crisis.



Earlier this month, in response to continued upward inflationary pressure, the Reserve Bank of Australia increased the cash rate by a further 25 basis points to 7.25%, delivering yet another blow to homebuyer confidence.

Worst hit are the homeowners already suffering 'mortgage stress' – a phrase in common use these days, describing borrowers who devote more than 30% of their total income to meeting mortgage repayments.

Renters have also been impacted with the series of interest rate rises making it more difficult to enter the property market. At the same time, availability is squeezed and rents have sky-rocketed.

Recently released data from the Real Estate Institute of Australia shows that, nationally, home loans were already consuming 37.4% of median weekly family incomes before the latest rate rise and renters were spending an estimated 23.9% of their income on rental payments.

While rising interest rates have impacted homebuyer confidence across the country, market conditions support a strong level of investor activity.

According to the latest Mortgage Choice/REIA Real Estate Market Facts , property investors in general are

feeling confident about the Australian property market. A survey of 1,000 respondents across Australia who own one or more investment properties and purchased in the past two years revealed that most are upbeat, knowledgeable and keen to add to their portfolio.

Some 82% of surveyed investors said they were satisfied with their current portfolio situation, with more than half (55%) intending to purchase another investment property in the next two years.

Two factors driving investor confidence are the high rental returns and a national vacancy rate approaching record lows with little prospect of rental growth slowing in the near future. In the quarter to December 2007, vacancy rates in all capital cities were still well below the industry norm of 3% with Sydney recording the lowest at 1%, Melbourne and Perth at 1.6% and Brisbane at 1.8%.

With the Australian share market experiencing volatile times, Australia's property investors have reason to be positive with investment yields and returns expected to continue improving.

EBM helping drive you further

For many of us, the Easter break was a chance to pack up and head off on a road trip to visit family and friends or simply take a well earned break.



It's often been said that Australians are heavily reliant on motor vehicles. Now, the latest figures show this reliance has increased over the last decade despite rising fuel prices, with the proportion of households with two or more vehicles increasing from 46% in 1996 to 51% in 2006.

Unfortunately, Australia also has an established tradition of vehicle theft and one of the highest rates of vehicle theft in the western world. The National Motor Vehicle Theft Reduction Council estimates that in excess of 59,000 passenger/light commercial vehicles were reported stolen last year - that's more than 162 cars stolen every day, or six every hour.

This high rate of theft comes at a time when we are spending more on our cars – so it's even more important that those assets are protected against theft or damage.

EBM Insurance Brokers Managing Director Jeff Adams said having the right vehicle insurance saves time and money.

“That means that in the event of an accident, theft or damage we can make the claims process hassle free and get customers back on the road,” he said.

If you would like further information about EBM Insurance Brokers motor vehicle insurance, call 1300 INSURE (1300 467 873) or visit www.ebminsurance.com.au.

Tight market putting the squeeze on renters

Homebuyers are not alone in feeling the pinch when it comes to rising property prices with Australia's growing ranks of renters also struggling amid the affordability crisis.

Escalating costs of food and petrol combined with 12 consecutive interest rate rises have left many renters with little confidence they will ever enter the property market.



Australian Bureau of Statistics figures have shown house prices in the eight capital cities rose 12.3% last year, moving the 'great Australian dream' further out of reach for many.

As a greater percentage of Australians find home ownership slipping from their grasp, this situation presents immediate challenges for the insurance industry.

In the Insurance Council of Australia's 2007 study into non-insurance, "The Non-insured: Who, Why and Trends", report authors Dr Richard Tooth and Dr George Barker of the Centre for Law and Economics at the Australian National University found that non-insurance for contents cover is much greater for renters and those not living in detached houses.

With the report also confirming that home type and tenure are critical drivers of non-insurance for both buildings and contents cover, renters are seen as a vulnerable group at risk of being either under-insured or having no cover at all.

EBM General Manager RentCover, Sharon Fox-Slater said renters are under increasing pressure to maintain adequate cover.

"We already know that being uninsured is more prevalent in younger people, as well as more common among renters than homeowners," Ms Fox-Slater said. "And rising rents have now increased the pressure on these people already at risk of not having adequate cover."

"That's why EBM offers TenantCover – an easy and affordable solution for renters to protect their precious possessions and cover themselves against personal legal liability."

TenantCover provides protection for renters' contents against events such as theft, or damage by fire, explosion storm and more to a total of \$25,000 and premiums can be as low as \$125 per annum.

For more information about TenantCover call 1800 661 662 or visit www.tenantcover.com.au.

Have you visited www.ebminsure.com.au lately?

EBM Insurance Brokers may be only a little over 30, but we've recently undergone a bit of a makeover. Visit our new website and we hope you'll enjoy finding out more about the company on a site that's fresher, brighter and easy to navigate.



And that's not all. Did you know that Corporate Authorised Representative's and Distributor's of EBM's RentCover range can access an online system through your web browser exclusively dedicated to them? It's called RCPLive and you can apply for RentCover insurance on behalf of your clients, track the progress of claims, check whether accounts are paid and more – all from the one address.

If you don't yet have access to this time-saving system simply visit www.rentcover.com.au/rcplive to register, or call 1800 688 820 or email replive@rentcover.com.au.

EBM at AREC08

EBM Insurance Brokers is pleased to be supporting AREC08, set to be the biggest real estate event in Australia.



This year, the Australasian Real Estate Conference (AREC) and Australasian Residential Property Management (ARPM) conference have joined forces to become AREC08 – with almost 2,500 real estate principals, sales agents and property managers expected to attend.

EBM Insurance Brokers Managing Director Jeff Adams said he was thrilled to be supporting such a significant industry event.

"AREC08 has been carefully designed to deliver professional development opportunities for everyone

involved in the property industry,” said Mr Adams. “We believe it’s a “not to be missed” event on the industry calendar and our team is looking forward to being there.”

The conference will run from Sunday 25 to Tuesday 27 May at the Sydney Convention Centre in Darling Harbour, featuring a number of forums, two expos and a high quality line up of local and international speakers.

Just some of the highlights include the opportunity to hear from Dr Stephen Covey, renowned author of the bestseller *The 7 Habits of Highly Effective People*, Frank W. Abagnale, the real life man behind Oscar nominated film *Catch Me If You Can*, US real estate trainer, Dirk Zeller; business growth expert Willie Jolley and Paul McGee (aka The S.U.M.O Guy) who has dazzled the UK with his ‘Shut Up Move On’ concept and best-selling books.

AREC08 will kick off with a Latin inspired networking party on the Harbour’s edge with live music, great food and wine and of course panoramic views of the city and Darling Harbour.

Be sure to stop by one of EBM Insurance Brokers two exhibition areas where our representatives will be providing on-the-ground advice and you can discover even more about services we offer.

For further information about AREC08, or to register simply visit www.tret.com.au.

Meet a member of the RentCover team...

Rebecca Blattman, Business Relationship Executive

Rebecca Blattman joined the EBM Insurance Brokers’ team of Business Relationship Executives (BREs) two years ago and is based in Sydney as one of four BREs for New South Wales. Rebecca looks after Western Sydney, the Blue Mountains, the Southern Highlands, Canberra and the South Coast

Rebecca’s role involves looking after existing clients, building new business and ensuring that each clients’ experience with EBM is nothing less than extraordinary.



A bit more about Rebecca Blattman....

1. What do you like most about your position at EBM? I enjoy meeting people, building relationships with new clients and fostering the strong relationships I have with existing clients. It gives me a great deal of satisfaction to help our clients add value to their customers.
2. What do you find most challenging in your role? Time management is definitely something I have to keep on top of in order to maximise client service. My job involves frequent travel to and from clients so I always have to stay conscious of the clock.
3. When I’m not at work... I enjoy catching up with friends and family and spending time at the beach with a good novel.
4. If I had a three week holiday planned... I would spend it relaxing at a resort in the Maldives, cocktail in hand...
5. I like to splurge on... clothes, shoes, handbags any kind of retail therapy really!
6. The one piece of advice that stays with you? The piece of advice that I always remember is to treat others the way you want to be treated.

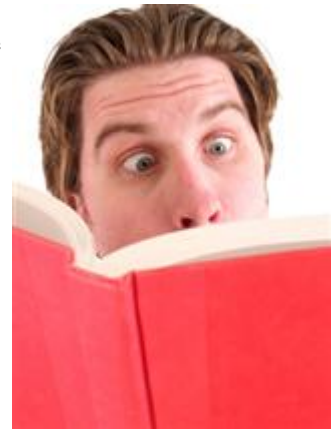
Did you hear the one about? ...

Do you have a favourite or simply quirky anecdote that underlines the importance of good insurance cover?

Dig deep into your memory banks – or send us news of something that's happened very recently – to win a double movie pass to your local cinema, where you can sit back and enjoy someone else's story telling.

Send your entries to marketing@ebminsurance.com.au by April 25 2008 to be in the running.

All entries must be true (though names can be changed to protect the innocent!) and be prepared for the very best stories to be retold!



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