

January 14<sup>th</sup> 2012

**To whom it may concern**

**Submission against the increase of Strata insurance.**

I am a property owner of a small 2 bedroom villa in Cairns which I have owned for nearly 7 years.

I purchased this property as an investment for the future and have not only seen the value of the property downturn dramatically from when I purchased it but ever increasing strata fees as well as council rates. Saying this in the 7 years I have owned it my rent has only increased from \$225 per week to \$250 per week.

I have tried to sell the unit on 2 occasions as it is an increasing financial burden to me and my family however even though I dropped the price I was unable to sell it. The feedback I received was that my strata fees were too high. I am presently paying over \$4000 in strata fees. My property has not increased in value at all in 7 years and part of this is high strata fees. The increase in strata insurance will not help property prices in my complex, Cairns or the rest of Queensland and will only make it more difficult for property owners in an already downturned market.

To hear that the strata insurance is being reviewed with the intention of increasing has me extremely worried. I am struggling at the moment to continue with mortgage payments after strata fees, rates and property improvements cut into the income generated. My option is to sell the property however I fear that I will be unable to sell the property with a further increase in strata fees due to the insurance hikes and this will leave us financially stressed and struggling to cope.

This unit was purchased as an investment for our future to be used as income in retirement which will in turn place less stress on the government to fund our retirement with superannuation.

The prospect of an 800% increase on strata insurance is disgraceful and inappropriate and will be devastating financially to so many property owners. Our wages do not increase by 800% nor has my rent on this unit increased by 800%. We are not a large conglomerate or a business trying to get rich off the population but a family trying to provide for our future. This is constantly being stripped from us and our opportunities are forever being eroded.

The flow on effect will be mortgagee sales and foreclosures to the bank as owners find it difficult to cope and/or rent increases. So it not only affects the property owner but the tenants as well. In the end the insurance companies at the top only benefit from this proposal.

I therefore ask that the increase of strata insurances be reviewed and looked at realistically. You are not just dealing with bricks and mortar but peoples livelihood.

Yours sincerely

Jayne Stanley