

[REDACTED]

12, January, 2012

To Whom It May Concern

Dear Sir/Madam,

Today I read a newspaper article regarding the rapid rise in strata title Body Corporate fees in Northern Queensland. The substantial increases appear to be due, primarily, to massive increases in Body Corporate insurance premiums.

My Wife and I are the beneficiaries of a small self managed super fund which owns a unit in Cairns.

We intend retiring in the next two years, the Cairns unit rental income forming a part of our self funded retirement.

The latest round of insurance premium increases will effect our intended retirement.

It would appear that the Northern Queensland insurance oligopoly, [REDACTED] and [REDACTED], has agendas that include;

- a) recovery of recent disaster costs and;
- b) taking advantage of the limited market competition, combined with the legal requirement for strata properties to carry insurance, by ramping premiums well beyond fair value.

It is interesting to note that individual home owners in the region are experiencing substantially less increases in their premiums than strata property owners. Is this because "Green Title" property owners can choose not to have insurance?

It is also interesting to note that most strata titled units and town house constructed in Northern Queensland have been built according to the building codes of a cyclone prone region whereas the same could not be said for many of the individual home or "green title" properties.

One of our son's is a property holder in the region and has experienced a 500% increase in Body Corporate fees during last month, primarily due to [REDACTED] insurance premium rises.

If this behavior remains unchecked, rents in the region will need to increase from 20 -60% to maintain a favourable yield on investment properties and investors will generally be deterred from remaining in or entering the Northern Queensland market.

[REDACTED]

[REDACTED]

[REDACTED]



We do hope that your determinations from the hearing process result in early government intervention on this matter.

Yours sincerely

Peter & Susan Nicholls

