

## Property owners and blocks of flats insurance

We can provide insurance cover for all types of property owner. Whether it's a single property, a portfolio, a converted flat or a purpose-built block of flats. We can also accommodate properties that include a commercial element - for example, a shop with flats above.

Our experience of providing property-owners' insurance is that in any one building you are likely to have a mixture of tenants who may be professionals, students, DSS referrals or simply owner-occupier leaseholders. We can quote for all of these.

As well as buildings cover, we can also arrange insurance for:

- landlords' contents
- liability
- loss of rental income
- engineering (for example, lifts or boilers)
- directors and officers

Many people approach us for individual flat insurance, without realising that their property is already covered; we don't want to waste your time and money so if you are considering asking us for a quotation for an individual flat in a block, (which we can do, subject to certain provisions) you should check beforehand that cover has not already been arranged for you through the freeholder. If you are buying a flat for the first time and are confused about your rights and obligations, your solicitor or legal adviser should be able to establish which insurance arrangements are in place, or what will need to be arranged.

We hope this guide will help you better understand the legal nature of your ownership. Before reading on it is pertinent to point out that if you want to buy a flat in a block in England or Wales, you are pretty much stuck with a lease; you may be lucky and be able to buy one that also includes a share of the freehold, or your flat may even be offered to you on a commonhold basis, an arrangement that is becoming more popular, and is seen as the eventual replacement system to leasehold.

You can obtain the leasehold of a flat in pretty much any type of building. It can be a purpose-built flat in a block, in a converted house or even in former commercial premises such as factories or office blocks. What you'll be obtaining is a portion of the building and the right to occupy that portion of the building for a set period of time. This period of time is called the lease, and new leases are issued usually for 99 or 125 years; occasionally you will be offered a 999 lease or one that is 'in perpetuity'. When you are buying a flat freehold, the term of the lease will be specified, and unless the property is brand new or in a newly converted building, the lease will usually have run down a little. You could think of a lease as a long tenancy agreement, except that during the period you are free to sell the lease to someone else. As property prices generally increase, so will the value of your lease, although its value can decrease the closer to the end of the lease you get. If a lease is not renewed or extended, then at the end of the term, it returns to the freeholder. Your ownership of the flat relates to everything within the walls that encompasses your portion of the building. This includes the flooring and the plaster work and any fixtures & fittings. Ownership does not include the bricks & mortar or the foundations or the land on which the property stands; this will all be owned by the freeholder. The freeholder is responsible for the upkeep of the building, but beware, as you will be partly responsible for paying for the upkeep.

## Holiday home insurance

One of the main considerations is the periods of occupancy that are often associated with holiday homes and second homes. It is often possible that property is unoccupied for many months and insurers will be concerned about the increased likelihood of theft, burst pipe & flood claims. Of course, if your holiday home is located in Spain, then the chances of your experiencing burst pipe claims are diminished and this will be factored into the premium that insurers charge. However, in the UK, burst pipes and - more recently - flooding are quite common. At Topaz, we are able to offer you buildings and contents insurance for your holiday home, and provide you with a similar set of insurance perils that you would expect to receive under your own home insurance policy for your UK home. Of course, if your property is located in Spain or France, for example, the cover would be tailor-made to fit local requirements.

**Overseas property**

For the past few years, Britain has been waking up to benefits of holiday home ownership as opposed to a buy-to-let investment. What are the main differences? Well with a buy-to-let building, you purchase a property as an investment and rent it out to a tenant, and hopefully the rent received will cover your mortgage rate costs. And, at some stage in the future, you will be able to sell the property and make a profit. Holiday home ownership on the other hand presents you with other, more attractive, opportunities. Many people are now buying overseas property in their favourite areas so they can have a second home that they can enjoy, and also as a means of providing an income via short-term paying guests. Later, you can choose to retire to the property, or sell it and receive the benefit of valuable tax concessions. The tax man considers let second homes to be earned income, and you are taxed accordingly. Topaz can assist you in obtaining overseas property insurance for most European destinations, and we may be able to offer cover for other areas across the world if required.

**Home insurance UK**

There are three main sections of a domestic home insurance policy, as follows:

- buildings
- contents – located within the home
- all risks - possessions covered away from the home, such as jewellery, cameras and sports equipment

Until recently, it was normal practice for a lender to want to arrange the buildings cover on a home on which they had lent money. The reasons for doing so were to protect their financial interest (the outstanding balance of the loan); and of course, they could earn commission from any product sold. The problem for consumers was that, often, lenders were restricted in the number of insurers they could place business with, and thus the insurance premium was not always the cheapest. This practice has now been relaxed considerably, and normally homeowners are free to buy their home buildings insurance from wherever they choose. Not everyone has the same taste - for example, your neighbour may have an identical home to your own, but once inside your contents and fixtures have been selected to suit your requirements and budget; we have access to various providers and we can tailor a policy to suit your specific needs.

**Listed building insurance**

Topaz can quote for either a Grade 1 or Grade 2 listed building. We can offer cover, either on a building-only basis or coupled with your contents and personal belongings. We understand the issues regarding listed buildings; a listed building is acknowledged by the secretary of state and noted on a register (hence 'listed') as being of special interest and as such worthy of special protection. Legislation has been enacted to protect and preserve any building or structure on the list, and the penalties for non compliance can be quite severe. A listed building is not always large, stately or in excellent condition, though; in fact, other structure types - such as schools, churches, walls, tombstones, milestones, barns, bridges, locks and even telephone boxes - can be included on the list. Sometimes a property had been occupied by a famous person, and this in itself is enough of a reason for listed status. Listed buildings are considered to be part of our heritage and of national importance - often people or groups of people campaign to have a property listed and thus preserved for future generations.