

# Running for cover always a smart idea



do we do this?), or would the financial and emotional cost be too high?

**Barefoot responds:** I must admit it doesn't look so good.

For one thing, I'd be very wary of having the bulk of my super assets tied up in one investment property.

I'm yet to see a case where someone has bought a residential investment property via an SMSF that was actually a good deal for the client. Often they're a three-way play — an accountant, a financial planner, and a property developer who share in

**The Barefoot Investor: The Only Money Guide You'll Ever Need (Wiley) RRP \$29.95**



upwards of \$50,000 commissions they load on to the purchase price of the property (plus the SMSF fees, plus the borrowing commissions).

I'd also be very wary of the adjectives you've used in describing the process thus far: "extremely stressful" and

"financial and emotional costs". Sounds more like a colonoscopy than holistic advice.

But I don't have all the facts. So if I were in your shoes I'd get some second opinions — firstly a valuation on the property from a local real estate agent, and secondly an assessment of the SMSF from an accountant with no links to the guys who set it up.

Once you've assembled the facts, act quickly.

I've never seen more time turn a bad property into a good one.

**T**HE world is now a global village and companies like Homestay and Airbnb have changed the types of accommodation we use.

But as always, you need to be well-informed.

Last month my family and I rented a Homestay property in Venice Beach, California.

The occasion was our son's wedding, so we needed accommodation that could cater for all the festivities and house our extended family, including three active grandchildren under six years of age.

Obviously a bevy of hotel rooms would be ridiculously expensive. Renting a home was not only cheaper, but meant we could save a fortune on meals and the never-ending tips that are a feature of staying at any hotel in America.

The property was everything we hoped for. It was spacious, which meant we weren't living in each other's pockets, had every possible appliance, fast wi-fi (which I can't live without) and was only 100m from Venice Beach.

The owners were friendly and attentive, and always available when needed.

All was bliss until one memorable evening when I heard a crescendo of smashing glass followed by screams from our grandchildren.

We rushed to the scene to discover a shower door over the bath had fallen out of its fitting and smashed, covering my son-in-law and

Noel Whittaker



granddaughters with broken glass. They had just been completing the evening bath ritual.

The first step was to render first aid to the victims.

Thankfully, the physical damage wasn't too bad once all the blood and broken glass had been removed, because American shower screens shatter like car windows.

The next job was to call the owner to get the mess fixed up.

**“This experience is a lesson to anybody who uses property offered by owners to check out what their insurance liabilities are.**

Within 30 minutes the cleaners were there and within an hour or so the room was spotless.

So far, so good. But here's the rub. According to the owner, tenants are liable for any damage incurred to the property, irrespective of how it happens.

When I asked what the position was in regard to a refund of our bond, he told us we were lucky to have chosen to take out insurance in lieu of a bond.

The premium was US\$99,

and he told us that covered damage up to US\$5000.

Three days later we received an email from the insurance company saying the claim was being processed.

The landlord had claimed on them for US\$900, which included replacement of the shower screen, the cost of after-hours cleaners and replacement of bath towels rendered unusable due to being impregnated with glass particles.

Obviously we are thankful we had spent the \$99 for the insurance instead of putting up a bond.

But this experience is a lesson to anybody who uses property offered by owners to check out what their insurance liabilities are.

I would have imagined in this case we would have had no liability — but I would hate to have to fight for our bond in an American court.

And while we are on the subject of insurance, always travel with adequate accident cover.

One of our wedding guests missed the ceremony because she had slipped in the bath getting ready to come along.

She spent the night in hospital with concussion and three cracked ribs. Luckily, she was insured.

**Noel Whittaker is the author of Making Money Made Simple and other books on personal finance. His advice is general in nature and readers should seek their own professional advice before making any financial decisions.**

## ASK THE EXPERT

Send your questions to Noel Whittaker [noelwhit@gmail.com](mailto:noelwhit@gmail.com) or tweet @NoelWhittaker

**Q** I am a director of the trustee of a charitable foundation. The trustee invests in listed shares, mainly investment companies, and applies to the tax office for a refund of franking credits, as the fund is exempt from income tax. It appears the foundation could be another victim of Labor's tax grab. Can you please clarify.

**A** I have been advised that charities will be in the same position as pensioners — they will be exempt from the proposed rules.

# Remove flammables to avoid staff burnout

**I**T is an insidious and growing part of everyday work life and is happening in your workplace.

An increasingly fast-paced work environment, tighter deadlines, technology, increased competition, fewer resources and competing demands from clients and co-workers all contribute to what experts describe as burnout, where employees have exhausted their physical or emotional strength and can no longer complete work to their usual high standard.

What is vital is for you — as an individual who could be at risk, as well as a colleague or

## WORKPLACE MATTERS

Gary Martin



manager of others who may be at risk — is that you spot the early signs of burnout before this damaging condition really starts to impact on someone's health and welfare, and the overall performance of your team.

The tell-tale signs of burnout are many and varied.

Do you feel your energy levels are dropping to the point that you are less productive in

the workplace? Are you feeling discontent with your job? Do you dread waking up in the morning and getting ready for work? Are your levels of impatience and intolerance rising when dealing with colleagues and clients? Are you lacking a sense of satisfaction with your achievements? Are you present at work but often "tuned out"? And what about your sleep patterns — have they changed?

If you answered yes to any of these questions, you may well be suffering from burnout (perhaps only early stage burnout, though possibly — and worryingly — much more

advanced than you think). Some people are more prone to burnout than others.

Take, for example, those who have lost any semblance of work-life balance in recent times. The likelihood of burnout has just increased exponentially.

Consider those who work in a profession that supports others, such as teaching, nursing or policing.

Or are you simply the type of person who tries to be everything to everyone at work? That can certainly make you a prime candidate.

Failure to spot the signs of burnout can be dramatic and

have dire consequences for an individual by leading to fatigue, excessive stress, vulnerability to other illnesses, anxiety and depression.

And while every employee should self-monitor for burnout, workplace managers have to be aware of the tell-tale signs and take steps to prevent it occurring or, at the very least, have a strategy in place to deal with burnout when it does occur. Failure to do so on the leader's part will harm an organisation through reduced productivity and lead to increased employee absenteeism and turnover.

Here are a few tips:

**Support** employees by making job expectations clear and reducing ambiguity wherever possible.

**Ensure** workloads are balanced across employees.

**Match** employee skills and knowledge with job roles.

**Keep** workplace hours reasonable and flexible.

**Mentor** or coach those at risk.

It is much easier to prevent burnout from happening in the first place than dealing later with this threat to workplace productivity and culture.

**Professor Gary Martin is chief executive at the Australian Institute of Management WA**