

One in seven Airbnb hosts experience property damage or theft

Auckland – 8 October 2018 – Homeowners and landlords using their properties as an Airbnb have found some tenants more trouble than they are worth, according to a recent AA Insurance survey, yet most plan to carry on.

The AA Insurance Home Security Survey found that despite 15 per cent of property owners reporting some form of damage to, or theft from, their property or belongings, 79 per cent plan on having more guests over the next six months.

“Extra income is the biggest motivator for those using vacation rental companies like Airbnb, according to our survey,” says Amelia Macandrew, Customer Relations Manager, AA Insurance, “with many saying it helps pay off their mortgage, or a holiday they couldn’t otherwise afford.

“In addition to the income, some say they like to help when there is a shortage of accommodation, while others find it a way to meet new people.”

In the survey, six per cent of the 1,275 Kiwis interviewed had used their property as an Airbnb or similar short-term rental.

“While the percentage is relatively small, it’s indicative of New Zealand’s short-term rental community,” she says. “Especially when you consider that more than half a million Airbnb bookings were made in New Zealand last year.” *

Almost a third of those surveyed referred to themselves as regular hosts having had paying guests in their home more than 10 times during the last six months. However, only six in 10 had informed their insurer of their vacation rental.

“We’ve noticed a growth in our own customers renting out their properties on a short-term basis, spurred by the increasing number of events happening throughout New Zealand, combined with a lack of accommodation in some regions,” says Amelia. “It’s understandable that more and more Kiwis are considering cashing in on the opportunity of renting out their home.

“However, it’s important for homeowners and landlords to ensure they are appropriately covered by their insurance, as well as have their own vetting process for guests, before accepting bookings from what are essentially strangers staying in their home – regardless of whether you are staying in the home with them or not.”

With nightmare stories about tenants offering pop-up nightclubs or rowdy parties, it pays to get the right cover in place before you hand over your keys.

“In most cases, insurance policies don’t cover the intentional loss or damage caused by a tenant or guest you’ve invited into your home, so it pays to check with your insurer,” continues Amelia.

“It’s also worth considering the type of insurance that’s right for you – home vs landlord – as different benefits and conditions may apply.”

If your guest injures themselves in your home then check with ACC, as they are likely to be covered even if they are a visiting tourist, she says. While it shouldn’t replace your general home and contents policies, Airbnb does offer two forms of insurance: all hosts receive automatic Host Protection Insurance, in case guests get hurt or cause property damage, and there’s also a Host Guarantee, which covers accidental damage to your home and belongings.

As with all important documents, it’s worth reading your insurance policy so you know the expectations and limitations.

AA Insurance tips on how to protect your short-term rental property:

- Let your insurer know your plans to rent out your property and if it’s a one-off, occasional or regular gig for you and your home, as this may affect your cover.
- Most insurance policies don’t cover the intentional loss or damage caused by a tenant or guest you’ve invited into your home, so it pays to check with your insurer.
- If your tenant injures themselves in your home then check with ACC, as they are likely to be covered even if they are a visiting tourist to New Zealand.
- All Airbnb hosts are offered automatic Host Protection Insurance, in case your guests get hurt or cause property damage, and a Host Guarantee, which covers accidental damage to your home and belongings. Read the fine print so you know the expectations and limitations and remember it should not replace your general home and contents policies.
- Keep sentimental or expensive items out of the way, preferably under lock and key, to keep them safe, or take them with you.
- Keep your home maintained. It’s not only part of your policy obligations, but also helps keep your guests safe and happy, and will help encourage others to stay too.
- Update your home and contents policies with every addition or alteration you make, such as adding on a deck or buying new outdoor furniture to put on it.

*Deloitte report

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About AA Insurance

AA Insurance is an independently operated, New Zealand-based joint venture between the New Zealand Automobile Association (NZAA) and Vero Insurance New Zealand Limited (VINZL). Since 1994 we have demonstrated trusted expertise in home, contents and car insurance in New Zealand, and in 2018 introduced commercial small business insurance. We underwrite our own policies and sell direct to New Zealanders. Our more than 700 staff look after over 385,000 customers with around 745,000 policies.

We proudly partner with Eden Park, support youth charity Blue Light, and have been consistently recognised by: Reader's Digest Most Trusted Brands (since 2011), IBM Kenexa Best Workplaces Survey (since 2008), Canstar Blue Most Satisfied Customers (2013-2018), and the Colmar Brunton Corporate Reputation Index (since 2015) that recognises New Zealand's most successful companies.

AA Insurance has an A+ (Strong) Insurer Financial Strength Rating given by Standard and Poor's (Australia) Pty Ltd. For further information visit aainsurance.co.nz.

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