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SOLICITORS & BARRISTERS

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# Risks to owners of commercial property

For investors in commercial property who want to protect themselves, it is worth reading what follows.

Few owners of commercial property are aware of their liability to comply with the provisions of the *Occupational Health and Safety Act*. This legislation imposes on landlords (as well as possibly tenants and property managers) an obligation to ensure that the premises are safe and without risk to health. This liability extends to the means of access to and from the premises.

In short, if you own commercial property and rent it out to a tenant, irrespective of any conditions in your lease you are obliged to make sure the property is safe and without risk to health.

In the event somebody was to be injured on the property because of some failing in this regard, you, as the owner of the property, are potentially liable to be prosecuted under the OH&S legislation.

Fines for first offenders are up to \$55,000 for individuals, and \$550,000.00 for companies. Directors and managers of companies can also be prosecuted.

You cannot insure against these types of fines, so if you are the owner of commercial property, you face potentially enormous personal liability.

Couldn't happen to you? Keep reading...

In a recent case, a tenant engaged a window cleaner to clean the windows of a commercial building. The window cleaner fell to his death. The owner of the property (who had not even been consulted by the tenant about the window cleaner) was successfully prosecuted under the OH & S Act.

In another case, the owner of commercial property was prosecuted when a tenant's employee was fatally electrocuted when faulty wiring and equipment caused the accident. The property owner was fined \$150,000.00.