

The Property Owners Association of NSW

Quarterly Journal

April 2009

The Property Owners' Association of New South Wales



www.poansw.com.au

The Property Owners' Association of New South Wales



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MEETINGS FOR 2009

The property owners' Association of New South Wales committee will be meeting on the following dates:

Wednesday 1st April 2009 - POA NSW Committee Meeting

Wednesday 6th May 2009 - PHBH sub Committee

Wednesday 3rd June 2009 - POA NSW Committee Meeting

Wednesday 5th August 2009 - POA NSW Committee Meeting

Wednesday 2nd September 2009 - PHBH sub Committee

Wednesday 7th October 2009 - POA NSW Committee Meeting

Wednesday 2nd December 2009 - POA NSW Committee Function

The PHBH division sub committee meetings will be as required plus on Wednesday 6th May 2009, and Wednesday 2nd September 2009.

WE WELCOME OUR NEW MEMBERS

G. Kermond

D. Buskermolen

J. Natoli

C. Bruce

D. Douglas

R. Gleecher

J. Martin

D. Ager

F. Culley

S. Tempest

The Property Owners' Association of New South Wales



President Report April 2009

Firstly a fond welcome to our new members .

Please note as a member you can attend any of the seminars throughout the year (Posted on the web site and listed in the newsletter).

Also keep a eye out for the email updates, so make sure you provide us with your email address.

Legislation update.

The NSW Department of Fair Trading called the POA in for a meeting again in March with the Minister the Hon Virginia Judge MP to discuss 3 issues that we had strongly objected to in regards to the draft changes

1.No grounds eviction (The proposal to extend this from 60 days to 90 days)

The Governments reasons for wanting this are extremely weak with no real issues being put forward , but clearly this is just another financial hardship for landlords.

2. Alterations (the proposal wishes to grant tenants the right to alter buildings the arguments for it include the possibility of a tenants life needs changing ie: the need to have say wheel chair access after a illness or the like.

This sort of argument is just a motherhood statement as no reasonable person would obstruct a handicapped persons ability to live a supported lifestyle however this has nothing to do with the Landlord who has provided a building to let in actual fact the NSW Health system has a extensive assessment and referral system including Diversional Therapists and Physiotherapists and Social workers and Agecare assessment teams who co-ordinate all persons affiliated by a sudden need for life change brought about by illness or accident.

The statement by fair trading that a landlord could not reasonably refuse a request for a tenant to physically change a building is completely against the spirit of the current legislation (A agreement is entered into with clear conditions ie: the tenants selects a property the amenities are already there, a rent is set and all is well). You cannot have tenants changing premises without the owners permission not to mention problems with insurance and local government regulation plus no doubt another costly time spent in arbitration at the CTTT.

3. Sub-letting(the draft legislation looks at making these back door deals law)

This is a complete watering done of the need for letting agreements in the first place, all the protections and positive aspects of the current landlord tenant system would be in question and it is if this becomes law , any problem between say the principle tenant and say their sub tenant could become quite complicated.

It is not hard to say if the NSW government goes in this direction they could be legally responsible for civil claims made between disagreeing head and sub tenants.

There has been comment from government that shared accommodation already exists and thus the need for sub letting needs to be formalized (Quite clearly this is the case but only in the form of agreed applicants joining an existing lease agreement after suitability checks are carried out by the landlord or their agent.

It is interesting to note the growth of shared arrangements (After much research the evidence shows the main reason for sharing is shared costs BUT far more interesting and important for legislators to note, is the second most common reason is the ability to exit quickly and the non commitment of a shared arrangement NO LEASE .

This is why board & lodging is becoming more & more desirable (This is being shown in the massive capital investment in(on campus) new construction of Board & lodging type accommodation by universities.

The draft legislation gives exemption to these arrangements as it should and should be extended to all B& L premises in NSW as the current system of CTTT hearings will not be applicable to B&L premises.

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As a final comment on the draft .

NSW private landlords provide 80% of all the rental accommodation in this state if the government wishes us to continue to leave our capital (Billions of \$)in the RENTAL PROPERTY INDUSTRY then some common sense has to prevail when drafting legislation as if the laws are completely unbalanced as they currently are investors will not stay in this class of asset.

POA POWER LUNCH.

Senior members of the POA recently meet for lunch with a Labor MP the topic Land Tax – a clear problem for property owners is clearly not going away – a broad based land tax will not work , so a small percentage of the states population pay most of the land tax collected.

But the NSW GOVERNMENT is creating unemployment with land tax over 2.1M this just gets pasted straight onto tenants of shops and the like those extra cost are being meet with by small business letting casual and full time staff go.

It is very perplexing in times when the Federal government is trying to stem unemployment NSW seems to be unable to make smart quick well thought out decisions for small business and property investors.

Lets hope the Labor caucus demands proper legislation from its sitting ministers.

ON THE GRAPEVINE.

There is possibly going to be some review and possibly end to new planning laws brought in last year in regards to building laws you remember this was the speeding up of DAs at council for building works and complying development???

RENTAL PROPERTY

Well there is good demand for quality property but even with recent rental increases the YIELD of most Sydney residential property is very low say 5%.

Even with record low interest rates investors are staying out of residential rental property , this is maybe due to the fact most investors ars looking for capital gain something that may not happen for quite some time and due to high holding cost land tax ,rates and the like residential property may flounder for quite a while longer.

POA members can gain some hope as this association is driving new bold ideology to government in the form of planning changes and tax review.

LOW COST HOUSING – Boarding Houses /Private hotels

The POA is systematically approaching local government area by area to submit our version of DCP/LEP by developing new ways to build and renovate existing stock as the current rules just do not work.

Chris Young

President of POANSW



BMT Tax Depreciation QUANTITY SURVEYORS



STOP PRESS



Increase to the Investment Allowance

Since printing Maverick Issue 25, the federal Government has announced additional investment tax breaks for businesses.

The ATO website states:

"The tax break, in the form of an investment allowance will provide:

- An additional tax deduction of 30 per cent of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, after 12.01am AEDT 13 December 2008 and before the end of June 2009 and installed ready for use by the end of June 2010.
- An additional tax deduction of 10 per cent of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, between 1 July 2009 and 31 December 2009 and installed ready for use by the end of December 2010.

New expenditure on existing assets may also qualify.

For both periods, small businesses will be able to claim the deduction for eligible assets costing \$1,000 or more. Small businesses must have a turnover of less than \$2 million a year to qualify.

For other businesses, a minimum expenditure threshold of \$10,000 applies."

Source: <http://www.ato.gov.au/taxprofessionals/content.asp?doc=/content/00175431.htm>

Using the same example as in Maverick, John (the owner of XYZ Office Supplies) who purchased a \$30,000 air conditioning unit for his business premises can claim:

Prior to investment allowance	\$4,000 depreciation deduction (normal depreciation rate)
Initial 10% investment allowance	\$7,000 depreciation deduction
Latest 30% investment allowance	\$13,000 depreciation deduction

John's tax deductions will now be \$9,000 better off than he was previously. Please contact BMT Tax Depreciation on 1300 728 726 for more information.

Australia Wide Service

1300 728 726

www.bmtqs.com.au

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POA Media Coverage Upgrade

Your POA is keen to increase its media activity. We plan to move from reactive to proactive. This will involve distributing media releases and seeking coverage of events and opinion. The POA's media working group headed by Rick Banyard will establish an email media contact bank, generate releases and distribute POA information.

The working group is seeking your help in establishing media email contacts. Please send to Rick rick@poa.com.au details of the paper or journal that you read and or circulate in your locality. The more extensive the greater the exposure your organisation will have.

E-Mail Briefing Notes to return

The POA used to distribute E-Mail Briefing Notes to financial POA members who had email addresses. Whilst these were successful and of benefit to members the production and distribution task was very onerous and resource consuming. The email list was also only small.

The major restructure of the POA web site combined with the large email database we now have should enable this member benefit to be restored as a viable activity.

The email briefing notes will be distributed to all members who have email addresses on a monthly basis. A copy of the E-Mail Briefing Notes will be also placed in the members section of the POA web site.

Water a major expense for Landlords

IPART is progressively resetting the price of water to households. Gosford/Wyong Central Coast area has had water prices raised by as much as 20%. The Hunter Water determination is expected shortly and the price rise could exceed a 50% increase. Sydney water will follow next year and it is also likely to be very substantial.

The trend has not only been for major increases in prices but also for a reduction in "water use" charges. This in effect could double the cost of water to Landlords and reduce the cost to tenants. A typical Hunter water annual bill will rise from about \$700 to about \$1200.

Your association, the POAnsw, has been working for a long time to seek changes to the legislation to allow Tenants to be full responsible for all water expenses.

By allowing tenants to hold water contracts with water suppliers water would be treated the same way as gas, electricity, phone and the internet.

POA Management Committee member Rick Banyard recently made a presentation to Hunter Water about the issue and received a very sympathetic hearing. Hunter Water will be responding by providing a presentation to their Community Forum meeting next month. Their response is expected to identify the problems they would face if people other than landowners were permitted to hold water contracts.

If the POA is successful Landlords will save about \$1000 per tenancy per year. This would be equivalent to about a \$20 a week rent rise. It would also reduce Landlords agents fee costs and reduce bad debts resulting from unpaid water use accounts.

Public Housing Repairs

Premier Rees has announced major funding as part of the stimulus incentives to repair and upgrade a large number of public housing properties. Public housing tenants will certainly appreciate this work. Private landlords with lower quality premises may find themselves under pressure from tenants and the Tribunal to make repairs. Landlords will have to fund these works from their own sources.

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Housing NSW web site a host of information

POAnsw members will find the Housing NSW web site provides a host of information for landlords. The following extract from one of their new publications Environmental sustainability in Housing NSW 2008/09 – 2013/14 describes the magnitude of the organisation.

About Housing NSW

Housing NSW is one of the largest providers of social housing in the world and a major government asset holder. We currently provide affordable housing for 340,000 people, spend over \$750 million each year on maintenance and construction, and employ more than 2,000 people.

The social housing sector in New South Wales consists of public, community and Aboriginal housing. As well as managing properties and tenancies for households living in over 126,300 public housing homes, Housing NSW funds and regulates community housing providers through the Office of Community Housing. Housing NSW's five-year strategy for community housing, Planning for the Future: New directions for community housing in NSW 2007/08 – 2012/13, includes an ambitious target to grow the sector from 13,000 to 30,000 homes over the next 10 years. Promoting environmentally sustainable community housing will rely on strong partnerships between government, community housing providers and other partners such as local government. Housing NSW also manages about 4,300 properties on behalf of the Aboriginal Housing Office (AHO). Working in partnership with the AHO will be important to support and expand environmental sustainability initiatives across the Aboriginal housing sector.

The web site link www.housing.nsw.gov.au/Forms+Policies+and+Fact+Sheets/Policies/ gives a very full but easy to read explanation of all the departments policies and procedures. A large proportion of these are equally relevant to private tenancies. Other sections of the site help with home purchasing, finance and various forms of assistance. We recommend that you spend some time to become familiar with Housing NSW web site.

SEMINAR

The POA NSW presents, John Bordon, senior member of The C.T.T.T (tenancy division).

Topics Covered:

- Tips for preparing a case for hearing as an applicant and respondent
- Case studies and outcomes of the Tenancy Tribunal
- The decision process of making orders
- The appeal process and jurisdictions
- Questions from attendee's

Date: 30th April 2009

Time: 6:30pm-8:30pm

Venue: Hughenden Hotel, 14 Queen St Woollahra NSW

Cost: No cost to members. Guests welcome to come along.

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PROPERTY OUTLOOK (ANZ REPORT FEBRUARY 2009)

New South Wales

The NSW economy is set to contract over the next two years with joblessness rising significantly and sentiment remaining vulnerable to any further global financial developments. This backdrop will weigh heavily on housing market outcomes despite monumental impetus from policy makers. Surprisingly, home building approvals have continued to languish, reaching record lows in early 2009.

Owner-occupier finance to non-first-home buyers however does appear to have bottomed, suggesting the traditional interest rate trigger for recovery may be starting to engage. Sydney median house prices have been flat-lining for around 5 years. While this has helped restore affordability conditions vis-à-vis other capital cities, it has, in the face of prohibitive developer charges (despite recent alleviations), seriously undermined the economics of home production.

Margins remain tight and when combined with heightened uncertainty about future returns (i.e. fears that house prices might fall more substantially) it is not surprising we have seen a significant retreat by the development sector. A subsequent tightening in credit conditions and in pre-sale criteria introduce additional barriers to deal flow. The upshot is an inadequate supply of housing to the state.

Given limited broad-acre development opportunities, resolution of Sydney's supply issues will challenge the development sector to provide an affordable medium- and high-density product that also offers an adequate return to builders.

ACT

Our estimates of demand/supply balance suggest the NSW market is already in chronic undersupply. With underlying demand at around 41,000 dwellings and approvals trending at an annualised completions rate of just over 16,000, the balance is deteriorating at a rapid rate. This development is a double-edged sword. The tight conditions which are also manifesting in historically low rental vacancy rates and rising rentals, play a significant role (along with other policy supports) in protecting the value of the established housing stock against the adverse impacts stemming from the global environment.

By the same token, under-production of dwellings is placing considerable stresses on building industry viability and employment. A major turnaround in activity is not expected in 2009 and there is considerable prospect, despite the chronic imbalance, that one will not occur until the economics of building improves, confidence returns (i.e. no downside price expectations), finance returns and prohibitive government charges are unwound. (source: ANZ Property Market report March 09).

National Rental Affordability Scheme

Some of you will have heard about NRAS (National Rental Affordability Scheme). The government have committed up to \$623 million per year as a rental subsidy for new housing (includes units as well). Essentially you qualify if your household income is under \$82,000 per year which makes the tenant eligible for up to a 20% rent rebate.

The property owner is also eligible for a tax free \$8,000 per year payment.

But developers that are supplying stock to non-for-profit groups are also cashing in on the windfall, designed to provide homes for low income residents and stimulate the housing sector.

The private sector are already benefiting from a multiplier effect, as demand from community housing associations helps developers pre-sell larger projects and move on to the next one more quickly.

The scale of this is incredible on a national basis as the first tranche is for 50,000 new dwellings but government estimates put the **current national shortfall at 685,000 dwellings!!**

In a way the banks can actually support a new development instead of waiting for the success of the one in production.

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Tales from the city - top 10 complaints about strata living

A bedroom-based trout farm, a horse kept in an apartment, and an owners' corporation deadlocked over taking action against a nudist neighbour – these are just a few of the strangest complaints received by the Office of Fair Trading about strata living in NSW.

Releasing a list of the Top 10 complaints from NSW strata title residents, Minister for Fair Trading Virginia Judge said disputes ranged from car parking to animal keeping.

The Top 10 Strata Complaints are:

- noisy neighbours
- water penetration repairs taking too long
- people keeping pets without permission
- owners removing carpet which leads to noise disturbance
- people being refused permission to keep pets
- owners complaining about majority decisions that allegedly victimise them
- the owners' corporation complaining of harassment by an owner who refuses to accept majority decisions
- car parking disputes
- owners objecting to increases in levies
- people renovating common property without permission

NSW introduced strata laws in 1961 – the first jurisdiction to do so in the world. Under these laws, residents, owners and owners' corporations must attempt mediation to settle disputes.

Fair Trading receives approximately 1,300 mediation applications from NSW's 65,000 strata schemes each year.

Strata schemes are very popular in NSW, and suit many people. However we recommend that members read the handy brochure, *Buying into a strata scheme? Which* can be obtained from Office of Fair Trading before considering purchasing into a strata scheme.

Free ceiling insulation now available

HOMEOWNERS can install free ceiling insulation immediately as the Federal Government has opened access to its \$3.9 billion energy efficient homes program.

Prime Minister Kevin Rudd and Environment Minister Peter Garrett said new guidelines were now available to allow 2.7 million householders to check if their homes are eligible.

It means that instead of waiting until July 1, households can apply now and arrange for the work to be done and then submit the receipts to the government to collect a rebate.

After July 1, the Government will pay suppliers upfront for the work to be done in eligible households.

The program provides free ceiling insulation worth up to \$1600 for the homes of eligible owner-occupiers, insulation worth up to \$1000 for private rental properties and a rebate worth up to \$1600 for installing a solar hot water system.

Mr Rudd said people could see if they qualified by checking online at www.environment.gov.au/energyefficiency.

The \$3.9 billion program was announced earlier this month as part of the \$42 billion economic stimulus package.

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Federal rebates for water tanks

Rebates of up to \$500 are available to households that install a rainwater tank or grey-water system under a Federal Government rebate scheme.

Rebates are available for the purchase and installation of a new rainwater tank that's connected for use of the water in the toilet and/or laundry, or a permanent grey-water treatment system.

Climate Change and Water Minister Penny Wong said the rebate scheme delivered on an election commitment to help households save drinking water.

Only a small minority of Australian households currently had water tanks in use, Wong said.

The only exception is Adelaide, where 40 per cent of households have rainwater tanks – but the average is less than 10 per cent for other capital cities.

A \$400 rebate is available for 2000 to 3000-litre tanks, while a \$500 rebate is available for tanks greater than 4000 litres capacity.

Councils and tourist sector to benefit from new guidelines for holiday and short term rentals

Councils and the tourism sector will benefit from new guidelines aimed at improving standards in the holiday and short term rental market.

New South Wales boasts more than 160,000 rental properties with visitors and holiday makers injecting significant amounts into local economies.

The holiday and short-term rental market is an enormous contributor to the NSW economy, especially in regional and rural areas. It is critical that the industry develops this important tourism sector but also meet the needs of the communities within which holiday and short term rentals occur.

The continued viability of this sector, raises the quality of accommodation and service and simultaneously address's concerns within communities and local government as to the management of these types of rentals.

The new guidelines include practical measures to:

- Protect consumers by clarifying the terms and conditions of occupancy
- Address issues of noise, garbage and recycling, as well as parking
- Encourage acceptable visitor behaviour and respecting neighbours' amenity
- Provide an early dispute resolution mechanism to assist agents, visitors and local communities

It is vital for all stakeholders, be they councils, local residents, communities or visitors, to work together to ensure the best possible outcome for all parties. These new guidelines can be obtained from The Real Estate Institute of NSW.

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Important changes to the Environmental Planning and Assessment Regulation 2000

Members' attention is drawn to recent changes to the Environmental Planning and Assessment Regulation 2000. The changes commenced on 27 February 2009.

The Regulation prescribes what must be contained in a planning certificate issued under section 149(2) of the Environmental Planning and Assessment Act 1979.

From 27 February 2009, a section 149(2) certificate must contain a statement as to:

"Whether or not the land is land on which no complying development may be carried out under the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 and, if no complying development may be carried out on that land under that Policy, the reason why complying development may not be carried out on that land."

Members holding a draft contract for a property that has not been exchanged should bring the vendor's solicitor's or conveyancer's attention to the above amendments, in order to ensure that the draft contract complies with the new requirements and that the contract satisfies the statutory disclosure and warranty requirements of section 52A of the Conveyancing Act 1919.

Members may also wish to discuss with the vendor's solicitor or conveyancer what effect these new requirements may have in relation to contracts which have been exchanged on or after 27 February 2009 (using a section 149(2) certificate issued prior to 27 February 2009).

REINSW understands that the Law Society of New South Wales has also recently written to its members highlighting these changes.

Sydney is heading for a rental boom

Good news for property investors rents are going to increase significantly over the next few years due a shortage of properties and in particular Sydney rents are set to soar.

Property investors have already enjoyed rising rentals throughout Australia over the last few years as strong population growth, a lack of new home construction and cautious investors not putting as many investment properties into the rental market have caused rentals to increase in all our capital cities.

But figures obtained by The Daily Telegraph show an estimated 7,300 new dwellings will be built in Sydney this year, the lowest rate of growth in more than 50 years and roughly a third of the homes built in 2003.

Interestingly across the border in Adelaide - a city with a population one quarter of the size of Sydney - about 7,500 new homes are scheduled, while Brisbane expects 13,450 new homes to be built and an estimated 23,000 new dwellings will be built in Melbourne this year

With Sydney's population expected to rise by close to 23,000 this year and rental vacancies already running at a historically low 1.1%, economists suggest Sydney rents could shoot up a further 12% per cent in 2009, on top of last year's 8% rise, taking the average rent for a 3-bedroom house to over \$400 a week.

The undersupply of properties is likely to underpin property prices and rentals for some time. The National Housing Supply Council report out earlier this month estimated an 85,000 dwelling shortage in June 2008 and suggested that this gap will grow to 203,000 by 2013.

In particular, Sydney requires more medium-to-high density development and with the high cost of new development plus the funding restrictions to developers it is unlikely that we will see many new major projects for some time.

Putting all this together there is only one way for Sydney rents to go and this is UP! And while this may be bad news for tenants, it is good news for property investors.



CONDENSATION AND MOULD IN HOUSES AND FLATS

The winter season brings with it condensation and mould growth problems in houses, units, townhouses and villa homes. Condensation and mould can occur in any type of home construction, including weatherboard, brick veneer, solid brick, masonry veneer and monocrete.

Condensation and its causes:

Atmosphere heavily laden with water vapour is referred to as being of high humidity. When highly humidified air comes in contact with any cold surface such as a wall or ceiling, it chills and water vapour is extracted from the air, remaining as condensation on the cold surface.

High humidity has an accumulative effect on absorbent materials such as clothing hanging in the cupboard or bedclothes, making them damp. Condensation will also cause rust on metal surfaces such as spring wire mattresses.

How to prevent condensation

Condensation cannot occur if humid moist air is removed and replaced by dry air. This can be achieved very simply through better ventilation of dwellings.

Some ways of improving ventilation are:

- Open windows and doors whenever possible. Where window locks are provided, lock windows open at 10cm when not at home.
- On cold nights, when the house or flat is closed against the cold, ventilation should be ensured during the day.
- If the dwelling is closed during the day, windows and inside doors should be open at night, particularly in spaces where heaters are operating.
- Room ventilators and exhaust fans should be kept clean. Normal house fluff can block or partly block wall or ceiling ventilators and exhaust fans and impede proper ventilation of the property.

Warm air will not cause condensation on a cold surface, but warm moist air will. Warm moist air can be created by:

- kerosene room heaters
- steam from cooking
- washing dishes or clothes
- clothes dryers that are not externally vented
- steam from bathrooms
- drying damp clothes inside

Mould

Mould is a form of fungus and is spread primarily by airborne spores that will develop and grow on almost any surface providing the following conditions are present:

- A relevant indoor humidity of 80% or higher.
- Moisture, usually from condensation. Mould can develop in the absence of condensation, but its growth is accelerated by the presence of moisture.
- A nutrient. Research shows that certain ingredients in most paints, household dust, and cooking fumes all provide excellent food for mould.

Sooty mould, the most common type, leaves surfaces with a brown or black stain and usually occurs on the walls and ceilings of bathrooms, bedrooms and in cupboards. Untreated, this mould will spread to other rooms in the house.

Green furry mould grows on organic or organic-bearing surfaces, such as shoes or clothes.



How to prevent mould

Mould growth is retarded by the circulation of dry air. It follows that proper ventilation will prevent most mould growth.

To prevent green fluffy mould on clothes and footwear, ensure that they are thoroughly dry before storage.

Methods to prevent condensation and mould

- Reduce indoor humidity by good ventilation and through regular airing of the dwelling. Keep ventilators and exhaust fans clear of fluff. Do not block air vents in winter to keep out the cold - they are necessary for good ventilation of the property.
- Dry indoor air with space heaters and wipe dry any surface on which condensation appears. Avoid the use of kerosene room heaters. Unflued gas heaters may also cause problems.
- Dry clothes and footwear thoroughly prior to storage.
- Allow sunlight into the home whenever possible by opening the blinds during the day.
- Remove any sign of mould growth on walls ceilings and furniture using diluted household bleach or suitable household cleaner.
- Furniture should not be pushed up against walls. This creates dark airless areas and allows mould spores to grow.

The above information was taken from a CSIRO publication entitled 'Condensation and mould in houses and flats'.

Summary of median house and other dwellings prices

	Median house price (Sept 08)	Change over quarter	Change over year	Median other dwelling price (Sept 08)	Change over quarter	Change over year
Sydney	\$529,000	-2.2	-3.5	\$360,000	-0.1	-2.7
Melbourne	\$435,000	-3.3	3.6	\$369,000	-0.4	1.7
Brisbane	\$410,000	-2.4	6.9	\$350,000	-1.7	6.1
Adelaide	\$363,000	-1.9	11.7	\$274,900	-0.7	7.8
Perth	\$435,000	-2.2	-6.1	\$352,000	-4.9	-6.1
Canberra	\$435,000	-7.0	-2.2	\$352,000	-3.3	0.0
Hobart	\$320,900	-1.3	1.2	\$245,000	-5.8	0.0
Darwin	\$426,000	0.6	6.5	\$347,000	5.5	8.4
Australia	\$447,659	-2.6	0.7	\$352,774	-1.3	-0.2

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Summary of median weekly rents - September quarter 2008

	3 bedroom houses			2 bedroom other dwellings		
	Quarterly median \$/week	Quarterly % change	Annual % change	Quarterly median \$/week	Quarterly % change	Annual % change
Sydney	348.0	5.3	17.8	390.0	2.6	14.7
Melbourne	n/a	n/a	n/a	n/a	n/a	n/a
Brisbane	330.0	1.5	10.0	320.0	0.0	10.3
Adelaide	280.0	3.7	9.8	230.0	0.0	12.2
Perth	350.0	0.0	9.4	340.0	1.5	13.3
Canberra	285.0	-1.7	5.6	250.0	0.0	8.7
Hobart	520.0	2.0	18.2	385.0	1.3	13.2
Darwin	390.0	2.6	11.4	365.0	-1.4	7.4

NSW Residential vacancy rates Feb 09

Residential Vacancy Rate %

	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08
SYDNEY													
Inner	1.3	1.3	1.3	1.3	1.1	1.5	1.4	1.2	1.4	0.9	1.2	0.9	0.9
Middle	1.3	1.3	1.5	1.2	1.1	1.1	1.2	1.3	1.1	0.8	0.9	0.7	0.9
Outer	1.1	1.7	1.4	1.3	1.0	1.1	1.1	1.0	0.9	0.8	1.0	1.4	0.9
Total	1.3	1.4	1.4	1.3	1.1	1.2	1.2	1.2	1.1	0.9	1.0	0.8	0.9
HUNTER													
Newcastle	1.3	2.2	2.1	1.7	1.6	1.6	1.6	1.5	1.8	3.1	1.5	0.9	1.0
Other	2.2	1.8	1.4	1.8	1.4	2.1	2.6	1.6	1.8	1.9	2.2	2.0	1.8
Total	1.7	2.0	1.7	1.8	1.5	1.8	2.1	1.5	1.8	2.2	1.9	1.5	1.3
ILLAWARRA													
Wollongong	1.5	2.4	3.0	1.9	2.2	1.4	2.1	2.3	1.3	2.0	1.5	0.7	1.5
Other	2.7	3.0	2.9	0.7	1.9	2.4	2.6	2.3	3.4	1.6	1.9	2.6	1.0
Total	1.9	2.6	2.9	2.1	2.1	1.8	2.3	2.2	2.2	1.6	1.6	1.7	1.3
CENTRAL COAST	2.6	2.3	2.0	2.2	2.2	3.0	3.1	3.2	1.8	2.7	2.7	1.8	2.4

The Property Owners' Association of New South Wales



Residential Vacancy Rate %

	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08
ALBURY	3.4	2.7	3.1	3.7	3.4	3.0	3.3	3.7	4.1	3.1	3.0	2.7	3.7
CENTRAL WEST	3.1	2.5	3.6	4.2	4.7	4.4	2.5	2.4	4.0	3.0	3.4	4.3	3.7
COFFS HARBOUR	2.7	2.5	3.5	4.0	2.9	4.1	3.4	4.6	4.9	4.0	3.8	3.5	5.3
FAR WEST													
MID-NORTH COAST	2.0	1.8	2.0	1.9	2.7	2.4	2.4	2.1	2.6	2.1	2.0	2.3	1.4
NEW ENGLAND	2.1	2.4	2.6	2.2	3.9	4.1	4.0	4.0	4.7	3.4	3.6	3.7	3.0
NORTHERN RIVERS	2.0	2.3	1.8	1.8	2.8	1.9	2.0	1.9	1.7	2.4	1.5	2.8	1.5
ORANA	2.9	3.3	3.3	3.4	3.6	2.6	2.0	1.7	2.4	3.3	1.8	1.7	2.7
RIVERINA	3.0	2.6	3.1	1.9	2.6	2.7	2.7	2.6	3.3	2.3	3.4	3.6	3.4
SOUTH COAST	3.3	2.6	2.5	2.5	3.4	4.1	4.0	3.8	3.8	3.6	4.0	2.6	4.0
SOUTH EASTERN	2.6	2.4	2.3	1.1	2.5	3.7	2.7	3.8	2.0	3.3	1.2	0.6	0.8

Warnings ignored on high-gutter menace

Article adapted from S.M.H.

As much as 85 per cent of new guttering installed on NSW homes is high-fronted, attached to a building's fascia by a spring-clip system. This makes the entire guttering system non-compliant with building codes and Australian Standards because provision for continuous overflow does not exist.

The high-front gutters - introduced in the early 1990s, favoured by architects for their aesthetic appeal and embraced by builders because of the spring clip system which quickly attaches it to the metal fascia - fail to meet Australian Standards, and possibly the Building Code of Australia as well.

Home owners may face huge repair costs in years to come, setting the stage for fights between insurers, builders and plumbers over who should foot the bill.

Archicentre, the industry body representing more than 1000 architects across the country, believes the problem has been lying dormant for years.

Archicentre's Angus Kell says: "Potentially hundreds of thousands of dollars worth of damage is being done to homes for the sake of saving a few thousand dollars on non-compliant guttering."

The Australian Building Code and Australian Standards require that, even if a gutter and its downpipes become blocked by leaves, mud or hailstones the size of tennis balls, the drainage system must have the capacity to direct overflowing water away from the building, even during heavy weather. Older-style guttering achieved this by the simple fact that its front was lower than its back, providing the path of least resistance for the overflow.

The Property Owners' Association of New South Wales



RESIDENTIAL TENANCY LAW REVIEW IN NSW

UPDATE REPORT

In September 2007 the NSW Department of Fair Trading released a discussion paper on Tenancy Law reforms.

The “proposed reforms of the Residential Tenancy Act” received considerable press at the time, and were described as “modernising” and “streamlining” the Residential Tenancy laws, so as to bring them into the 21st Century.

The POA NSW provided a detailed submission, and a delegation met with the then minister Linda Burney, outlining various serious concerns about the recommendations.

Since then, there has been a NSW Cabinet reshuffle. The new Minister for Fair Trading, Virginia Judge, has taken considerable interest in the proposed review, and has invited the POA NSW to comment on behalf of property owners.

As stands, a number of the recommendations made in the “issues paper” are of grave concern to the POA NSW. We fear they would considerably disadvantage residential property owners in NSW. Residential Property owners already face great difficulties such as onerous Land Tax bills, and further legislative burdens could accelerate the flight of investors from the industry. In the long run, this disadvantages tenants as well, by diminishing the supply of rental properties. So in effect everybody loses.

So far our efforts have generated some success, for example the POA NSW has received verbal clarification that recommendation 74, relating to coverage of the Act would not apply to residents of Private Hotel and Boarding Houses.

Alas a number of issues still remain unresolved, and at the invitation of the minister Virginia Judge, the POA NSW has made further representations. Briefly three of the areas of considerable concern raised by the Minister are:

No Grounds Notice

Currently, once a fixed term residential lease expires, property owners may serve tenants at least 60 days “no grounds” notice to vacate. The recommendations propose this is to be extended to 90 days notice, along with maintaining Judge Rolfe’s decision in The Swain Case, in which a broad set of circumstances of the tenant should be considered in assessing a no grounds notice.

The POA NSW is opposed to any changes to the actual Provisions in the Act in s.58 and s59, as suggested in the draft papers, especially relating to the 60 day notice period. Property owners do not issue “no ground” notices casually or haphazardly. Property Owners own rental properties to bring-in rent, not to have them empty. Vacancies are a major financial drain. Often a property will remain vacant for several weeks, there are re-letting costs, advertising, agency fees, etc. It all costs time, work and money.

Further note that a tenant only has to give 21 days notice to vacate, while property owners must give 60 days, and potentially 90 days, as per the recommendations. There is clearly an imbalance here.

Further with respect to the interpretation of those no grounds notice Provisions, The POA NSW wish to see the restoration of the well regarded judgment of Judge Badgery-Parker, that if the no grounds notice to vacate was legally given under the Act, then the tribunal or Judge should grant the application. This should replace the judgment of Judge Rolf in the Swains case.

It was pointed out to the Minister that Judge Rolfe said in his judgment that he introduced a “new modern principle”. But in fact it’s a step backwards. He returned the law to the 1948 amendment of the Landlord & Tenant Act 1899, which was in effect a continuation of the wartime provisions in the National Security Regulations of 1939.

Subletting and Assignment of the Lease

Currently tenants in NSW must obtain consent from property owners if they want to sublet or –assign their interest in their tenancy. There is a proposal that property owners should not be able to unreasonably refuse such a request.

The Property Owners' Association of New South Wales



Alterations to the Property

Currently, tenants must obtain permission from the property owner before they make alterations to the property and or its included fixtures. The proposal is that property owners should not be able to unreasonably refuse, unless the changes would be irreparable or be of a structural nature.

The NSW POA strongly opposes the proposed changes to subletting, assigning and alterations. Tenants are given ample opportunity to inspect and consider their circumstances before they sign a lease. It is unreasonable to expect the property owner to then have to allow changes which interfere with their property.

It is a fundamental right and responsibility of the property owner to have full control over who lives in the property and what alterations are made. If a tenant in effect may sub-let or assign, then the property owners loses control over who occupies the rental property which is critical for the happy and satisfactory relationship with a tenant. If a tenant alters the property in a way against the owner's wishes, considerable damage may be caused to it.

Further such a change shifts the onus onto the owner to present a reasonable case, which adds substantially to the burdens of ongoing property management costs.

In light of the controversy surrounding these concerns, the POA NSW is pleased that there is a proposal for a 'new issues paper'. It is expected to be widely circulated and all stakeholders would be invited to make further submissions.

The POA NSW will continue to promote the legitimate concerns of property investors. It is in the best interests of all stakeholders that there prevails a healthy and well balanced residential housing market in NSW.

In particular, the POA NSW looks forward to a 'new issues paper' with recommendations that fall into line with simply "modernizing" and "streamlining" the act as was outlined recently in the media fanfare of the current "issues paper" release, rather than further altering the imbalance of rights and obligations against property owners.



MEDIARELEASE

Hon. John Hatzistergos MLC
Attorney General
Minister for Industrial Relations

Tuesday, March 31, 2009

SPOUSES TO GET ESTATES WHEN NO WILLS ARE LEFT

Spouses will automatically inherit the estates of their partners when their partners don't leave a will, under new laws to be introduced to NSW Parliament on Wednesday, said Attorney General John Hatzistergos.

"Changes to intestacy laws will simplify the legal process involving estates when a person dies who doesn't have a will," said Mr Hatzistergos.

Mr Hatzistergos said currently estates of people who don't leave wills are distributed between spouses and their children. Under the new laws children will not be included in the inheritance unless they are from a previous relationship.

The changes reflect a Law Reform Commission survey which found that 75% of people who have a will leave everything to their spouse.

However, fewer than half of those who had children from previous relationships left everything in their will to their spouse. In around 30% of cases they left their entire estate to their children.

"When people die without leaving a will, there is the potential for emotionally charged disputes and legal action as relatives fight over the estate."

"To defuse disputes and simplify the process of dividing an estate, it is important that intestacy laws accurately reflect community attitudes with regard to who should benefit."

Mr Hatzistergos said under further changes to intestacy laws, cousins will be recognised as eligible heirs to the estates of people who die without wills.

The entitlements of first cousins would come, in order of importance, after spouses and children; parents; siblings; grandparents; aunts and uncles.

"The new law will widen the pool of people who can inherit in NSW and recognises that some other jurisdictions in Australia include first cousins in the distribution list under intestacy laws," said Mr Hatzistergos.

Mr Hatzistergos said the estates of people in these circumstances would have previously gone to the Crown.

Intestacy is the default method of distributing someone's estate; ideally people should have a valid will in place, however, 2008 survey by the Public Trustee found 54 per cent of people in NSW did not have a will.