



**The Property Owners'
Association of NSW**

Quarterly Journal | March 2012

— poa-nsw —



THE PROPERTY OWNERS' ASSOCIATION OF NSW



02 9363 3949



www.poansw.com.au



PO Box 329
Bondi Junction NSW 1355

PRESIDENT

MR CHRIS YOUNG

@ chris@poansw.com.au

☎ 0414 799 864

Vice President

Mr John Gilmovich

@ john@poansw.com.au

☎ 0418 600 806

2nd Vice President

Mr Gordon Mclean

Treasurer

Mr John Gilmovich

Secretary

Mr Peter Dormia

@ peter@poansw.com.au

☎ 0417 065 798

Honorary Solicitor

Mr Paul Egisto

@ egistosolicitors@bigpond.com

☎ 02 9713 2000

Honorary Accountant

Mr Alex Whitehead

☎ 02 9966 4499

Committee of Management

Don Davison

Susanne Gervay

Gabrielle Keleny

Paul Egisto

John Owens

Rick Banyard

Victoria Hoffer

PRESIDENT'S REPORT JANUARY - MARCH 2012

Welcome to all new POANSW members your support makes our work of representing landlords to government possible.

Of importance already this year is the NSW Governments stance on planning laws of which there is a major upheaval happening and this association is seeking representation to the government urgently. As these laws are being applied with alarming inconsistency we will be bring you updates as we work through this new challenge in NSW.

Watch out for the seminars that will run this year as there will be some very interesting speakers and topics.

We have also launched a commonly used documents library on our website under "members" section called "tenancy forms" where you can now download a NSW standard

tenancy agreement, condition report and also a tenancy application form free of charge.

From time to time we will be adding more standard documents and templates and we welcome our member's feedback if they have any ideas or suggestions. Email or write to us.

We are also near final negotiations in setting up a tenancy default data base search engine for our members. Will keep you posted on this new initiative launch.

On a personal note many congratulations to John Gilmovich our vice president on the birth of his new baby girl Estelle.

Regards,

Chris Young

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WELCOME TO OUR NEW MEMBERS:

- | | |
|----------------|------------------|
| M. Sinkovic | G. Hill |
| G. Sawtell | J. Chen |
| B. Grinberg | S. Darke |
| N. Andrews-Hay | A.Konstandinidis |



PROPERTY OWNER'S ASSOCIATION OF NSW INC.

PO Box 329, Bondi Junction NSW 1355 Ph: (02) 9363 3949

www.poansw.com.au

info@poansw.com.au

invites you to...

STRATA SUBDIVISION SEMINAR for Property Investors

- :: Maximise Property Value & Release Equity
- :: Succession Planning
- :: Negate Compliance Issues

Speaker : SIMON DARKE
Strata Subdivision Consultants

7.45pm Wed 4th July 2012 at
The Hughenden Hotel - 14 Queen St, Woollahra

POA NSW Members - Free
Non-members - \$15.00 entry fee

Seats are Limited! :: RSVP to - 02 9363 4863

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Learn how Strata Subdivision can increase property value, resolve compliance, release equity and help with succession planning.

Why attend: Changes in planning law and increasing compliance continue to impact property owners. In many cases these changes are reducing and capping property values and/or forcing expensive upgrades.

By securing Strata Subdivision, savvy owners can preserve their planning rights and help negate the cost of expensive compliance upgrades. In doing so owners can significantly increase their property value, can resolve succession planning matters and can release valuable equity facilitating portfolio growth.

Who should attend? This Seminar is appropriate for all property owners especially those which own residential unit blocks and boarding houses.

The Agenda: Introduction to Strata Subdivision Consultants, What is Strata, Why consider strata, case studies, Q&A.

An Optional dinner for Members, speakers, and guests is scheduled before hand at The Hughenden Hotel Cafe at 6.00pm for 6.15pm sharp start.

Cost of optional dinner not inclusive of seminar.

DIARISE NOW!

**The Property Owners Association of NSW
Notice of Annual General Meeting 2012**
(Members only)

+ Special Guest Speaker

2nd May 2012

The Hughenden Hotel - 14 Queen St, Woollahra

Time : 6:30PM – 7:15 PM (A.G.M.)
7:30PM-8:30P.M (Guest Speaker)

Finger food & soft drinks provided on us to end the night.

Cost: Complimentary to our members
RSVP: No later than 27th April 2012

Please phone The Hughenden Hotel to advise your attendance. Ph: 02 9363 4863 or email reservations@thehughenden.com.au

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A.G.M. Agenda

- :: Apologies
- :: Minutes of previous meeting
- :: Treasurers Report/financials & membership status (year ending 31 Dec2011)
- :: Review of the POANSW activity over the past year
- :: Nominations for and election of Office Bearers and Committee of Management
- :: General Business

Nominations For Committee Of Management

Nominations for Committee of Management will be accepted verbally prior to the election.

Executive Positions open: President, Vice president, 2nd Vice President, Treasurer, Secretary plus spaces for committee of management

Financial members only are eligible for nomination.



LOCAL COUNCILS ACROSS NSW ARE CURRENTLY ENGAGED IN WHAT CAN ONLY BE DESCRIBED AS AN IDEOLOGICAL CRUSADE AGAINST LANDOWNERS

Rural & Coastal land is being rezoned to environmental without the landowner's permission and without any compensation. Describing this as an ideological crusade may sound extreme. I urge you to read this article because once you have done so, I am confident that you will be in agreement.

As I am based in the Lismore City Council (LCC) Local Government Area (LGA) I will start there. LCC in its current Draft Local Environment Plan (DLEP) has rezoned over 2% of the LGA from rural to environmental, this represents well over 100 properties. The situation is far worse in adjoining Council areas. In Byron Shire over 30% of the shire has been rezoned in this manner. In Kyogle Shire a similar proportion, Ballina is not much better. This rezoning has occurred up and down the coast and in some inland shires as well. Sydney has not missed out with some urban fringe areas also affected.

The rezoning includes commercial farms, caravan parks and various other enterprises located in the rural, coastal and waterway protection zones. These Councils are also applying 'Biodiversity Overlays' and Riparian Zones to property.

In LCC original DLEP over 45% of the LGA had biodiversity overlays applied. When land use is interpreted according to these zones together with Native Vegetation and Koala Protection legislations as well as Wildlife Corridors, the situation gets far worse still for the landowner.

THE ENVIRONMENT ZONES:

E1: National Parks – applied to crown land only. Vast areas of land adjoining National Parks or Nature Reserves are being zoned E2 simply because of its proximity.

E2: Environmental Conservation – applied to any rural or coastal protection land.

E3: Environmental Management – applied to any rural or coastal protection land.

Biodiversity Overlays: Key Habitat, Wildlife Corridor & Native Vegetation – applied as an overlay to any rural or coastal protection land.

Riparian Zones – applied to rural land, generally extending 40 metres from the top of the bank of a water course, man made or natural, running or not (anywhere that water flows in a channel).

The DLEP are complex documents, they revolve around an LEP standard instrument. This standard instrument is not actually that standard at all (see below for more background) and may vary substantially from council area to council area. Taking this into account I will use the LCC DLEP for this article.

E2 Zone: All agriculture is prohibited. Farm Buildings are prohibited. Dwellings are prohibited. Caravan Parks prohibited. Tourist facilities prohibited. In fact any and all buildings and uses are prohibited. All landowners are left with existing use rights. (See below)

E3 Zone: Agriculture is prohibited except grazing. Farm Buildings are prohibited. Just about every other building type and use is also prohibited. Only dwellings, caravan parks, farm stay accommodation and B&Bs are permitted but only if landowners can gain council consent. Again landowners are reduced to existing use rights.

Biodiversity Overlays and Riparian Zones: These zones are designed to restrict or stop development as they impact DA's.

Existing Use Rights: successive NSW Labor governments heavily diluted existing use rights. When land is rezoned to environmental all the landowner has left to rely on are these rights. The landowner may not vary their land use in any way, for example if they are grazing they must not grow crops or plant orchards.

They must not expand the land in current use. They must not stop their activities for more than a year. If they do any of these things then their existing use rights may be removed. It should be noted that the onus of proof is reversed and that anyone can take the landowner to the 'Land and Environment Court' to have these rights removed. Councils have telegraphed their intentions that they will block any activity that they consider "intensification" of use.

Exempt Development: Any landowner subject to an E zone loses their right to exempt development. The landowner in an E2 zone for instance must not put up even a fence. The right to put up a small shed is removed as well, so anyone in an E Zone may not even put up a chook yard.

Section 5.9(9): This section allows Councils to place tree preservation orders into rural areas. It should be noted that the Native Vegetation Act already applies to these areas so dual consent will be required to remove a tree.

As I have said these zones are applied to rural and coastal land without its owner's permission and without any compensation. In all likelihood the affected properties will become 'unsalable' as business enterprises. How this can be allowed to occur in a free, democratic and decent society is beyond my understanding. This is land theft by stealth. By applying these zones a dangerous precedent is created, a precedent that should alarm every single Australian property owner. I urge all persons reading this article to contact their local member to voice their disgust at these disgraceful plans.

Thank you,
Greg Bennett - President
Ratepayers Association of Lismore Incorporated.

P.O. Box 1081, Lismore NSW 2480.
Email: rrali@macadamias.biz
Ph: 0404 291920.
Website: www.macadamias.biz/rrali

About the Ratepayers Association of Lismore Incorporated: The association was formed in late 2010 and has grown rapidly and now represents 100's of ratepayers. We meet on the first Wednesday of the month currently alternating between Nimbin and Lismore. The ratepayers association believes in peoples personal and property rights, accountability in local government and that core services of roads, water, garbage and sewerage must come first.

BACKGROUND NOTES – ABUSE OF PROCESS

The E2 and E3 zones were introduced as a part of a state wide LEP template (a.k.a. the Standard Instrument) by the NSW Department of Planning under the Labor governments. The zones provide the highest level of environmental conservation (E2) and management (E3) outside of national parks and nature reserves (E1).

The DoPI provided guidelines in their Practice Note (PN 09-002) that stated "It is anticipated that councils will generally have limited areas (DoPI emphasis) displaying the characteristics suitable for the application of the E2 zone".

They also stated "council's proposal to zone E2 needs to be supported by a strategy or a study that demonstrates the high status of these values" and "Councils should be aware that uses should not be drawn too restrictively, as they may, depending on circumstances, invoke the Land Acquisition (Just Terms Compensation) Act 1991 and the need for the Minister to designate a relevant acquiring authority".

Councils have clearly ignored these and other DoPI guidelines.

These zones are very highly restrictive on what activities and uses are permitted, far more so than the similar sounding zones in the current LEP's (e.g. 7(f) or 1(b) in Ballina). They are effectively "lock up" zones. A senior Sydney lawyer has called this "sterilisation of land".

Councils have only gazetted their DLEP's without notifying affected landowners that their particular zoning will change and have very significant effects. Thus a vast majority of landowners, big and small, have not been aware of the rezoning. Of course, Councils have not offered any compensation.

It is important to remember that once the Minister for Planning signs off on a LEP, it becomes the law and currently there are no avenues of legal appeal. It is not currently clear where the DoPI stands on these issues, so strong political leadership and intervention are required.

The NSW Coalition government initiated in 2011 a thorough review of the planning system by former ministers Tim Moore and Ron Dyer (www.planningreview.nsw.gov.au).

This has included extensive community consultation. At this point in time, a 120 page Issues Paper has been produced with requests for feedback closing on 2nd March 2012. The Paper raises many valid & vital questions on what should planning principles be and what should be the rights of landowners, as well as on what processes should be followed to uphold those principles and rights.

Given:

1. The wide ranging nature of the current Planning System Review, the potentially major changes to the planning legislation and processes arising from this Review, and
2. The highly flawed, arbitrary, nontransparent, damaging and non-consultative actions by councils to date,
We must request that
 1. All current LEP activity by councils and the Department of Planning based on the current Standard Instrument be immediately suspended, and
 2. Such draft LEP's should be totally re-visited after the planning legislation and processes have been fully amended.

Bernard Grinberg – Ballina Ratepayers Association.



DAMAGE TO RENTAL PROPERTIES ON THE RISE

AUSTRALIA'S TENANTS ARE CAUSING MORE DAMAGE TO RENTAL PROPERTIES – BUT IT'S NOT ALL MALICIOUS.

Terri Scheer Insurance figures show that accidental damage to rental properties is increasing at a higher rate than malicious damage claims.

We have found a 34% increase in the frequency of malicious damage claims paid over the past year. The frequency of accidental damage claims increased by a higher 46% over the same period. The average size of malicious damage claims increased by 3.6% over the past year, while the average size of accidental damage claims increased by a much higher 16%.

These figures challenge the stereotypes that exist in relation to rental property damage. There is a widely-held misconception that good tenants won't cause damage. The figures show that this is far from true. Even the best tenant can cause accidental damage to a property.

Accidental damage is caused by a sudden and unexpected event. This might include a broken window or spilling red wine on the carpet. It may also cover damage caused by small children, but excludes gradual "wear and tear" that has been sustained over time.

Malicious damage occurs when a tenant causes damage to a property out of spite or ill will. This might include holes punched in walls, doors that have been kicked in, intentional damage to flooring or arson. Despite accidental damage claims increasing at a higher rate, malicious damage remains a more common type of claim.

Terri Scheer's figures also show the average value of individual malicious damage claims is 27% higher than claims for accidental damage. Malicious damage is often more extensive than accidental damage and more likely to be spread over a number of rooms.

Terri Scheer has paid claims as high as \$40,000 to repair malicious damage by tenants. In addition, malicious damage claims are often accompanied by claims for loss of rental income during the time it takes for the damage to be repaired.

The figures can't tell us why damage claims are increasing, however it might be the result of uncertain economic times. When times are tough, tenants may be more inclined to take out their frustrations on their rental properties.

This is why landlord insurance is so important to minimise the impact of damage caused by tenants. Regular property inspections can enable landlords to quickly identify if and when any damage to their property had occurred and potentially mitigate loss.

The sooner a landlord is aware of the damage, the sooner they can prevent further damage occurring and lodge an insurance claim. It is also a good idea for landlords to appoint a property manager to oversee their rental property. A property manager can help you to choose the right tenants and conduct regular inspections. Tenants who have been careless with rental properties in the past may also be more likely to seek rental properties that are not managed by a professional property manager.

TOP 10 MISTAKES FIRST TIME INVESTORS MAKE WITH THEIR RENTAL PROPERTIES

1. Hand shake tenancy arrangements with no formal paperwork in place or reference checking
2. No security bond or arrangements to defer payment or entering payment plans to pay off a bond
3. Assuming their property is being managed well by their property manager
4. Taking cash rent and not recording history of payments or issuing receipts to tenant
5. Not taking out landlord insurance
6. Not issuing formal notices correctly e.g. termination or rent increase notice
7. Have never read a tenancy agreement or the tenancy Act
8. Not reviewing rent value's for prolonged periods of time
9. Trying to do hands on repairs to the property themselves or using unlicensed tradespeople.
10. Not conducting regular internal and external routine inspections

HOMES IN SOME PARTS OF AUSTRALIA ARE TAKING TWICE AS LONG TO SELL AS THEY DID A YEAR AGO, WITH MANY REMAINING ON THE MARKET FOR MONTHS ON END

Vendors are waiting up to a year to sell in the nation's worst-affected areas, which include high-end suburbs like Double Bay - where homes fetch an average of \$3 million - and Church Point in Sydney, Newstead in Brisbane and Perth's trendy Cottesloe.

But regional outposts Denham and Mt Barker in Western Australia have been hardest hit, with asking prices slashed by up to 30 per cent, earning each a spot on a list of the most discounted properties in Australia, according to RP Data figures.

Other black spots include Coochiemudlo and Rockhampton in Queensland and Bright in Victoria. RP Data National Research Director Tim Lawless said many property blackspots were "lifestyle markets" in regional coastal areas where demand had evaporated. "Essentially, areas where the average selling time is relatively high, it generally indicates that demand for available homes is low, available housing supply may be high, or vendors may be expecting prices that are out of line with buyer price expectations," Mr Lawless said.

"In some instances the statistics may be affected by small housing markets where a few homes that are taking a very long time to sell are driving the statistics higher." The time properties spend on the market is more likely to blow out in small towns hit by an economic downturn, Kevin Young CEO of property investment consultants The Investors Club said.

"In tough times with low discretionary spending these pockets suffer," Mr Young said. "It comes back to demand. Coochiemudlo is a small island that you need to catch a ferry to. It's a place where people might retire to or have a holiday home.

"Similarly, River Heads is a small coastal town and Rockhampton is suffering higher than national average levels of unemployment which means there is simply lower demand."

But even in capital cities with strong population growth and low unemployment the bracket over \$1 million can also be slow because of unrealistic expectations from vendors pricing.

Chris Gray CEO of Empire Property Portfolios said buyers were more savvy these days: "They worry that if no one else has snapped up a property that has been on the market for months, then there must be something wrong with it that they can't see."

MARKET GLUT

Almost 311,286 properties are for sale across Australia, the highest in more than five years and almost 30 per cent more than the same time last year.

In Melbourne, there are 50 per cent more properties for sale, 30 per cent in Sydney, 14 per cent in Brisbane and almost 40 per cent in Adelaide.

House prices have dropped amid the selling binge, slipping 4 per cent nationally in the year to October to a median of \$536,011.

Meanwhile, auction clearance rates have remained below 50 per cent for 20 consecutive weeks in Australia's largest housing markets, and with Christmas looming an improvement is not expected until next year.

RP Data's Tim Lawless said market confidence had been battered by global economic turmoil and rate jitters. Buyer numbers are down by 13 per cent and home sales 33 per cent compared to the peak number of transactions in the last growth cycle (September 2009), Mr Lawless said.

"Before we start to see any material improvement in home values and time on the market we will need to see confidence levels rise," he said.

SLUMP

In other sluggish signs, Australia's capital city home prices have been led down by a heavy slump in Brisbane, according to a private report.

Home prices in the regions fell 3.4 per cent on a seasonally-adjusted basis, according to data released by RP Data-Rismark.

Brisbane led the drop in values for the year to October, with an 8 per cent slump, after a 1.6 per cent decline in the month of October.

Melbourne, Adelaide and Perth home values have all declined 5 per cent or more in the year to October. Sydney was relatively steady, with a 1.1 per cent loss of value.

All capital home prices fell in October, except Sydney, which was unchanged, and Canberra and Hobart, which added 1.6 per cent and 3.1 per cent, respectively, although Hobart's data was based on the final September results.

TOP TEN BLACKSPOTS

Denham WA 269 days
Mt Barker WA 248
Robertson NSW 233
Bright VIC 233
Moruya NSW 233
Bowraville NSW 227

Coochiemudlo Island QLD 225
Rockhampton QLD 225
Donald VIC 225
River Heads QLD 222

BOARDING HOUSE FINANCIAL ASSISTANCE PROGRAM

The Boarding House Financial Assistance Program provides grants to help owners and operators of boarding houses to:

1. Undertake essential fire safety works, enabling them to improve fire safety for boarding house residents
2. Construct new self contained boarding rooms in new developments or, where permissible, as extensions of existing buildings.

Contact details>>>

Write to:

Locked Bag 4001
Ashfield BC 1800

Phone: (02) 8753 8000

Fax: (02) 8753 8888

Email: boardinghouse@dhs.nsw.gov.au

IS THE LESSOR BOUND TO SIGN THE LEASE?

In *Streat v Fantastic Holdings Limited* [1] (Supreme Court of NSW, September 2011) the Court considered the circumstances where the landlord attempted to withdraw from an agreement after the tenant had signed the lease but before the landlord had signed the lease.

FACTS

Fantastic Holdings was in occupation of commercial premises pursuant to a lease that expired on 2 April 2011. In September 2010 the landlord approached Fantastic Holdings regarding the premises and Fantastic Holdings submitted a proposal for a new lease. After some negotiations a final letter of intent was submitted by Fantastic Holdings acceptable to the landlord on 20 October 2010.

The lease was submitted to Fantastic Holdings and returned signed to the landlord on 1 March 2011.

Fantastic Holdings remained in occupation and paid rent in accordance with the final terms and the landlord issued invoices in April and May 2011 in accordance with the final terms. Subsequently, the landlord changed its mind and refused to sign the lease.

THE DECISION

The landlord contended that it was not contractually bound until the lease was signed by the landlord. The Judge considered that this question was resolved by ascertaining the objective intention of the parties. On this basis the Judge concluded:

...When the lessor embodied in a lease document the agreed essential commercial terms together with the remaining standard terms taken from the then existing lease, and submitted that document to the tenant, it was making a final offer in a form capable of acceptance, leaving nothing for further negotiation. The tenant's subsequent execution of the lease document and the return of it to the lessor signified its unqualified acceptance of that offer. In those circumstances a reasonable bystander would regard the due execution of the document by the lessor as a formality.

The landlord put forward a number of contentions which the Judge responded to as follows:

- That the language of the negotiations anticipated a formal document being signed by the parties – the correspondence did not require the lease to be signed by both parties before it took effect;
- The prior history of leases between the parties created an expectation that a lease would be formally executed and the tenant had requested the return of the lease signed by the landlord – the request for a signed lease was not inconsistent with a contract arising previously, but good business practice; and
- They were sophisticated commercial parties who knew that they would not be bound until the lease was signed by both of them – this did not prevent the parties agreeing to be contractually bound prior to formal execution and from the stand point of an objective observer this is what had happened.

PART PERFORMANCE

Usually, a contract involving land such as a lease will not be enforced unless it is in writing signed by the party against whom it is enforced [2]. An exception to this is where part performance is evidenced in the contract. In this case, the Judge considered the payment of rent and the issue of the invoices to be sufficient acts of part performance to evidence the lease, notwithstanding that it was not signed by the landlord.

HOW THIS AFFECTS YOU

It is the common assumption that neither the tenant nor landlord will be bound until both parties have signed the lease. This case is a timely reminder that where the terms are agreed and the parties act upon that agreement, a contract may arise prior to completion of the formal documentation. To avoid the uncertainty and risks arising from this, we recommend that:

- In the lease proposal or Heads of Agreement it is expressly stated that there is no binding agreement until the lease is signed by both parties; and
- In the subsequent correspondence this is confirmed.

Where it is intended to create a binding contract sooner than the usual completion of the formal documents an exchange of leases can be arranged.

NSW NEW FIRST HOME BUYER SCHEME - COMMENCES 1 JANUARY 2012

In September 2011, New South Wales announced that the duty concessions and exemptions available to first home buyers under the First Home Plus Scheme will end on 31 December 2011. In its place, the First Home – New Home Scheme will commence on 1 January 2012.

The First Home – New Home Scheme is designed to stimulate the development and construction industry in New South Wales. It offers eligible first home buyers concessions on stamp duty on the purchase of new houses or vacant blocks of residential land intended to be the site of a first home; rather than the purchase of established homes as was the case under the First Home Plus Scheme.

An eligible purchaser may apply for a stamp duty concession for the acquisition of either:

1. A new home (that is a home that has not been previously occupied or sold as a place of residence);
2. A substantially renovated home; or
3. A vacant block of residential land (that is an agreement for the sale or transfer of vacant land that is intended to be used as the site of a first home).

Much like the existing First Home Plus Scheme, value limits will apply under the First Home – New Home Scheme. No duty is payable where the dutiable value of the property is not more than \$500,000 (in the case of the acquisitions of a new home) or \$300,000 (in the case of acquisition of vacant residential land). A reduced duty is payable on acquisitions of new homes or off the plan properties up to the value of \$600,000 or vacant residential land up to the value of \$450,000.

There is no time limit within which construction must commence on residential vacant land but the applicant(s) must satisfy the Chief Commissioner that the site intends to be used by the applicant(s) as the site of the new home which will be occupied by the applicant(s).

This new Scheme does not affect the New South Wales First Home Owner Grant of \$7,000 which will continue to be available to all eligible first home buyers after 1 January 2012 for the purchase of a home up to \$835,000.

REGIONAL RELOCATION GRANT

The Regional Relocation (Home Buyers Grant) Act 2011 will operate for four years, commencing 1 July 2011. The scheme will provide applicants with a one-off payment of \$7,000 to assist them with the cost of relocating from their metropolitan home to a regional home.

The NSW Government has announced that the Grant has been extended to apply to applicants buying vacant land valued up to \$450 000, provided the applicant commences building within 6 months and occupation of the home within 12 months of completion of the land purchase. This applies to purchases from 1 July 2011.

The metropolitan area means the local government areas of the Sydney metropolitan area, Blue Mountains, Hawkesbury, Gosford, Wyong, Wollondilly, Wollongong and Newcastle.

The regional areas are participating local government areas which are located outside of the metropolitan area.

For more information please contact NSW Office of State Revenue:

Phone: 1300 368 676
Mail: Po Box 666 Wollongong, NSW 2520
Email: Regional.Relocation.Grant@osr.nsw.gov.au

CLARIFICATION FROM OFFICE OF FAIR TRADING

TENANT TERMINATING A LEASE (DISCLOSURE OF INFORMATION TO A TENANT) SEC 26.2 RESIDENTIAL TENANCY ACT 2010

The last edition of a newsletter published by The Office of Fair Trading included an answer to a reader's question about tenants' rights when a rented property is being sold. They answered, in part, that 'If the landlord intended to sell the premises but did not inform a new tenant of this fact before the lease was signed, the tenant can terminate the lease with 14 days notice and doesn't have to compensate the landlord.'

Fair Trading wants to clarify that regardless of whether the owner had any intention of selling the property or not the tenant has the right to terminate a lease during the fixed term with 14 days notice if they were not informed about the sale prior to signing the lease.

The POA NSW has also discovered that the NSW Office of State Revenue is changing its traditional practice of mailing out Boarding House land tax exemption applications to existing boarding house operators. In future, parties eligible for a Boarding House land tax exemption will have to obtain the application form from the NSW Office of State Revenue, and submit it in time to be exempted from the tax. Failure to submit a Boarding House land tax exemption application form could have dire consequences for an operator.

The application for exemption-Boarding Houses can be obtained from the NSW Office of State Revenue, or easily downloaded on the following link:
www.osr.nsw.gov.au/lib/doc/forms/olt005.pdf

The POA NSW has scheduled a land tax seminar at The Hughenden Hotel on Wednesday 7th November 2012. A range of topics will be discussed including changes to land tax. It will also provide an excellent opportunity for POA NSW members ask questions on this issue. Further details will be posted closer to the Land Tax Seminar.

NSW OFFICE OF STATE REVENUE - LAND TAX CHANGES FOR BOARDING HOUSER OPERATORS

Most Boarding House and Private Hotel operators would be aware that the NSW government provides a land tax exemption for land used and occupied primarily for boarding houses.

In 2011, this applied to operators with long term residents that charged tariffs that did not exceed \$205 for a single and \$342 for family/shared accommodation, where less than full board and lodging was provided. (Note where full board and lodging is provided, the maximum tariff could not exceed \$308 for a single and \$512 for shared/family accommodation). Refer www.osr.nsw.gov.au/lib/doc/rulings/rrlt87.pdf for details.

At time of printing the Office of State Revenue had not published the 2012 tariff limits, but a POA NSW member reports that staff at the NSW Office of State Revenue indicated that these tariff levels are expected to be increased to about \$219 for a single and \$362 for shared /family.

This should be confirmed in early March 2012 when the tariff limits are expected to be posted on the www.osr.nsw.gov.au website. Check out www.osr.nsw.gov.au/legislation/rulings/land for the update.

A REMINDER TO TAKE A LOOK AT PAGE 4 FOR DETAILS ABOUT OUR UPCOMING EVENTS:

Strata Subdivision Seminar
for Property Investors
- 4th July

&

POA NSW
Annual General Meeting 2012
(Members Only)
- 2nd May



The Property Owners' Association of NSW

02 9363 3949



www.poansw.com.au



PO Box 329
Bondi Junction NSW 1355



DISCLAIMER: Views expressed by the various authors are not necessarily the views of the Property Owners' Association of NSW and the association does not take any legal responsibility for any offending articles. All care is taken not to offend and to be accurate but this is not always possible.