

NEW PLUMBING REGULATIONS CAME INTO EFFECT NOVEMBER 2008 REMOVING RESTRICTIONS ON SHOWERHEAD CHANGEOVERS AND MINOR TAP REPAIRS

The new Regulations remove restrictions on who can change over three-star showerheads and do minor repairs to household taps. The previous provisions allowed owner occupiers of residential dwellings to do this work. The new Regulations simply extend this provision to allow other individuals other than licensed and registered practitioners to undertake these tasks.

The work involved is not complex, and must still be completed in compliance with plumbing standards. It is confined to minor repairs so structural damage is not anticipated. The Plumbing Industry Commission will continue to monitor work of this nature to ensure that compliance standards are maintained.

COMPLIANCE CERTIFICATE – INCREASED COST AND THRESHOLD

The new Regulations have raised the threshold for plumbing jobs requiring a Compliance Certificate from \$500 to \$750. They have also increased the cost of Compliance Certificates from \$23 to \$28.50.

Source: Plumbing Industry Commission

'Australia does not fit into the top 50 populations, but does manage to be in the top 20 economies (17th). We are the 14th largest in \$US market price terms'.

Source:

Company Director/December 08 to January 09

RESIDENTIAL BUILDING RECOVERY TO BEGIN IN 2009

The national number of dwelling starts is forecast to rise by 10 per cent next year, which will be the first calendar year of growth since 2002. BIS Shrapnel believes that if the Federal Governments recent First Home Owner Boost Scheme is extended until at least December 31, 2009, then – in addition to there being more substantial momentum in the recovery in detached house construction - there would also be an improvement in the funding availability for apartment development in the second half of 2009, which would help alleviate the current rental crises.

BIS Shrapnel senior economist Jason Anderson says there is likely to be a reduced number of affordable apartments on the market over the next six months. "Given the current difficulties for developers to get finance for medium or high density unit/apartment development, we do not expect them to be in a position to schedule additional construction, even if they do see increased sales to first home buyers," he says.

"The First Home Owner Boost Scheme is scheduled to end on June 30, 2009, and it will be difficult for many projects to resolve financing issues over the next few months.

As a result, BIS Shrapnel expects the impact of the Boost Scheme as it stands will be almost totally concentrated on new detached houses. The deterioration in global economic growth and the high cost of business debt means that business investment, including equipment and non-residential building, will moderate. Rising unemployment is also expected to dampen growth in household spending for the foreseeable future.

"Using more of the budget surplus to extend the Boost Scheme will have great economic benefits than tax cuts, given the risk that tax cuts could

be saved rather than spent", says Anderson. "Alleviating housing shortages will limit growth in rents, which, if nothing is done, are forecast to increase by 10 percent in 2009, up from eight percent in 2008.

"Decreasing the current rental pressure in the market is more likely to benefit lower income households." BIS Shrapnel believes it makes sense to target the policy stimulus at housing construction considering the substantial pent-up demand for new dwellings. Based on the number of new dwellings constructed in 2001/02 as a result of the March 2001 additional \$7,000 First Home Buyer Grant, BIS Shrapnel expects there will be a pull forward in detached housing demand of approximately 11,000 dwellings in 2009.

"Monetary and fiscal policy are now firmly behind the housing sector," says Anderson.

"In some States, additional temporary grants will raise the amount of the First Home Owner Scheme even further."

Outlook for building activity and impact of the First Home Owner Boost Scheme in Victoria

In 2008, dwelling construction in Victoria has held up much better than in New South Wales and Queensland. Melbourne has enjoyed the benefits from low land prices, which have helped keep new houses relatively affordable. The Boost Scheme is likely to have a substantial positive effect in regional Victoria. In addition, the State Government is offering an additional \$3,000 for first home buyers purchasing a new dwelling in regional areas.

Demand for new houses in regional Victoria has been in decline for the past three years, so there is likely to be a strong response to the temporary benefits.

Source: BIS Shrapnel, The Estate Agent



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 - If a water fixture or fitting (pipes, taps, hot water service etc) supplied by the landlord needs to be replaced, it must be replaced with a product that has an 'A' rating. An 'A' rating is given by Standards Australia to water-efficient fixtures and fittings. If the landlord doesn't replace the fixture or fitting with an A-rated appliance, the tenant is not responsible for the water charges until they do so.
- Source:
Tenants Union of Vic Ltd - Summer 2008/09*

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THE FUTURE

Research by Professor Judith Yates of the University of Sydney has found that the total number of households in private rental is expected to increase by 80% to 3.3 million in 2045.

Source: Tenants Union of Vic Ltd - Summer 2008/09

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