



## PLANNING TO IMPROVE

Planning in NSW has always been somewhat questionable, so it's (hopefully) good to see that the NSW Government has released an Issues Paper on planning in this state. Between August and November last year, the NSW Planning System Review held over 90 open community forums and more than 70 key stakeholder meetings throughout NSW. Submissions for the initial 'listening' phase of the review closed on 4 November 2011, and the Issues Paper was released on 6 December.

The Urban Taskforce has welcomed the Planning Institute of Australia's submission to the review of the NSW planning system. In particular, the institute's submission to the review raised the issue of the risk adverse culture in NSW that was slowing down approvals. The submission outlines the economic importance to the state of eliminating unnecessary delay and costs in the planning system.

The institute suggests a number of ways to improve the culture of planning, including having a positive attitude to change and a 'can do' attitude. It also calls for recognition of the bigger picture and a call for courageous leaders and champions.

There are dozens of submissions on the Planning Review website ([www.planningreview.nsw.gov.au](http://www.planningreview.nsw.gov.au)), from individuals, councils, the NSW Business

Chamber, the Housing Industry Association, architectural firms to AGL.

Submissions on the Issues Paper will be accepted until midnight Friday 17 February 2012.

## STRATA LAWS UNDER THE MICROSCOPE

It must be the year for reviews. The NSW government is commencing a comprehensive review of NSW strata and community title laws in the middle of this year. This may include significant amendments to the existing legislation.

More than 2 million people now live in over 70,000 strata schemes in NSW and within 20 years, half the state's population are expected to be living in strata and community schemes. The last review of the Strata Schemes Management Act was carried out in 2004 and a review of the Community Land Management Act was last conducted in 2006, but the government said only "cosmetic reforms" were achieved.

As part of the review, which is open to the general public as well as members of the strata community, public policy think-tank Global Access Partners is hosting an online community consultation, inviting views from individuals and businesses affected by the reforms.

Until 29 February 2012, anyone interested can voice opinions, share

experiences, raise specific issues or concerns or suggest possible solutions. To participate, go to [www.openforum.com.au/strata](http://www.openforum.com.au/strata). In an online opinion piece, The Real Estate Institute of NSW has stated that it's important to simplify the strata laws to make them easier to understand, whilst at the same time recognising existing and future requirements.

The REINSW said it would like to see a system where development can proceed when the overwhelming majority of lot owners identify the economic advantages of a renovation project or development. It also said as the growth of strata living will inevitably create an increase in strata-related disputes, there should be some consideration given to a specialist tribunal.

"We are a society that is increasingly trading the traditional quarter-acre block for high quality, higher density living," the REINSW stated. "This cultural shift in our accommodation preferences needs to be supported by a contemporary legislative framework."

There have already been a number of other comments received by the review. One focused on the frustration at requiring consent of all owners to approve the termination of a strata scheme, which (as an example) could stymie the sale of a building to a developer – even though the majority of owners want to sell.

Another respondent urged strata meetings to be held on weekends, making it easier for working people to attend;

whilst another suggestion was for all strata occupants – whether they be tenants renting or owner occupiers – be invited to attend all meetings, not only to bring everyone up to date on [their] obligations to each other when living in a strata unit complex, but for each to be able to discuss concerns and have feedback provided. The reasoning was that it was have the effect of eliminating the disputes that arise when people are not adequately informed of [their] obligations to each other when living in strata unit complex.

Pets were also a topic of conversation in the forum, with one respondent saying “pets are always an issue whenever people are housed together in relatively small spaces... The ability to refuse all pets must go. Pet size and type can easily be controlled, and sanctions for excessive barking and fouling of common areas can be applied.”

I would say over the next month there will be plenty more interesting comments coming through, so we'll certainly keep you apprised of any developments.

## CAP IN HAND?

By all accounts, the Labor Party's national conference late last year was a veritable talk fest, with many ideas – some good, some preposterous – being flagged.

One which has really rankled the industry is the suggestion that Labor caps rents in Australia. The proposal was that Labor will “monitor the rent costs in the private rental market and examine mechanisms to maintain affordability, such as the introduction of rent capping legislation.”

The Real Estate Institute of Australia has raised its concerns about the proposal, saying that it would reduce the supply of

rental housing, which would be detrimental to rental affordability. The REIA says that if the proposal was implemented, the impact could be similar to the outcome of the Hawke Government's decision in 1985 to deny investors tax deductibility of interest payments. This led to an undersupply of rental property and escalating rents before the decision was reversed in less than two years.

Pamela Bennett, REIA president, said the proposal to cap rents is not sustainable “and when it is reversed, rents will soar.” “Rather than capping rents in the private rental market, we need to be focusing on increasing supply in both the public and private rental market,” Ms Bennett said.

The REIA has put together figures which show that despite rents increasing over the longer term, renting is still a more affordable option than buying a home. The proportion of income required to meet rent payments is currently 24.8%, while the proportion of income required to meet loan repayments is 34.6%. Rental affordability has been relatively stable, at around 25.0% of family income, for the past three years, with some slight improvement in affordability in recent times.

## A GREAT DECEMBER FOR CHARLES + STUART

### *Forget the doom and gloom!*

Despite the topsy turvy environment of 2011, Charles+Stuart had a fantastic December. In addition to a myriad of residential sales in the \$800,000 to \$1 million price range, we also sold an amazing apartment in Sydney for \$7.85 million, not to mention a \$27 million development site on Pacific Highway at North Sydney.

There are still plenty of doom and gloom reports about the property market and economy generally, but we feel positive about 2012. The sales we achieved in December last year certainly demonstrate there is strong enthusiasm amongst property buyers.

2012 is the Year of the Dragon, which I understand is one of the most powerful and lucky signs in the Chinese zodiac.



*Kung Hei Fat Choy (Happy New Year)*

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PRINCIPAL

