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NEWSLETTER

JANUARY 2011

This newsletter has been designed to keep you informed of what is happening with the industry and our Real Estate Company

From the Staff

STAFF NEWS

We would like to welcome back Lara Butres; our Fairfield Heights receptionist who has just come back from maternity leave.

Stephen Jurinic has now stepped into the role of Sales Manager for both Fairfield Heights & Green Valley offices. Not only will he be managing both offices he will be selling properties in the local area.

Stephanie Pretti has now taken on Stephens property management area. Any queries to do with your property if previously managed by Stephen please contact Stephanie.

NEW & IMPROVED WEBSITE

After a much needed revamp; our website is looking **fabulous!**
For tips, links & property information including a "Landlords corner" visit our new website at www.prettirealestate.com.au

INSPIRATIONAL NOTE

'It is difficult to say what is impossible, for the dream of yesterday is the hope of today and the reality of tomorrow.'
Robert. H. Goddard

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AN EXCITING YEAR TO COME!

"Residential Tenancies Act 2010"

Hi All, Another year has gone, but we are back and ready for what this New Year has to bring. With our staff refreshed from our Christmas holidays, we are all pumped and ready for the excitement and challenges that will come with 2011. This year will be extremely full on with the new "Residential Tenancies Act 2010" commencing as of JANUARY 31st 2011. All laws and regulations as we know them will have some sort of change to them. The current act was reviewed and as a result the legislation was updated.

The new act aims to fairly balance the rights and obligations of tenants and landlords, Update the law in line with current practices and reduce levels of disputes by providing some clarity in the legislation.

At the end of last year all of our staff members at Pretti Real Estate undertook a workshop in regards to the new laws, not only this but we also have been conducting morning workshops once a week to discuss how our Agency will address these changes and what needs to be implemented.

As usual Pretti Real Estate staff and management are completely up to date with the Real Estate Industry changes. You can trust that your Property Management team will look after your investment.

The new laws are beneficial for both landlords and for tenants despite what the media may have advised. It's not a time to panic and let go of your investments but a time to trust that these new laws will bring some clarity and structure to the way rental properties are ruled under the law and provide an equal balance between the rights of landlords as well as tenants.

CHANGES TO WATER USAGE

There has been a vital change in regards to water usage that will affect all landlords. The new legislation states that water usage can only be charged if the property is separately metered as well as having all rented properties be **water efficient**; they have defined this as the following;

- All internal cold water taps and single mixer taps on the premises must have a **MAXIMUM FLOW RATE OF 9L PER MINUTE.**
- All showerheads to the premises must have a maximum flow of 9L per minute.
- There must be **NO LEAKING TAPS** on the premises at the commencement of the tenancy.

"Taps having a maximum flow rate of 9L per minute have a 3 star water efficiency rating."

DON'T PANIC! They have provided landlords with a 12 month transition period to organise the rental premises to become water efficient.

Another change will be that landlords can no longer send multiple bills at once, if the bill is issued after 30 days the tenant does not have to pay their water usage. Once a bill is received and paid you will need to send it straight to us to invoice your tenants. With this said, it may be worth redirecting your water bills straight to us and we will pay them out of your rental account to save you the time and stress.

At the moment Sydney Water is currently running a Water fix program where a qualified plumber will install water efficient showerheads, devices on taps and fix leaks for a small fee. Your local council may also run a similar program. We will advise you in next month's newsletter of any further programs running or if Pretti Real Estate trades people are looking into their own program.

TURN OVER PAGE...

RESIDENTIAL TENANCIES ACT 2010



IMPORTANT NEWS; TERMINATION NOTICE

To serve a tenant with a "No Grounds" termination notice we would previously provide them with 60 days notice to vacate; as per the new act this has been changed to 90 days notice.

Another change is that an "End of Fixed Term" termination notice will require 30 days notice prior to the lease expiring rather than the original 14 days.

ALTERATIONS BY A TENANT

The act gives tenants greater flexibility to make minor alterations at their own expense, provided they obtain the landlords written consent. A landlord can no longer unreasonably refuse a minor alteration request from a tenant. This would include requests to hang hooks, Foxtel installation etc. Inspection of this by the agent will take place and any damage caused will be at the tenants cost to fix.

You will still have complete discretion against alterations such as painting etc, but if a reasonable alteration to the property.

REPAIRS

Air conditioning is now included in the prescribed list of **urgent repairs**; if an air conditioner needs repairing or is not working you must make all efforts to get this organised as soon as possible.

Tenants can apply to the tribunal for any kind of repair and seek compensation for a repair that has not been rectified if it has burdened their living conditions. All repairs should be taken seriously and rectified as soon as possible to save any compensation matter with the tenant and in turn any financial liability to you.

NEW TENANCIES

A tenant is no longer required by the act to pay 4 rent in advance, 2 weeks will now be the weeks maximum needed at the lease sign up. The bond however will remain at 4 weeks of the weekly rental amount. A tenant can still however pay more rent in advance however this is voluntary and cannot be forced upon the tenant.

EXCLUDING FIXTURES FROM A LEASE

No longer can you exclude a fixture from a property on the special terms and conditions on your Residential Tenancy Agreement. A fixture in a property must be working or completed removed from the property. This includes items such as alarms and old air conditioners.

TENANCY TRIBUNAL

The tenancy tribunal can approve a termination order providing we can supply proof that the tenant is constantly behind in their rental payments. The act states that the tribunal will no longer look at the tenants current state/ problems when making an order which was previously always the case.

SELLING THE PREMISES

If you are looking at selling, a minimum of 14 days notice in writing needs to be provided to the tenant prior to the first inspection. The new act states that a tenant must not unreasonably refuse requests to have open house and must provide at least 2 inspections per week.

If these agreements are not met the owner has the right to seek a tribunal order which will state the days and times the tenant must be available for inspections.

The above are just some of the few changes to the new Tenancies Act; on the 31st of January, 2011 the new act will become effective and Agents, landlord and tenants across the board will be following these new laws.

Pretti Real Estate will keep you updated with some more information in next months newsletter.

Of course we ask you to not hesitate to contact your property manager if you are unsure about any of the changes or you would like more information.

WHERE TO FIND MORE INFORMATION

www.fairtrading.nsw.gov.au The fair trading site offers a lot of information about the new laws including a video presentation in over 7 different languages.