



Rebecca Dunn
CEO, PROPERTY PROFILE GROUP

Welcome to the monthly Property Profile Group newsletter!

As Australia's strongest and most dynamic collection of independent real estate agencies, we publish this newsletter to inform and excite readers about the property market. Included are articles, facts and figures on industry news and helpful property-related hints and tips. As always, we value your feedback, so please be in touch with any ideas and suggestions.



Foreign investment in Australian real estate

Australia's foreign investment rules are designed to ensure that foreign investment in residential real estate adds to the residential housing supply and promotes new construction activity.

Recently, the Real Estate Institute of Australia explained that under Australian law, non-residents, i.e. foreign buyers living overseas, are prohibited from purchasing established (second-hand) residential property. Non-residents are permitted to purchase new housing, or vacant land that is developed within 24 months of purchase, subject to pre-approval from the Foreign Investment Review Board (FIRB). All non-residents must notify the Foreign Investment Review Board of any proposed acquisition of residential real estate in Australia or risk penalties.

Temporary residents who hold a valid visa of 12 months or more are permitted to purchase one established dwelling provided it is to be used as their principal place of residence. Temporary residents are not required to notify FIRB for the purchase of a principal residence.

Temporary residents may also purchase new dwellings or single blocks of vacant without the need to notify FIRB. However, temporary residents must seek prior approval for all other acquisitions of residential real estate, including vacant land on which multiple dwellings may be built and established dwellings for redevelopment purposes. Conditions will apply to developments.

FIRB routinely monitors compliance. Any breaches of the Foreign Acquisitions and Takeovers Act 1975 can result in divestment orders of property, fines and/or imprisonment.

Ineligible purchasers may forfeit their deposit or may be held liable for damages for breach of contract so it pays to be fully informed.

Agents must also be aware of the foreign investment regulations and accurately advise foreign purchasers of their obligations under the foreign investment rules. The FIRB website www.firb.gov.au provides full details, or foreign investors may contact the FIRB contact line on 02 6263 2940.

Further information is also available on the REIA's website: www.reia.com.au



Think Tanks

Water tanks are fast becoming an essential part of house and garden design. From courtyards to half acre backyards, collecting and storing rainwater means saving money through reduced water bills, and provides a way to maintain a lush garden despite tightening water restrictions.

And when it comes to water tanks the news just keeps getting better. For instance, gone are the days when tanks were corrugated backyard eyesores, collecting leaves and taking up more space than the hills hoist. Renovators and builders can now sink them underground, in walls, basements, below decks and snuggled down the side of narrow blocks. [To page 2](#)

From page 1 In fact architects and builders have become so clever in the way they incorporate energy efficiency into building design, it would be foolish not to embrace them.

Tanks now also come in a huge variety of colours, shapes and sizes and are made from varying materials to last more than a lifetime and perfectly suit the surrounding environment. It's all about disguise and lateral thinking especially when space is limited.

The latest and greatest rainwater tanks and water recycling systems will pipe rainwater from roof gutters to underground tanks, ready for use in the garden or to wash the car. Rainwater tanks can also be connected to household toilets, meaning further savings on the household bill. DIY installations are possible for uncomplicated set ups, and government rebates are available for more substantial installations undertaken by a professional.

Finally a home fitted with a fully functional rainwater recycling system will most likely present better value to prospective buyers. Sustainable living is rapidly becoming a priority for home buyers and thus sustainable solutions are an asset to homes and can easily add a few extra thousand to its value.

Understanding Conveyancing

Buying property — whether it's for the first or 5th time — can often seem a little daunting when it comes to the legalities and paperwork. There are the finances to be worked out, open for inspections to attend and often there is the auction to consider. Fortunately, there are professional people to assist and make the processes as smooth as possible. This same applies to the property ownership transfer or the conveyancing part of the process.



Conveyancing is defined as the process of transferring the legal ownership of real estate from one person to another. Conveyancing in Australia is usually completed by a solicitor or a licensed conveyancer. There are kits and online software available if the buyer wishes to complete the process themselves, but due to the complexity of varying state and council laws and procedures, this is not recommended.

A common conveyance by a solicitor or licensed conveyancer usually takes four to six weeks. Many firms offer fixed price all inclusive services but it is always best to get a firm quote outlining inclusions before engaging the services of a solicitor.

The conveyancer job starts by obtaining instructions from the client about the property being purchased, the source of finance or funds to purchase the property, and any special arrangements agreed with the seller or vendor e.g. early access to the property prior to settlement, a deposit of less than 10% etc.

They then review the proposed contract for sale on behalf of the buyer to ensure that it reflects the agreement reached between the parties. It is also necessary for the solicitor to check the title documents contained within the contract and to ensure that the contract does not contain any onerous provisions.

In Victoria a typical conveyance includes the following:

- Title Searches
- checking for encumbrances and restrictions on the property
- ensuring any special conditions mentioned in the contract are met
- making sure rates and water consumption charges are paid by the appropriate party
- arranging for the payment of fees and charges
- preparation of legal documents.

Love Thy Neighbour

Back in the 'good old days' we all seemed to know our neighbours. However, times have changed and with our modern, hectic lifestyles, chats over the fence are often a thing of the past. These days, many of us rarely talk to — or even see — our neighbours.



We don't get to choose who lives in the street and residing amongst friendly, considerate and reliable folk can be a case of pot luck. And in the event of problems and disputes, this new trend of autonomous living can make negotiations difficult. So what can we do to foster friendly relations?

Getting off to a positive start is essential. When you see new neighbours are moving in make a point of introducing yourself and offer to help with anything they might need. Likewise, if you're moving into a new home don't be afraid to make the first move — say hello and tell them you'll catch up again once you have settled in.

As people have different lifestyles, working habits and hours, clashes over even quite minor issues can often cause irritation. Therefore, it goes without saying that consideration works both ways. If you are courteous to your neighbours it will prove helpful in the event that you do have to knock on their door to discuss a problem. For example, if you're planning a party let your neighbours know in advance, and if appropriate, why not invite them along? Or if your neighbour informs you of an upcoming birthday bash, try to keep things in perspective — it's just one night and if you go along and join in the festivities you will further enhance your neighbourly relations.

In the very rare and unlucky instance that you move in next door to unlawful and abusive neighbours who are unreasonable in every respect, do not attempt to negotiate directly with them. Seek the help of the police in understanding your rights and keep a level head.