

July 2016

Property Management News

How's the Rental Market?

Over the 38 years I have been in Real Estate it continually ceases to amaze me how fickle the Sydney market can be in both Sales and Rentals. In my April '16 newsletter I said that Hornsby rental market had "dodged a bullet" with "minimal vacancies and continued growth".

Well! Has the market turned around! In June/July rental rates have fallen down to a staggering 3.5%! This is our largest fall on record that we have had. We had at one point 14 properties for Rent. Again a record number "For Lease".

This number is now thankfully down to 7, which include 3 coming on this week. It is unlikely we will see a turn around for some time. I am not being an alarmist, just giving you the facts.

What Caused This?

Other outer Sydney suburbs are now appealing to renters over the Hornsby area. Wages have not kept pace with recent rises in rent in our area, forcing renters out of our market. We have had a huge number of new built home units now just coming onto the market. Renters are attracted to these units which in some cases offer incentives like TV and rent-free periods! These new build units have an effect on the house rentals as well. Some of these we are having difficulty in finding good tenants. Rents are being reduced in order to attract a good tenant.

Major Changes to Strata Law

New strata laws will start on **30 November 2016**. Some key changes include:

- Strengthening the accountability of strata managers
- Allowing owners to adopt modern technology to conduct meetings, vote, communicate and administer their scheme
- The need for owners to review by-laws within 12 months, which can be customised to suit their lifestyle – eg whether to allow owners to keep a pet by giving notice to the owners corporation
- A process for the collective sale and renewal of a strata scheme
- A simpler, clearer process for dealing with disputes
- Broadening tenant participation in meetings
- A new option to manage unauthorised parking through a commercial arrangement between a local council and a strata scheme
- A clearer and simpler three-tier renovations process, which waives approval for cosmetic renovations within the strata lot (eg installing handrails for safety)
- There are also measures to reduce red tape, such as simplifying financial statements for owners.

In the coming months we will give you more detail on the changes which may affect you.

Kind regards,

Ilan Dinnerville