

Conveyancing Solutions focus



Spring 2013

New requirements for swimming pool owners.

From 29th April 2013, all pool owners are required to register their backyard swimming pools in an online register to be provided by the NSW Government. The Register will promote pool safety and pool compliance in response to the challenge of reducing the number of deaths and injuries to children in backyard swimming pools in NSW. The Register will provide pool owners with pool safety checklists to help them to self-assess their pool's safety. Pool owners are required to register their swimming pool by 29th October, 2013.



All swimming pool owners will be required to have a current swimming pool compliance certificate which is valid for 3 years, if they intend to sell or lease their property after 29th April, 2014. The Compliance Certificate is provided by the local Council or an accredited certifier under the Building Professional Act 2005. A Private Certifier can be found on www.bpb.nsw.gov.au. The Council charges \$150 for the initial inspection and the Compliance Certificate.

Local Environmental Plans (LEPs) shape the future of your community and property.



Local Environmental Plans, or LEPs, are plans developed by local councils to impose standards on a region to control development. They help council to prepare for the future, reserving land for open spaces, schools and transport while protecting the natural environment. LEPs can apply to a whole local government area or parts of that area. Once an LEP is put in place, it generally remains in force until it is repealed or amended by another LEP.

If you're a property owner or investor, an LEP may impact on your property. LEPs are the primary planning tools used to shape the future of communities. So it's important to be aware of any amendments made to the LEP that governs your area.

In June, 13 councils across NSW amended their LEPs which affected zonings. These councils were: Botany, Woollahra, North Sydney, Wollongong, Camden, Penrith, Liverpool, Blayney, Nambucca, Shoalhaven, Lake Macquarie, Narrandera and Port Macquarie.

For further information regarding these changes, it is best to contact your council directly.

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Investor advice — getting the most out of the low cash rate.

With Australia's official cash rate hovering around historical lows for some time now, long-term investors are looking for ways to make the most of the low-interest environment. Here are five ways to put the recent cash rate cuts to good use.

1. Become positively geared.

If you're an investor you'll understand that property can either be geared negatively or positively. Negative gearing is when the cost of holding an investment is greater than the income, while positive gearing is when the income is greater than the cost.

While it's standard practice for investments to be negatively geared in the early years, to gain tax benefits, that doesn't mean it's always the ideal outcome. With most taxpayers sitting on a marginal rate of 32.5%, many investors only receive back \$325 out of a \$1000 outlay. If this is the case for you, you may be better off taking the opportunity to pay down your loan as quickly as possible while minimising out-of-pocket expenses.

2. Contribute more to your superannuation.

In the 2013/14 financial year, investors can claim up to \$25,000 of superannuation contributions as a tax deduction. These 'concessional contributions' can include:

-  Salary sacrifice contributions that you make,
-  Compulsory super guarantee contributions made by your employer, and
-  Any personal contributions you notify your fund you intend to claim as an income tax deduction.

3. Make some home improvements.

Lower interest rates and mortgage repayments also provide the perfect opportunity to divert some excess cash towards upgrading your investment. This could be spent on repairs or improvements to modernise your property. This adds both immediate benefits to the appeal of your property as a rental now, as well as long-term benefits for any sale in the future.



4. Invest in more properties.

If you dream of one day owning an empire of investment properties then now is the time to take the leap. A low interest environment represents an opportunity to springboard those ambitions. Average growth for a two-bedroom dwelling in the Greater Sydney area has increased by 77% in the decade since December 2002. This rental demand combined with the low interest environment means now is an ideal time to grow your property portfolio.

5. Set up an offset account.

This is probably the most conservative suggestion but it's also a great way to take advantage of the low interest even if you're not sure what to do right now.

A mortgage offset account is a transaction account that's linked to your investment loan. The money accumulated in your transaction account is offset against your outstanding balance, which reduces the interest on your payable loan.

For example, \$10,000 in an offset account that's attached to a loan of \$200,000 means you'll only be charged interest on \$190,000.

If you're looking to purchase a property – do not forget we offer a free contract review prior to purchase. For mortgage advice or to refinance to maximise your savings – contact our Mortgage Options consultant – via email at info@mortgageoption.com.au or phone 1300 85 90 20.