

Happy 2007 and welcome to another year of Conveyancing Solutions Focus!

Hard to believe it's 2007 already isn't it? We hope you had a fabulous festive season and hope you're well on your way to having a brilliant 2007!

We're definitely off to a great start with our brand new website, which we'll tell you about a little later.

This issue of Conveyancing Solutions Focus is filled with

the latest in the world of conveyancing, interesting facts about balcony doors in strata units, deposit bonds, Land Tax updates for 2007 and a helpful insight into title insurance coverage for swimming pools and swimming pool fences.

We trust you will enjoy this issue and find it helpful!

News

Conveyancing Solutions New Website

If you've visited our site recently, you'll notice that we've had a make over! Our brand new website is proving popular amongst our visitors, and here are the new features that you'll soon discover:

- **Contract Requests:** Agents and purchasers can request Contracts for the Sale of Land that are prepared by our offices, to be forwarded to them via email or directly to any interested parties.
- **Easy Contact Us Option and Free Conveyancing Advice:** Our team are easy to contact via the website, and we can provide free conveyancing advice to make the whole process of buying and selling property so much easier.



- **Conveyancing Process Explained:** Via our new website, you can learn all about the conveyancing process.
- **Location Maps:** Get to our offices quickly and easily with our helpful location maps.

Be sure to take a look at our new website by visiting www.conveyancingsolutions.com.au!

Changes to the State Conveyancing Laws Regarding Smoke Alarms

There have been changes to the *Convey-*

ancing (Sale of Land) Regulation 2005 as a result of an amendment by the *Conveyancing (Sale of Land) Amendment (Smoke Alarm Notices) Regulation 2006*.

The previous obligation for Vendors to sign a statement indicating that their property is smoke alarm compliant and attach that statement to all Contracts for the Sale of Land that were subject to smoke alarms, has been replaced altogether with a statutory warning. This Warning Notice is a prescribed document under Schedule 1 of the *Conveyancing (Sale of Land) Regulation 2005*. The Warning Notice must be attached to every Contract for the Sale of Land, regardless of whether the land contains a building requiring smoke alarms to be installed.

Further information regarding smoke alarms and mandatory obligations is available at www.planning.nsw.gov.au.

2007 Land Tax Update

As a general rule, the taxable value of each lot

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of land you own will be determined by adding the land value according to the current tax year and the land values that applied for the two tax years preceding, and calculating the average.

In the event that the land you own is part of a recent subdivision or a land amalgamation and did not exist for all three tax dates, the average value of that land will be determined using the land values for the taxing dates when the property did exist.

For 2007, the land tax rate will be 1.7 per cent (plus \$100) on the combined value of all taxable land in excess of the threshold, which for 2007 is \$352,000.

Further information relating to land tax can be obtained by visiting www.lands.nsw.gov.au/valuation or by phoning the Department of Lands on 1800 110 038.

If you own a property in a strata complex, you'll understand the confusion many owners experience when it comes to who pays for what. You know that generally it is your responsibility to repair and maintain anything within the airspace between your boundaries, but what about those borderline things like doors and windows which lead onto balconies, courtyards or common areas?

As a rule of thumb, when you buy a strata property, you own the airspace between the boundaries. In other words, all of the area between your external walls, ceiling and floors you own and are responsible for.

Since strata properties came into existence under the 1961 Conveyancing Act, boundaries have been defined in different ways. Back then, the boundary extended all the way out to a courtyard wall or balcony railing depending on whether it was a unit or townhouse. As a result, doors, walls and windows which opened onto courtyards or balconies were regarded as internal boundaries and the responsibility of the owner.

All that changed in 1974 when the Strata Titles Act 1973 came into being. Under these changes, boundaries were re-defined and those doors, walls and windows opening onto balconies and courtyards were termed common property.

Unfortunately, properties that were governed by strata laws prior to this new act still had to be governed by it. This is why there is confusion today as to who pays.

To determine if you are responsible for maintaining and repairing the walls, doors and windows that open onto balconies or courtyards, you need to determine when your strata plan was registered and view the strata plan yourself, to see what walls are common property walls and what ones are internal ones.

If you are unsure, speak to us or your strata manager. Be sure to find out for sure if balcony doors are your responsibility, before you pay for any repairs or maintenance yourself because the owners corporation is not obligated to reimburse you for any unauthorised work carried out on common property.

Deposit Bonds

What is a deposit bond?

A deposit bond (also known as a deposit guarantee) is a guarantee that acts as a substitute for the 10% cash deposit. A deposit bond will allow you to pay the full purchase price at settlement.

Why do people use deposit bonds?

People who do not have ready access to cash to pay a deposit will use a deposit bond as a means of securing a property, without a deposit.

When can deposit bonds be used?

Deposit bonds can be used for private treaty purchases and auctions. If you attend several auctions, you do not have to complete the vendor and property details on the deposit bond until you have been successful at auction.

How long can a deposit bond settlement be?

You can use a deposit bond for a short-term settlement of up to six months, or a long settlement over 48 months or more.

What are the benefits of using a deposit bond?

There are five main benefits of using a

deposit bond:

- 1 You don't need to touch your savings, so you can continue earning interest;
- 2 You can purchase properties 'off the plan';
- 3 You avoid the expense and delays getting bridging finance;
- 4 You save money since deposit bonds are cheaper than other means of securing a deposit; and
- 5 Deposit bonds can be used at auction.

For further information about how deposit bonds can work for you, please contact us!

Title Insurance for Swimming Pools and Swimming Pool Fences

When a buyer purchases a property, only to discover that the swimming pool and fence construction were not approved by council, problems often arise following settlement if an insurance claim is made concerning the structures.

So what happens if the new owner is ordered to remove or repair the structures, so they comply with council regulation? Who pays

then? After all, the owner cannot be sure if the structures comply with council regulation, if there is no building certificates issued in respect of the swimming pool or pool fence.

Title Insurance provides the owner with indemnity when it comes to "actual loss" suffered by the insured party, where the removal or repair of structures are ordered to ensure compliance. If the insured is notified of

a structural non-compliance on the part of the previous owner, the Title Insurance will pay for the insured's loss which is incurred when they comply with the council notice.

Similarly, Title Insurance will cover the owner if the structures were built with the council approvals, but did not meet those approval conditions.