



HELP FOR FIRST HOME BUYERS MUST BE MEASURED AND BALANCED

Housing Minister Troy Buswell got industry tongues wagging this week when news broke that he was preparing a paper for the Premier on affordable housing. In a leaked memo it appears Mr Buswell is proposing to lift the First Home Owners Grant from \$7,000 to \$20,000 if these buyers build a cheaper home.

While this proposal may sound exciting at first, especially for those in this particular market, REIWA would caution the government against taking this approach.

For starters, with the exception of the Pilbara there is no housing shortage in Western Australia. In metropolitan Perth there are more than 17,000 properties on the market, up significantly on a balanced market figure of around 12,000. Regional markets in Mandurah, Bunbury and Geraldton are also awash with listings.

First home buyers are well catered for in WA with plenty of stock to choose from and no stamp duty for homes under \$500,000. Motivated vendors are discounting to secure sales.

If the government brought in a \$20,000 grant for first home buyers to build a new property it would likely distort the market.

Encouraging them to build a new home rather than buying an established one would not be good for the overall housing system. It would unnecessarily drag out the current sluggish turnover of established homes.

First home buyers are an important part of the housing cycle because around 70 per cent of them buy an established home from somebody looking to upgrade. Without those first time buyers picking up establish stock the whole system slows. Upgrade

buyers can't move on until someone buys their existing home. There is a domino effect.

Most new housing construction is undertaken by trade-up buyers who may not be able to do this if they can't sell their current property. In many cases this is facilitated by a first home buyer helping them with a sale. Data from the Office of State Revenue show first home buyers who build represent just 20 per cent of new housing activity over the past 10 years.



When the existing first home owner's grant of \$7,000 was introduced ten years ago the Perth median house price was \$160,000. Now, a decade later the median house price is \$480,000 but the grant has not been adjusted to account for this inflation.

REIWA believes the best approach for first home buyers is for the Commonwealth to raise the current grant from \$7,000 to \$15,000 in accord with the shift in house prices and apply it equally to established homes and new construction.

State Government assistance would be better directed to constructing more public housing for people on low and fixed incomes, as well as offering special assistance in the Pilbara where there are serious issues with housing affordability.

relax . celebrate . enjoy



SMOKE ALARM MAINTENANCE

It is some **12 months** since the **smoke alarm legislation** came **into force** and it is now time to start considering maintenance of the smoke alarms installed in your properties.

Essentially, the Building Amendment Regulations 2009 prescribe the responsibilities of an owner in ensuring the smoke alarms are maintained in working order.

Part 38P of the Regulations specifically address the requirement to maintain smoke alarms by stating that an owner must, to the extent practical

"Ensure that each alarm installed in the dwelling is in working order; and ensure that each alarm installed in the dwelling has not reached its expiry date or is not more than 10 years old."

It is therefore important to ensure that your property has appropriate smoke alarm maintenance strategies in place.

A strategy could be to directly engage an independent contractor to undertake the necessary maintenance, they will test the alarm for electronics and smoke detection, as well as batteries and age of the unit.

YOUR SMOKE ALARM RESPONSIBILITIES

Homes For Sale

From the 1st of October 2009, sellers must ensure that hard wired smoke alarms are installed by an electrical contractor prior to the transfer of the property to the new owner.

New Lease

Landlords must ensure that hard wired smoke alarms are installed prior to the commencement of a new lease and ensure that the smoke alarms are maintained and are in good working order.

An Existing Long Term Lease

In the case where a long term tenant is in place, all rental properties must still have hard wired smoke alarms installed prior to the 1st of October 2011.



Disclaimer

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terri scheer

We would like to inform you about a slight price rise that will be introduced to Terri Scheer's Landlord Preferred Policy for all new policies and renewals with an effective date of 01/02/2011 onwards.

Please see the table below for the new premiums.

State/Territory	Premium
ACT	\$310
NSW	\$360
NT	\$290
QLD	\$290
SA	\$265
TAS	\$235
VIC	\$285
WA	\$270

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