

Welcome to another of the increasingly sporadic ASG newsletters.

Despite our good intentions, this looks like it's the third or fourth since we launched the business back in July 2019 so you couldn't really complain that we've bombarded your inboxes. Nonetheless, we want to thank you for subscribing and/or staying interested in what we're up to - including recent visits to some of our clients with their Christmas presents...



NSW Taxation Administration Act



One of our client agencies recently received a Notice under Section 72 of the Taxation Administration Act 1996 from NSW Revenue. They were seeking information on a particular property and, it appears, refers to First Home Benefits Compliance.

The information they require is:

1. Confirmation of the date your agency commenced management of the property.
2. Confirmation of the date your agency ceased management of the property (if applicable).
3. Confirmation of the date(s) the tenant(s) commenced occupancy of the property.
4. Confirmation of the date(s) the tenant(s) vacated the property (if applicable).
5. The complete executed Management Agency Agreement(s) in relation to the property.
6. The complete executed Residential Tenancy Agreement(s) in relation to the property.
7. The tenant ledger(s) in respect of all the tenants who have resided in the property.
8. Financial statements issued to the owner in respect of the property.

If you are aware of any landlords who may have potential issues in this area, make sure you have these files at hand in at least two formats/locations.

Macquarie Benchmarking Report 2023



The latest Real Estate Benchmarking study makes for compelling reading but, as always, the headline statistics show how much the industry has lost profitability over the last decade with the number of agencies reporting increased profitability dropping by over 54% since 2014. Agencies that report a maintenance or decrease in profitability now sits at 71% across the country.

Other notable stats include:

- Property Management Commissions in NSW are down from 5.9% in 2019 to 5.5% in 2023
- Properties per Property Manager sit currently at 116
- Property Management staff turnover is currently 30% in NSW
- Property Manager Retention is currently 53%
- Average PM salaries in NSW are \$92,522
- Average NSW agency revenue = \$5,953,611
- Average NSW profit = \$888,638 (15%)

The full report can be downloaded at

<https://www.macquarie.com/au/en/investors/reports/half-year-2024.html>

Fair Trading and s126 of the Property and Stock Agents Act

Section 126 of the Property and Stock Agents Act is one that most agents, thankfully, have never had to consider. But recently, ASG was brought into assist an appointed Manager in supporting the operations of a subject agency in August this year.

While we are not able to discuss much of what we saw, the main takeaways included:

- Over 200 sets of keys but almost 75% of them were not properly logged or recorded
- Non compliant documentation such as leases that included clauses that were in direct contravention of the Residential Tenancies Act.
- Property files missing most of the information required if an audit was held.
- Poor use of PropertyTree in terms of a lack of notes, inaccurate data, and incomplete data.
- Emails that were recorded outside of PropertyTree so that when evidence of conversations was required, and access to the mail server was not forthcoming, no evidence of positive action by the agency was available.

It has reinforced the need for a greater focus on compliance as well as making sure that systems and procedures are secure and transparent.



Changes to the Strata



Changes to NSW strata and community land laws started on 11 December 2023 and, for real estate agents, Fair Trading advise that there are additional information requirements:

Landlords' agents have 14 days from signing a rental contract to give:

- *notice of a tenancy to the owners corporation or association*
- *a copy of the by-laws and any strata management statement to the tenant. However, for residential tenants, the Residential Tenancies Act 2010 instead requires the by-laws to be given to the tenant before the rental contract is signed.*

Landlords' agents must give any updates to by-laws and the strata management statement to the tenant within 14 days.

These requirements already apply to your client, the landlord.

The full advisory can be downloaded at

<https://www.nsw.gov.au/housing-and-construction/serving-on-a-committee/changes-to-strata-scheme-laws-2023>

Utility Charges



Amazingly, almost four years after the changes were introduced, there are still agencies out there that haven't yet grasped that there are things we just can't do any more.

The two biggest of these are water usage and electricity metering. Unless those meters meet very strict criteria, the owners cannot pass on those utility charges - particularly where granny flats are concerned.

Electricity

Under s40 (1)(c) of the Residential Tenancies Act,

40 Payment of rates, taxes and certain utility charges by landlord

(1) A landlord must pay the following charges for the residential premises—

(c) all charges for the supply of electricity, gas (except bottled gas) or oil to the tenant at the residential premises that are not separately metered,

Prior to that, however, Section 3 outlines:

3 Definitions

(1) In this Act—

separately metered means that there is, in respect of residential premises, a meter—

(a) that satisfies an Australian Standard prescribed by the regulations (if any) dealing with electrical, gas, oil or water metering equipment, and

(b) that has been installed in accordance with the manufacturer's instructions for installation or industry practice, and

(c) that measures the quantity of electricity, gas, oil or water that is supplied to, or used at, only those residential premises, and

(d) that enables a separate bill to be issued by the supplier for all charges for the supply and use of the electricity, gas, oil or water at those residential premises

(e) if the meter is to measure the supply of electricity—in respect of which an NMI, within the meaning of the National Energy Retail Law (NSW), has been assigned,

Water

Section 39 states:

39 Water usage charges payable by tenant

(1) A tenant must pay the water usage charges for the residential premises, but only if—

(a) the premises are separately metered or the premises are not connected to a water supply service and water is delivered to the premises by vehicle

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(c) that measures the quantity of electricity, gas, oil or water that is supplied to, or used at, only those residential premises, and

(d) that enables a separate bill to be issued by the supplier for all charges for the supply and use of the electricity, gas, oil or water at those residential premises

If you need any help with applying this to your landlords, please reach out to us at Agency Services Group on 02 9687 8222.

Agency Services Group had a smashing year!

As part of our end of year wind down, the team went out to Smash Stuff at Jamisontown near Penrith in Sydney's west.

We all had an amazing time and, aside from belting the bejeezus out of a variety of dishware, glassware, and even a couple of TVs, Smash Stuff also laid on food and drinks for us all and our photographer who captured some of the day's action as well as some more formal headshots.

If you're looking for a great, sorry smashing expedition for you and your team, you can get in touch with Smash Stuff at www.smashstuff.com.au or call them on 0488 647 982.

For a great photographer, call Jodi McConaghy on 0405 386 136.



Some of the team at Smash Stuff (L to R Alex Taylor, Hannah Winstanley, David Taylor, Kate Morris, Daniel Sciberras, Rose Kaur and Kathryn Lane.

The team at the close of the year



David Taylor,
CEO



Hannah Winstanley,
Snr PM Sydney North



Greg McBride,
PM Sydney South



Kate Morris,
PM Sydney North



Nicolette Jones,
Snr PM NSW North



Daniel Sciberras,
Snr PM Sydney South



Alex Taylor,
Administration



Kathryn Lane,
Administration



Mellisa Stevens,
PM NSW North



Mary Ilsic,
PM Sydney North



Rose Kaur,
PM Sydney North



Samantha Davis,
Administration

with more new faces joining us in 2024.