

ELEVATION

Welcome from the CEO

Here at STM we pride ourselves on our professionalism and knowledge in both the strata and property industry. We endeavour to keep you updated on current issues and industry trends, so now is a perfect time to discuss property! It's a buyer's market right now and for those with cash and pluck, upgrading your property can be the silver lining on economic storm clouds. There are several ways to approach an upgrade if you're serious about making money from your investment. The two most common are to buy and hold or to renovate and sell.

When you buy and hold, you make money when rental income from your (hopefully) good tenants outweighs property and finance expenses, or when the value of your property rises. The key factors for success with this strategy are a great location, the condition of the property, the right tenants, and whether your financial position can afford it over the long-term. Be aware that the costs of upgrading, including stamp duty, surveyors' and estate agents' fees can eat into initial capital growth so aim to hold onto your new property for at least five years.

When you buy property with a view to renovate and sell at profit, the crucial factors for success include finding a property that is undervalued, and the ability to control the time and cost of renovations. Seek professionals' advice before you commit to ensure there are no expensive structural faults and carefully plan, budget and map each renovation phase; otherwise your budget may blow out quicker than you can say 'economic downturn'.

Make sure you decide on which strategy to take and commit to, before you plunge in. Most importantly, do your homework – survey the area and recent growth rates of neighbouring streets, do a thorough budget of your current financial situation and don't bank on interest rates staying low. When you've done all your research and it's looking good, it's time for a little courage. Sometimes you just need to seize the day.

Good luck,

Cameron Davis,

*Managing Director/CEO
Strata Title Management Group (STM)*



STM | STRATA TITLE
MANAGEMENT



First Home Owner Grant

NSW	New home	Established home
	\$24,000	\$14,000

QLD	New home	Established home
	\$21,000	\$14,000

- ◆ No stamp duty for first home owners on properties under \$500,000
- ◆ Offer ends 30th June, 2009

For more information on the First Home Owner Grant go to

www.firsthome.gov.au

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StrataSphere...

The world of Strata — your questions answered!

Question

My building has several defects to the common property. I don't understand why our levies don't cover our Strata Manager dealing with the issue. Isn't this their job?

Answer

We keep our management fee as low as possible by not including items which aren't applicable to all tenants in all properties. Your STM Strata Manager's time dealing with common property building defects, including sometimes lengthy correspondence with the various parties involved, incurs an hourly rate.

Should a builder not claim responsibility for building defects and follow up with repairs, then this becomes a matter for lawyers and the courts. Your Strata Manager can assist Owners' Corporations to organise and manage the various professionals that need to be involved in any legal case. Strata Managers are not qualified to give legal advice.

STM can organise and coordinate engineers to survey defects and notify the relevant builders about the defects. If a case needs to be escalated, STM can organise legal representatives for the Owners' Corporation. Owners in buildings of four storeys or less are covered under the Home Building Act of 1989 (NSW) by a two-year warranty for non-structural defects and a further six-year warranty for structural defects. Claims of up to \$500,000 are heard by the Department of Fair Trading, those up to \$750,000 move to the District Court, while claims of more than \$750,000 go before the Supreme Court.

Of course, Owners' Corporations are not obligated to use STM to deal with building defects and may choose to manage the process themselves.



Green your apartment

Just because you live in an apartment doesn't mean you can't join the green revolution. It's good for the planet, your wallet and your soul.

Embrace your surroundings

One of the strengths of apartment living is close proximity to amenities. Rather than taking the car for local trips, invest in your health and the environment and ride a bike or walk. Buying local will not only keep transport pollution and your spending down, but help ensure that local retailers survive and your community thrives.



Supplement your grocery shopping

You'll be amazed at what you can grow on a balcony or in a window-box. Herbs are an easy option; they tend to be pricey at the supermarket, don't keep long in your fridge, and reduce your salt intake by helping to flavour food. Keep insects at bay using a spray created from water which has had citrus rind soaking in it for a few days.

Compost by the car

A worm farm is a great option for apartment-dwellers with garages. Not only do you save yourself the stink

of rotting vegetation in your bin and the hassle of frequent emptying, you help create enriching liquid fertiliser for house and balcony plants and take a load off landfill.

Use natural air conditioning

Open your doors and windows to catch the cross-breezes, close blinds against the sun, and minimise the need for your air-con. Keep your internal air as clean as possible while minimising energy use by checking and replacing your air conditioning filter as often as needed as well as other appliances that have filters. Avoid smoking indoors or better yet, quit.

Bring the outdoors in

Having just two plants in your apartment per hundred square foot of rooms will clear air-borne toxins better than any air freshener or disinfectant spray.

Green power

Consider switching to a green energy provider. It doesn't have to cost more and may even be offered by your existing supplier. Follow this up with compact florescent lights to save considerable energy and money in time.

Turn it off

Turn off the lights, close the fridge door and don't forget about your 'phantom load' from appliances that are plugged in but not turned on – this can add up to 40 per cent of your energy costs in the average home! Why not dry your clothes naturally? Not only is it better for your clothes but the reduction in using your dryer will have a positive effect in lowering your energy bill. Are you planning to watch TV or is it just habit to have it on in the background? A little peace and quiet goes a long way.

