



# Professionals

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## Insulation, Switches a Hot Topic

The Australian Government's home insulation program has raised two important safety issues for people buying or selling properties.

One relates to the condition of insulation in any property on the market, and the other is the need for home buyers to ensure electrical safety switches are installed in properties they are considering.

The warnings come from Archicentre, the building advisory service of the Australian Institute of Architects.

Archicentre's Victorian state manager, David Hallett said it was important for all home owners selling properties where insulation had been installed to check the work to limit any legal liability if people were injured or if a fire broke out in the home.

Mr Hallett said selling a home with an illegal building report or in a dangerous condition could become an expensive minefield of litigation for vendors, real estate agents and people who carried out sub standard work.

"Court cases in relation to illegally built balconies... have stretched back to the original builder some 30 years previous," Mr Hallett said.

The extent of the problem with the government's insulation program meant it was difficult to trace every property where insulation had been installed by unqualified people to check the standard of work.

Anyone buying a property should ask if the home had been involved in the government's insulation program, when the material was put in, which company carried out the work

and importantly, if it had been checked.

"If there is any doubt, prospective purchasers should have it independently checked by qualified electrical contractors," Mr Hallett urged.

If the home had been checked, the buyer should ask to see the certification which should be included in the Section 32 documentation for the sale of the property.

People with concerns about the safety of their insulation may call 13 17 92 to arrange an inspection or visit [www.environment.gov.au/eehp/insulation/index.html](http://www.environment.gov.au/eehp/insulation/index.html)

Mr Hallett also urged home buyers to make sure their homes had residual current devices or electrical safety switches installed.

The switches monitor the flow of electricity through a circuit and detect a problem as soon as the current leaves the circuit. The power automatically turns off in 0.03 of a second, preventing fire starting.

New homes and renovations must have the safety switches by law to minimise the risk of electrocution but older homes could be at risk without them. Burn marks on power points are an indication that a home's wiring is not in good condition.



## Hot Tip:

When updating or renovating a property prior to selling, be sure to pay due attention to gardens, out door areas and lawns. This will not only give you the best opportunity to achieve the maximum price, but will allow potential buyers to visualise a lifestyle rather than just the property itself.



## Move, and Simplify

Moving home is the ideal opportunity to declutter, not only your immediate living environment, but ultimately, your life.

We all accumulate a large quantity of "stuff" over the years. Sometimes as collectors this is conscious and deliberate but more often it is incidental as we buy, are given or just come across potentially useful items and documents which we tuck away with the rest of our possessions.

To assess how much "stuff" you are sharing your home with, consider how much your family would have to sort through if you were to move tomorrow. How grateful would they be moving piles of outmoded clothes, boxes of rusty nails and bank statements dating back to the 1970s?

If you are moving house and haven't enjoyed a good spring clean for decades, now is the time for a major clear out!

But give yourself plenty of time - longer than you might reasonably expect. You may well find yourself reading every postcard and trying on every tee-shirt before deciding its future!

A good clean out can be scheduled to take place over several continuous days set aside specifically for the purpose. You may prefer to dedicate a few hours each day or, if there's time, each week.

Tackle the project systematically, room

by room. Dig into each cupboard, drawer and wardrobe, taking out the contents and sorting them into three piles: Must Keep, Must Throw and Don't Know.

The 'Must Keeps' can go back where they came from, or be packed up for moving day. Just be careful not to box up something you might need!

Many of the 'Must Goes' can be recycled, for instance by passing them on to friends or family. (This is good for items you are not 100 per cent sure about parting with and may want to reclaim later!) Your favourite op shop will benefit from donations of good quality items. If there are enough of them, a garage sale or even clearing sale could bring in a few dollars. But this requires advanced planning and almost always involves left-overs. Municipal recycle bins will take a lot of paper, cardboard and jars but again, you will need to start early because you may find you have more than one bin load (and no spare space in your neighbours' bins).

The 'Don't Know' pile is the hard one. Be ruthless. If you haven't used something for years, never used it, don't even like it - chuck it. Don't be deterred by the fact you will need it two weeks after parting with it. That's life.

As well as making moving out and moving in a lot easier, a serious sort out will give you a great sense of achievement and control.

## Housing Prices Remain Strong

The cost of homes in Australia's capital cities continues to climb despite recent rate rises.

However, property values beyond the capitals are growing at a much slower pace, according to property information and analytics provider, RP Data - Rismark.

The median house price is now \$485,000 in capital cities, while the median unit price is not much lower, about \$400,000.

In the 12 months to the end of February, Australian capital city home values have increased by 12.7%. This contrasts to 2008 when values fell by about 3%.

In the Rest of State markets the action has been much more subdued with house values rising only 7% in the 12 months to the end February 2010.

Figures for February this year show home prices in Australia's capital cities rose by 1.4% over the month following a 2.0 % cent growth rate in January.

Melbourne is leading the way, with property prices rising by 5.4% in the three months to the end of February. Property in Darwin went up 4.2% in the same quarter with the Sydney market up 3.8 percent and Adelaide 2.5% higher. In contrast, Perth was much weaker with a drop of 0.2% while Hobart prices were down by 4.2%.

Placed in context, the recent growth in capital city home values is not extraordinary. According to the latest national accounts data from the Australian Bureau of Statistics, per capita disposable household incomes grew by 6.0% a year during the five years to December 2009. At the same time, Australian capital city residential prices increased by almost exactly the same amount, 6.2%, meaning home prices kept pace with incomes.

RP Data Rismark CEO, Christopher Joye, said the situation in Sydney was remarkable because in the six years to the end of December 2009, household incomes there had risen much more rapidly than home prices (5.7% compared to 1.3% a year).

Rpdata.com's research director Tim Lawless said market conditions had not been dampened by rises in the cash rate and changes to the first home buyers' grant as might have been expected.

Mr Lawless said the robust market conditions were probably a result of the high level of consumer and business confidence in Australian economy.



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