Ross-Hunt real estate

1973 - 2025

Celebrating Over 50 Years of serving the community

Under One Roof

Issue 40
February 2025

REIV AWARDS FOR EXCELLENCE WINNER PROPERTYDATA SALES AGENCY OF THE YEAR - METRO

What am I paying my Owners Corporation Manager?

Navigating the world of Owners Corporation Management can sometimes feel overwhelming. At Ross-Hunt Real Estate, we believe in transparency and want to ensure all our property owners feel confident and well-informed. In this article, we will take you through our Owners Corporation Management fees, clarify any questions you may have, and share some insights into industry practices to help you make more informed decisions.

Administration & Management Fees

At Ross-Hunt Real Estate, we take pride in offering a straightforward, all-inclusive fee structure.

Our contract of appointment does not include the extra fees often referred to as "Schedule 2.2 fees."

This means you won't encounter any additional charges for standard services like issuing correspondence, sending postal ballots, managing insurance claims, archiving of documents, trade compliance or coordinating maintenance.

Additional fees are only applicable in exceptional circumstances, such as VCAT attendance or the need for additional meetings. If such a situation arises, rest assured our managers will seek permission prior to proceeding with any additional costs.

You can easily view the total annual amount paid to Ross-Hunt Real Estate for managing the Owners Corporation in the "Approved Budget." The budget is included with the Annual General Meeting (AGM) Minutes, which are issued each year via your preferred method of correspondence and made available on the Owners Portal and Mobile App. The administration and management fees detailed in the Approved Budget reflect Ross-Hunt's total charges.

Insurance Commissions

A common practice in the Owners Corporation industry is for managers to receive an annual commission from your property's Strata Insurance provider. Many managers have direct relationships with insurers, receiving a commission for each property insured. Alternatively, some Managers work with a broker, who may be passing on some, or all, of the commissions paid by the insurers for handling insurance matters. These commissions are currently under industry scrutiny as they aren't well understood by owners, are often hidden in lengthy contracts and can directly influence the insurance premium paid.

At Ross-Hunt we do things differently. We work with our insurance broker in a way that ensures we do not receive any commission on your insurance policy renewal - whether from the broker or the insurer. This ensures a cheaper overall cost of your insurance premium and full transparency about the amount of money we are receiving for managing your property. The only commission Ross-Hunt receives, is a spotter's fee when we first place a policy with our broker which equates to 25% of the commission paid by the insurer to BJS for arranging the policy for the first year only.

It's always wise to check your contract with your Owners Corporation Manager to understand any insurance-related commissions they may be receiving, and which parts of their services will come at an extra cost.

We hope this article has helped you gain a greater understanding of Owners Corporation Management fees and has assisted with empowering you on your property journey. If you have any questions, please feel free to reach out!

Reserve Bank cuts interest rates to 4.1% in first reduction since November 2020

On 18th February 2025, the Reserve Bank of Australia (RBA) cut the cash rate to 4.10%, marking the first rate reduction since November 2020. The move follows steady progress in curbing inflation over the past six months.

The RBA board lowered the cash rate by 0.25 percentage points, providing relief to mortgage holders after a series of 13 rate hikes between May 2022 and November 2023. The rate had remained unchanged for over a year before today's decision.

In its post-meeting statement, the board highlighted that inflation has fallen "substantially" from its peak in 2022.

"The December quarter saw underlying inflation at 3.2%, indicating that inflationary pressures are easing faster than expected," the statement read. It also pointed to subdued private demand and a reduction in wage pressures as factors contributing to greater confidence that inflation is moving sustainably towards the target range of 2–3%.

Following the announcement, all four major banks confirmed they will pass on the full rate cut to customers.

NAB, Commonwealth Bank, and ANZ will reduce variable home loan rates by 0.25% from 28th February, while Westpac will implement the change from 4th March.

YOUR PROPERTY JOURNEY STARTS HERE

Navigating the real estate market can be complex, but you don't have to do it alone. Our experienced sales team is here to guide you every step of the way.

With expert market knowledge, strategic advice, and **a commitment to achieving the best results for our clients,** we can help you make informed decisions that align with your financial goals.

Contact us today and discover how we can support your journey to success.

Kali Lane
(03) 9835 1151
Sales & Marketing Administrator

Susie Jackson
(03) 9835 1155
Sales Assistant

Romano Cellante
0412 100 989
Executive Sales Consultant

Jasmine Li
0422 753 570
Executive Sales Consultant

Jeff Anderson
0411 222 744
Sales Director | CEA
Auctioneer

Foreign Investment Ban

LABOR Government Introduces a *Temporary Ban* on *Foreign Investors* BUYING Established HOMES

The Australian Government has announced a temporary ban on foreign investors purchasing established residential properties. This measure, effective from April 1, 2025, to March 31, 2027, aims to ease pressure on the housing market while increasing housing supply. A review will be conducted to determine whether the ban should be extended beyond this period.

Key Measures

1. **Ban on Foreign Purchases of Established Homes**
   - Foreign investors, including temporary residents and foreign-owned companies, will be prohibited from buying established dwellings during the two-year period unless an exemption applies.
   - Limited exemptions will be available for investments that significantly contribute to housing supply and for participants in the Pacific Australia Labour Mobility (PALM) scheme.
   - Foreign investors will still be able to purchase new dwellings, to encourage the supply of housing.
   - Reports indicate that foreign investors seeking to invest in projects comprising more than 20 properties may be exempt from the ban.
2. **Stronger Enforcement and Compliance Measures**
   - The Australian Taxation Office (ATO) will receive $5.7 million over four years (from 2025–26) to strengthen enforcement and compliance regarding foreign investment in residential property.
   - The ATO will enhance screening of foreign investment proposals and ensure compliance with the ban and related exemptions.
3. **Addressing Land Banking by Foreign Investors**
   - The Government is also taking steps to curb land banking, where foreign investors acquire vacant land and hold it without development, often reselling it at higher prices.
   - Foreign investors are required to develop vacant land within a reasonable timeframe. The ATO and Treasury will implement an audit program to monitor compliance, with $8.9 million allocated over four years from 2025–26 and $1.9 million in ongoing funding from 2029–30.
   - Increased scrutiny will be applied to foreign investors that have already acquired or are proposing to acquire vacant residential and non-residential land to ensure adherence to development conditions.

Foreign investors are currently barred from buying existing homes, but are allowed exceptions for some circumstances like moving to Australia for work or study.

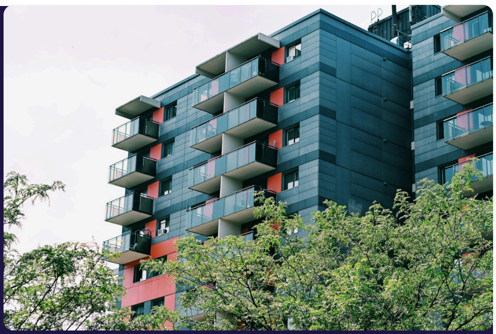
Government's Housing Strategy
These initiatives form part of the Government's broader $32 billion Homes for Australia plan, which aims to increase housing supply and affordability. The Government has committed to investing more in housing than any previous administration, ensuring that foreign investment aligns with national housing priorities.
Updated policy guidance from the ATO and Treasury will be released before the changes take effect, providing further clarity on enforcement and compliance measures.

By implementing these measures, the Government seeks to prioritise housing availability for Australians while ensuring that foreign investment supports, rather than hinders, housing supply and development.

**Source: https://ministers.treasury.gov.au/ministers/clare-oneil-2024*

Sales Auctions Buyers Advocacy Rentals Owners Corporation

rosshunt.com.au



INSURANCE VALUATIONS

A Crucial Component

At BJS Body Corporate Insurance Brokers we know insurance valuations are a crucial component for all Owners Corporations for several reasons, protecting the interests of both individual owners and Owners Corporations in the event of a loss. Here's why they matter:

1. Adequate Coverage: Insurance valuations help determine the correct amount of coverage needed for your assets. This ensures that if the worst happens—like damage, loss, or theft—you'll receive a payout that's enough to replace or repair the property. Without a proper valuation, you might end up underinsured or even over insured.

2. Accurate Premiums: When you have an accurate insurance valuation, your premiums will reflect the true value of what you are insuring as it enables insurers to adequately price the risk. Over-insuring could lead to unnecessarily high premiums, while under-insuring could leave owners out of pocket in the event of a major loss.

3. Regulatory Compliance: For Strata insurance in Victoria, valuations are required at least every five years to comply with the Owners Corporation Act, however as specialist strata insurance brokers we would recommend valuations every three years.

4. Protection for the Owners Corporation: A valuation ensures that individuals within the Owners Corporation can not be personally held liable for any loss or potential loss to another lot owner because of a decision NOT to undertake a property valuation.

5. Preventing Financial Loss: If assets are undervalued in an insurance policy, the owners might face significant financial loss after an accident, fire, or natural disaster. Proper valuations can help mitigate this risk.

6. Not Just Buildings: Valuations cater for additional expenses such as professional fees, demolition and removal of debris which are all required to be included as part of the building sum insured.

In short, strata insurance valuations help balance the risks of loss with the cost of premiums, ensuring you are properly protected whilst complying with your responsibilities. They also transfer the risk for any underinsurance to the Valuer which provides peace of mind to owners and Owners Corporations alike.

Contact BJS Body Corporate Insurance brokers if you have any queries on 1800 003 007

RECENTLY Listed For Sale

404 Mont Albert Rd, Mont Albert

Golden Development Opportunity
$2.2 to $2.4 Million

- A substantial 1,178 sqm (approx.) block
- Zoned NRZ5, No single dwelling covenant
- Build a luxury dream home or a multi-dwelling development (STCA)
- Existing 2 bedroom bungalow on site
- Walk to shops, schools and train stations
- Blue-chip area: a high - growth investment opportunity

For more information call Romano Cellante - 0412 100 989

10 Winfield Rd, Balwyn North

Modern Family Living
$1.8 to $1.98 Million

4 Beds | 2 Baths | 3 WC | 1 Study | 2 Cars

Auction Saturday 15th March at 10.30am

- Grand entrance hall, formal lounge, study
- Large picture windows throughout
- Open plan living, dining and kitchen precinct
- Private outdoor entertaining space
- Alarm system, ducted heating and cooling
- Walking distance to East Balwyn Village

For more information call Jasmine Li - 0422 753 570

or visit our website at www.rosshunt.com.au

A: 99-105 Union Road, Surrey Hills 3127
P: Locked Bag 1, Surrey Hills 3127
Office Hours: Mon to Fri: 9am - 5pm; Sat: 9am - 12pm

E: rosshunt@rosshunt.com.au **P: (03) 9830 4044**

rosshuntrealestate rosshuntrealestate @rosshuntrealestate