

## TCRC *Property Update*

Our TCRC *Property Updates* are intended to bring important property issues to your attention.

If you wish to submit content for an article or be removed from the distribution, please feel free to contact me.

Further, if you have any comments you wish to make (positive or negative), your feedback is always welcome.

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### Lease Assignment Disputes ... a sure bet!

When purchasing a business, the last thing the business purchaser is considering is the state the property was originally leased in and the last thing your Tenant thinks to disclose during the selling process is their make-good obligations; leaving you with the task of mediating what could be a cat-fight at lease end.

Paid for by the Tenant as a cost associated with Lease Assignment, a Condition Report would determine the status of a premises prior to accepting an Assignment of Lease. This would ensure the assignee and assignor both understand make-good obligations at lease end.

With the change to legislation which now no longer holds Assignors responsible, Property Managers and Owners should protect themselves from potential disputes and ensure Assignees are fully-versed on their make-good obligations.

**Condition Reports qualify  
Lessor and Lessee repair obligations  
under Section 52  
of the Retail Leases Act**



### Property Taxes and the 2006 Election “promises”

#### What the Liberal Party says:

##### Policy Objectives

The Liberal Party has already set the goal of being Australia's lowest taxing state by 2014. As part of the move towards achieving that objective, a Liberal Government will introduce a package of stamp duty initiatives that will:

- Cut costs to home buyers by bringing down stamp duty
- Improve home affordability immediately and into the future
- Put an end to stamp duty bracket creep for all Victorian property purchases

##### A Liberal Government will:

- Cut up to \$3,000 off the stamp duty on buying a principal place of residence up to the value of \$600,000
- Extend the First Home Bonus until 2009 and increase the rate from \$3,000 to \$5,000 for newly built homes
- Give first home buyers the benefit of both the First Home Bonus and the stamp duty cuts
- Abolish bracket creep by legislating for the annual adjustment of stamp duty scales in line with movements in property values

The Liberal Government legislation will provide for the Valuer-General to certify each year the increase in property prices that has occurred and for the value ranges for each stamp duty bracket to be automatically adjusted accordingly.

This indexation will apply to not just home buyers but to all property purchases, including commercial, industrial and residential investment properties.

#### What the Labour Party says:

Labour has promised Victorians buying a home for the first time and those already in the property market stamp duty cuts and bonuses as part of a five-year, \$600 million package under a re-elected Bracks Government.

The package includes:

- Cuts to Stamp duty from 6 per cent to 5 per cent on family homes between \$115,000 and \$400,000
- A \$2850 cut to Stamp duty on houses valued between \$400,000 and \$500,000
- Extending the \$3000 First Home Bonus until 30 June 2009;
- Increasing the bonus to \$5000 for Victorians buying newly constructed homes; and
- An additional \$60 million to provide 350 homes for rent by Victorians on low incomes.

Mr Bracks said "Our policy will provide targeted assistance to those who need it most – first home owners, existing home owners in the middle housing bracket, and low income earners. The Government had worked hard to make Victoria the most affordable State on the eastern seaboard, but more needed to be done to meet challenges facing the housing market."