



## New Water Efficiency Measures What they mean for you

As you would now be aware the recent changes to the Residential Tenancy Act included new water efficiency requirements for investment properties and for the criteria for passing on water usage charges to your tenant.

### As explained by the Office of Fair Trading the minimum criteria for passing on water usage charges are:

- Investment properties must be individually metered (or water is delivered by vehicle, such as those with water tanks on rural properties) and
- The charges must not exceed the amount billed for water usage by the supplier and
- The rental premises must meet required 'water efficiency standards'

### So what are water efficiency standards and what do they mean for your property?

An investment property is considered water efficient if it meets the following standards:

- Internal **cold** water taps and single mixer **taps for kitchen sinks and bathroom hand basins** have a maximum flow rate of **nine litres per minute**. This does not apply to other taps in the property such as bathtub taps, laundry taps, outside taps, washing machine and dishwasher taps
- **Showerheads** require a maximum flow rate of **nine litres per minute**
- No leaking taps anywhere on the premises at the start of the tenancy or when the water efficiency measures are installed

This criteria does not necessarily mean that showerheads and tap fittings need to be replaced.

In some instances the measures can be achieved by installing aerators or regulators to existing taps and showerheads and fixing any leaks. To ensure your property meets these standards we are currently working with our plumbers to implement necessary changes. Prices to have a water efficiency assessment (including a showerhead installed at the same time) are in the vicinity of \$61. Tap washers and aerators can be installed from approximately \$9 each.

### When does this apply?

Tenancies commencing from 31st January this year must ensure the measures are in place in order for water usage charges to be collected. Existing tenancies have until 31st January 2012 to install the measures. If they are not implemented by this date water usage cannot be charged to the tenant.

We have recently heard of other agents increasing the rent by a nominal amount rather than implementing water saving devices. The only people who benefit in this instance are the agents. There is a lot of work at our end so we understand the temptation; but we do not recommend this course of action as it can prove to be a false economy. By taking this approach, it is likely tenants may become careless with the amount of water they use, as well as going against the spirit of the Act and water conservation.

For further information in relation to implementing these changes and the various costs please visit our website or contact your property manager. Hunter Water have also released a retro fit program which facilitates the replacement of devices with more water efficient models.

Details of this can be found at [www.hunterwater.com.au/Save-Water/Save-Water-Initiatives/Home-Retrofit-Program](http://www.hunterwater.com.au/Save-Water/Save-Water-Initiatives/Home-Retrofit-Program)

## Termination Notices

### New regulations, New implications

We flagged this one early, in fact when the draft proposal was first released for comment. Now we are experiencing the effects of the changes relating to terminating tenancy agreements.

The new regulations dictate that no grounds termination notices increase from 60 days to 90 days. They also allow for tenants to hand keys back for the property at any time during the 90 days, without giving any notice of their intention to leave. Previously they were required to give 21 days notice. This now means that the property may be returned without us having had the opportunity to advertise it for lease. This could result in properties sitting vacant without rental income for longer periods.

Even more concerning, this does not just apply to no grounds termination notices. A tenant can in fact hand back the property at any time once any form of termination notice is served.

To minimise the impact this may cause we attempt to keep in regular contact with the tenant throughout the notice period, but we are sure this new regulation will cause more than a few headaches as time passes. In the case of no ground terminations it is worth noting that the Consumer Trader and Tenancy Tribunal have indicated they will be more willing to grant vacant possession of a property (depending on individual tenant circumstances) where a tenant has failed to vacate a property within the required 90 days.

On a positive note we are pleased with the changes that now allow a termination notice to be delivered into a tenant's mailbox or by fax. This removes the obvious difficulties in ensuring a tenant is home to receive a hand delivered termination notice, which was required previously.



**Please note:** As at 19/04/2011, this ebulletin is intended as general news and not as advice, as each individual's situation will vary depending on specific circumstances relating to that individual. You should seek professional advice as it relates to your own circumstances.