



CPD COURSES

Castle Hill
Sales & Prop Mgmt
Fri 4th Jul

Castle Hill
Commercial & Retail
Leasing
Mon 7th Jul

Castle Hill
Strata
Wed 9th Jul

Sydney
Sales or Prop Mgmt
Fri 11th Jul

Sydney
Business Broking
Wed 23rd Jul

Blue Mountains
Sales & Prop Mgmt
Fri 1st Aug

Ballina
Sales & Prop Mgmt or
Strata
Mon 18th Aug

Gosford
Sales & Prop Mgmt
Thu 21st Aug

Encumbrances

At a CPD class this week, a number of agents were reading our Chronicles that were on their tables. I took the opportunity to ask them what they would like to read about this week (as I hadn't yet written today's article). After much discussion – and mostly off topic!! - they responded that they would like to see little snippets of information that reminds them of the basics of working in the property industry.

So I got to thinking.....salespeople complete agency agreements every time they list a property for sale. In completing this agreement, agents need to consider Clause 2(i), Schedule 2 of the Property, Stock and Business Agents Regulation 2002 which states:

The Report must specify the following and be signed by the agent:
(i) Details of any covenants, easements, defects, local government notices or orders affecting the property that are known to the agent,

Many agents find this section difficult to complete, as they have not been provided with any "useful" information from the property owner in relation to the covenants, easements etc.

In order to be able to ask the correct questions of your vendor, it's important to understand what this information entails – it is referring to the encumbrances on title, which are defined as being disabilities or burdens on land that may be significant enough to be registered on the land title or have effects on the use of the land.

It is important to be able to identify the more common encumbrances on title, and know the impact that they may have on the market price of a property. The four main types of legal encumbrances are:

- Mortgages
- Easements
- Leases and
- Covenants

Mortgages

This non-possessionary interest is offered by the borrower for the purpose of securing money. In Australia, where we have a great rate of home occupiers, we also have a great amount of land encumbered by a mortgage.

Whilst you do not need to refer to a mortgage in the agency agreement, as an agent, you should look at the Contract for the Sale

**CPD
2 HOUR
BREAKFAST
SEMINARS**

Full 12 points!!

Wollongong
Sales & Prop Mgmt
Tue 24th Jun

Bankstown
Sales & Prop Mgmt
Wed 25th Jun

Gosford
Sales & Prop Mgmt
Wed 25th Jun

Parramatta
Sales & Prop Mgmt
Thu 10th Jul

Liverpool
Sales & Prop Mgmt
Fri 18th Jul

Castle Hill
Sales & Prop Mgmt
Mon 21st Jul

Newcastle
Sales & Prop Mgmt
Wed 23rd Jul

Sydney
Sales & Prop Mgmt
Fri 1st Aug

Sydney
Strata
Thu 14th Aug

Bankstown
Sales & Prop Mgmt
Thu 14th Aug

of Land when it arrives in your office to ascertain if the vendor has a mortgage on the property. This will at least give you some additional information that may be useful throughout the sales process.

Easements

An easement is a right to use or gain access through land owned by someone else, where doing so would interfere with the normal rights of the owner or occupier of that land. It is often granted in favour of government authorities.

Where an easement appears on the title, special restrictions exist on the use of the land. These restrictions are designed to protect the rights of the party with an interest in the easement, so that they can gain access to the land. The special conditions vary depending on whether they are another property owner or a statutory authority.

The most common forms of easement are those acquired by councils, and other statutory authorities in charge of water, gas, power, and telecommunications. These easements are given for the purpose of construction and maintenance of public services where drains, piping or wiring run under or across private property.

As an agent, you should know where the easements are, and again you can find this information in the Contract for the Sale of Land. Some of your vendors will know where the easements are located on their property – many vendors will not remember. Because easements can often have a detrimental effect on the land value, agents must be aware of the presence of easements in the provision of their opinion of price for the sale price of the property.

Leases

A lease grants the tenant exclusive possession over land, and is sovereign over even a sale transfer of the property during the time that the lease is current. In other words, if a property is sold with a tenant who has a current lease, then they continue to enjoy occupancy until such time that the lease expires.

Commercial leases are usually registered on title, whereas residential leases are not.

An agent should be very aware if the property they are selling has a lease in place and they should know the details of the lease in terms of duration and conditions.

Covenants

A covenant is usually a restriction on the use or development of land. This is called a restrictive covenant. Restrictive covenants tend to focus on the type of building or activity permitted. One of the more common examples is a 'brick and tile' covenant imposed on many land subdivisions over time. This means that only houses of brick and tile construction may be erected on the lots affected by the covenant. Other restrictive covenants may place controls on house size or dictate whether outbuildings such as sheds may be erected.

CERTIFICATE OF REGISTRATION COURSES

Newcastle

(Dist Ed + 1 day workshop)

Thu 26th Jun

Castle Hill

Mon 30th Jun – Wed 2nd Jul

Sydney

Mon 14th – Wed 16th Jul

Gosford

(Dist Ed + 1 day workshop)

Tue 22nd Jul

Penrith

(Dist Ed + 1 day workshop)

Fri 15th Aug

Ballina

(Dist Ed + 1 day workshop)

Tue 19th Aug

Newcastle

(Dist Ed + 1 day workshop)

Fri 22nd Aug

FINANCE AND MORTGAGE BROKING COURSES

Cert IV in Finance & Mortgage Broking Sydney

Wed 2nd - Fri 4th Jul

Dip of Finance & Mort Broking Mgmt

Upgrade for existing Cert IV holders

Sydney

Wed 9th - Thu 10th Jul

As an agent, if you are selling a property that has a covenant lodged over it, you should undertake some research to identify the conditions of the covenant, in order for you to share this information with prospective purchasers.

When you are next completing a sales agency agreement (and I do hope it will be soon for your next listing), make sure that you start a conversation with the property owner about encumbrances, as you are required to include as much information as possible into your agency agreement.

Til next time,
Wishing you every success in your business ventures,
Rosy Sullivan

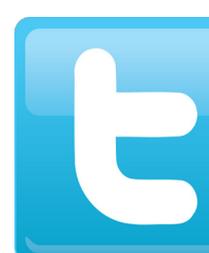
News from the Office

The College sent the two travelling girls Steph and Imogen off with a big night out at the Rocks in Sydney. Although we will miss these girls, it was a fantastic night for our newer staff to get to know each other on a more personal level. This has already shown with the College team helping each other immensely and really enjoying their time being a part of the team.

Once again, we have experienced a very busy few weeks with training. We have Kristine down in Melbourne running a Diploma of Financial Planning for one of our corporate clients. Two completely full Certificates of Registration courses, two Auctioneering accreditation courses, many CPD sessions around the state and a very busy week ahead for Fast Track.

The happiest Thursday in eight years occurred for the College on the 19th of June 2014, with all College staff and students coming in with a skip in their step after the mighty NSW Blues won the State of Origin Series for 2014. John Sullivan and Braden went to the game with Nova 969, Red John and Ben had tickets as well. Ben has been showing super human powers by not sleeping since the start of the soccer world cup. His passion for following sport is quite evident as he is watching every game. The best part is that he manages to come to work every day and keep up with the high demand of quality service while the soccer World Cup is still on.

We would also like to announce that Megan Malu has now taken over as our Traineeships Co-ordinator. Megan has replaced Steph, and will be in the office from Monday to Wednesday each week. Please make sure to give Megan a call to enquire about government funded Traineeships.



Property Licence Courses

Fast Track Real Estate Licence for Experienced Agents Sydney

Mon 23rd - Fri 27th Jun

Trust Accounting Sydney

Mon 23rd - Wed 25th Jun

Property Management Sydney

Wed 25th - Fri 27th Jun

Business Broking Agency Practices Sydney

Thu 26th - Fri 27th Jun

Sales for Real Estate Castle Hill

Tue 22nd - Fri 25th Jul

Strata Management Agency Practices Sydney

Tue 8th - Fri 11th Jul

Stock & Station Agency Practices Sydney

Mon 3rd - Fri 7th Nov

Financial Management Sydney

Mon 28th - Tue 29th Jul

Staff Management Sydney

Wed 30th - Thu 31st Jul

Is it Time You Upgraded to Your Licence?

ACoP runs a Fast Track program which, in conjunction with Recognition of Prior Learning (RPL) assessment, will enable you to complete your Real Estate Licence qualification in 5 days with take home assessments.

We will also assist you with completion and submission of your licence application to NSW Fair Trading free of charge.

Free Assessment

Send us your resume & copies of any qualification transcripts you may have for a free and confidential preliminary RPL assessment.

Certificate IV in Finance & Mortgage Broking

Wednesday 2nd - Friday 4th July

Diploma of Finance & Mortgage Broking Management (Upgrade Course)

Wednesday 9th - Thursday 10th July

Why not try online CPD for \$99?



Australian College of Professionals

The College trainers will be conducting Certificate of Registration and CPD courses in city and country areas of NSW in 2014.

Ring 1300 88 48 10 to book

or

visit our website - www.acop.edu.au

Customised and in-house CPD courses are available. We come to you!

Real Estate, Strata, Business Broking, On-site Residential or Stock & Station.

In Sydney, courses are run at Bankstown, Castle Hill, the CBD at St Andrew's House, Liverpool, Northern Beaches and Parramatta.

