April 22, 2016

College Chronicle

Australian College of Professionals, Level 2, St Andrew's House, Sydney, 2000 www.acop.edu.au enquiries@acop.edu.au 1300 88 48 10

CPD COURSES

Coffs Harbour Sales & Prop Mgmt (AM) or Strata (PM) Tue 26th Apr

Sydney Commercial & Retail Sales & Leasing Wed 27th Apr

Dee Why Sales & Prop Mgmt Fri 29th Apr

Blue Mountains Sales & Prop Mgmt Wed 4th May

Castle Hill Sales & Prop Mgmt Fri 6th May

Port Macquarie

On-site Residential Prop Mgmt Mon 9th May

Parramatta Commercial & Retail Sales & Leasing Wed 11th May

Gosford Sales & Prop Mgmt Fri 13th May

Sales (AM) or Prop Mgmt (PM) Thu 19th May

Residential or Commercial..... THAT is the question ?????

We have recently encountered a question that had caused some division of opinion amongst the ACOP trainers. If renting out a residential garage space separately to the residential premises, what type of lease should be used? While some believed that because the garage is connected to or on the same title as residential premises it should be a residential tenancies lease, others were of the belief that it in fact required a commercial lease.

To get to the bottom of this conundrum we explored not just the Residential Tenancies Act 2010 (RTA) but also a taxation ruling.

Section 13 of the RTA expressly states what a residential tenancy agreement is:

"residential tenancy agreement" is an agreement under which a person grants to another person for value, a right of occupation of residential premises for the purpose of use as a residence.

The definition of residential premises contained within the RTA is:

"residential premises" means any premises or part of premises (including any land occupied with the premises) used or intended to be used as a residence.

Breaking down this definition we can all agree that a residential garage could form "part of premises", however, it would not fit within the rest of the definition of "used or intended to be used as a residence".

In the Australian Taxation Office ruling on Goods and Services Tax: GSTR 2010/5 a lengthy discussion as to what constitutes residential premises was provided as was the following example:

Patrick is a plumber who is registered for GST. He purchases a residential unit in a CBD location with a separately titled car parking space in the same building. He resides in the unit for a period and then decides to rent the unit to overseas students who attend a nearby university. He initially leases the residential unit and car parking space together under the one lease. The supply of the residential unit and car parking space is an input taxed supply of residential premises that are to be used predominately for residential accommodation. CPD 2 HOUR SEMINARS (8am - 10am unless otherwise specified) Pre-reading required.

Full 12 points!!

Liverpool Sales & Prop Mgmt Wed 2nd May

Sydney Trust Accounting Wed 2nd May

Newcastle Trust Accounting Thu 5th May

Parramatta Sales & Prop Mgmt Thu 12th May

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Parramatta Strata Fri 20th May

Penrith Sales & Prop Mgmt Fri 20th May

Batemans Bay Trust Accounting Mon 23rd May

Campbelltown Sales & Prop Mgmt Thu 26th May

Parramatta Trust Accounting Tue 31st May

Campbelltown Strata Wed 1st Jun

Sales & Prop Mgmt Fri 3rd Jun For a subsequent lease, he realises that students are unlikely to need the car parking space and excludes the car parking space from the lease of the residential unit. He leases the car parking space to an accountant who requires the car parking space for business purposes. The supply of the car parking space is a taxable supply. It is not a supply of residential premises to be used predominately for residential accommodation as it is not ancillary or incidental to the supply of the residential premises.

When applying both the RTA definition of residential tenancy and the example given by the ATO regarding what constitutes residential accommodation, it would appear that a garage being leased separate to accommodation would in fact not be covered with your standard Residential Tenancies Agreement and would be better serviced by using a commercial lease prepared by a solicitor to ensure the rights of the tenant and of the landlord are being protected.

We would love to hear your opinion on what type of lease you would use for this type of property.

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

#### Queanbeyan and Australian Capital Territory CPD Courses

We are pleased to announce that ACOP is going to be in Queanbeyan on Monday 18th April to run a NSW Sales & Property Management CPD course. Enrolments are now open. Enrol here. Full 12 points. Loyalty discount applies.

We are also running ACT CPD courses during the year. These courses will take place in Canberra. For more information and dates for the ACT CPD courses please check our website.

To enquire about these courses or to book an in-house course please ring 1300 88 48 10 or email enquiries@ acop.edu.au

www.acop.edu.au enquiries@acop.edu.au

#### CERTIFICATE OF REGISTRATION COURSES

#### **Coffs Harbour**

(Dist Ed + 1 day workshop) Wed 27th Apr

Parramatta Mon 2nd – Wed 4th May

Dee Why (Dist Ed + 1 day workshop) Fri 6th May

Sydney Mon 16th – Wed 18th May

Sydney (Dist Ed + 2 day workshop) Sat 21st – Sun 22nd May

Batemans Bay (Dist Ed + 1 day workshop) Tue 24th May

Gosford (Dist Ed + 1 day workshop) Wed 25th May

Mudgee (Dist Ed + 1 day workshop) Thu 9th Jun

#### FINANCE AND MORTGAGE BROKING COURSES

Cert IV in Finance & Mortgage Broking Sydney Mon 9th - Wed 11th May Dip of Finance & Mort Broking Mgmt

Sydney Thu 12th - Fri 13th May

# News from the Office

This week's "From the Office" focuses on the three John's in our office – Grumpy John (John Sullivan), Red John (John Roberts) and Hyper John (John Upton).

Last week John Roberts and Rosy attended a fundraising evening in Port Melbourne for the Cambodian Children's Fund. The Cambodian Children's Fund, which Rosy and John have long been affiliated with, deliver education, family support and community development programs into the heart of Cambodia's most impoverished communities. John Roberts was the auctioneer for the evening, raising much needed funds for a new science and technology academy for CCF through the sale of pledges and by auctioning off a weekend getaway.

The success of the evening and the funds raised through the charity auction have been a fantastic start for our Operations Manager John Roberts as he gets his new auctioneering business, RJ Auctions, underway. If you're in the office and you or your business would be interested in John's services be sure to speak to him or if your interested in finding out more check out his website here http:// www.rjauctions.com.au/. Don't worry, he's not leaving the College – auctioneering and MC work is his "extra" work that beautifully complements his role at the College.

Another John (Hyper John) who has recently made a significant achievement is our senior trainer and assessor, John Upton, who this week celebrated his 70th birthday. John has been working in the property industry for over 45 years and training with ACOP for last 10 of those years. All staff here at the College feel privileged to have him offering his expertise as a member of our training team.

So that's all from the College and the 3 Johns. Have a great week and good luck with all your property endeavours this week.

2016 Sales, Property Management, Business Broking, Stock & Station and Strata online CPD available.

Social Media



#### Property Licence Courses

Experienced Agents Property Licence Program Sydney CBD Tue 26th - Fri 29th Apr

Trust Accounting Sydney CBD Tue 26th - Wed 27th Apr

Property Management Sydney CBD Thu 28th - Fri 29th Apr

Business Broking Agency Practices Sydney Thu 28th - Fri 29th Apr

Sales for Real Estate Sydney Tue 24th - Fri 27th May

Strata Management Agency Practices Sydney Tue 3rd - Fri 6th May

Stock & Station Agency Practices Sydney Mon 9th - Fri 13th May

Financial Management Sydney Thu 9th - Fri 10th Jun

Staff Management Sydney Thu 2nd - Fri 3rd Jun

Auctioneer Accreditation Sydney Thu 2nd Jun

# Do you want a Real Estate or Strata Management Licence?

✓ Are you 15 years old or over?

Are you no longer at school?

Are you living or working in NSW?

Are you an Australian citizen, Australian permanent resident, Australian permanent humanitarian visa holder or New Zealand citizen?

If you answered YES to the above questions, you will be eligible for **government funding**.

#### **Free Assessment**

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

Complete the

## **Eligibility Survey**

