

## Robinson, Renee

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**From:** Hylde Rolfe [hyldarolfe@bigpond.com]  
**Sent:** Monday, 15 August 2011 5:35 PM  
**To:** DCCEE - Residential Disclosure  
**Subject:** Response to public consultation  
**Attachments:** Residential Building Mandatory Disclosure.docx

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I attach my response to the RIS for this matter.

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## **Residential Building Mandatory Disclosure: Public consultation**

I attended the public consultation session held in Sydney on 3 August, but had to leave before the conclusion of the question period. Accordingly, I offer these queries/comments from the perspective of my role as a residential property owner/investor. It is fair to record that the exercise left me with the view that Option 2 is the least objectionable of those offered and analysed. It seems most likely to produce some useful outcomes (but not very likely to do so), and raises the least unreasonable expectations for property and rental market participants.

*Usefulness of information:* Disclosure of performance indicators to intending renters/buyers may clarify the nature of some potential behavioural and structural improvements available to owners, but that will be effective only if they choose to act on them. *Renters* will not generally be free to implement non-behavioural improvements of significance. Behavioural improvements by renters are more likely to flow from the tariff structures for utility services that they pay for themselves (power and water use etc.) than from the content of a pre-rental assessment of building efficiency.

The conversion of information into action by *vendors* is neither highly likely nor very practical in the context of a marketing campaign. For potential *buyers*, the provision of specific –and current - cost estimates for the individual property would only place the information in the same basket as the other potential changes they might envisage *if* they purchase. After purchase, things may be different.

*Impact of disclosure:* It seems worthwhile to direct attention to the likely response of third parties – insurers and the like – to the kinds of information disclosed. *For example*, insurance premiums may be adjusted depending on the nature of domestic heating, cooling and cooking arrangements and associated fire risks; council development rules relating to overshadowing, or heritage conservation, might allow development of types that conflict with existing or potential solar access-dependent installations in neighbouring properties.

*Timeliness of the information disclosed:* The assessment can be reliable only at the time it is made. If it is intended to feed into and therefore influence market values for property, or rental levels, arrangements for updating it would be needed. Privacy and other issues of public access (via marketers) to the information may also be relevant. If it is primarily intended to be effective at sale/occupation times, withdrawal of the assessment after the conclusion of such a transaction seems warranted.

*Cost of assessments:* The documentation suggests a relatively low cost to owners of assessments made under Option 2. However, the suggested cost looks very low in comparison with the call-out costs for most domestic service calls, even those involving relatively low levels of skill. My guess would lie significantly higher... for even a generalised Option 2 assessment.

*Overall:* The probable impact on owners and renters of disclosure of the kinds envisaged seems to be only marginally more persuasive than the familiar educative efforts of the various utility providers and environmental agencies when aligned with and expressed in suitable tariff structures.

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