



REIA

REAL ESTATE INSTITUTE
OF AUSTRALIA

real news

The official newsletter for the real estate profession - Issue 48

**DEPOSIT
POWER**

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Housing Affordability Report

Small decreases in housing affordability will start to add up

The Real Estate Institute of Australia's (REIA) Deposit Power Housing Affordability Report has shown a small decline in housing affordability over the September quarter 2009.

"Although only marginal, the second decline in housing affordability in as many quarters is not positive news for those trying to pay off a mortgage or looking to purchase a home," said REIA President, Mr David Airey.

It is important to note that the September quarter data does not reflect the results of the subsequent three interest rates rises.

"The tables appear to have turned very quickly in the Australian housing market, and from a period of extremely low interest rates and high housing affordability, we appear to again be facing escalating interest rates, and no ease in sight for property prices," said Deposit Power National Manager, Mr Keith Levy.

To subscribe to receive your copy of the REIA Deposit Power Housing Affordability Report, [click here](#). To view the REIA's full media release, [click here](#).



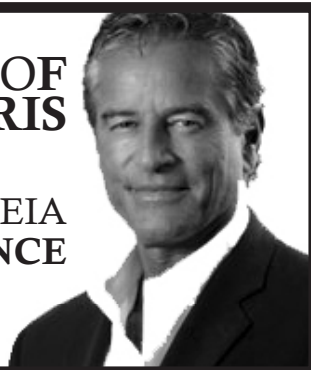
Real Estate Market Facts

Mortgage Choice Real Estate Market Facts is a quarterly review of major property markets in Australia and will be released on Monday 14 December. To subscribe to this report, [click here](#).

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2010

AT THE REIA
NATIONAL CONFERENCE



terri **scheer**

Are your holiday homes insured?

Water damage, loss of rent and theft are the top three reasons for claims made on landlord insurance policies for holiday homes, according to Terri Scheer Insurance claims data.

Property managers with holiday homes in their portfolio should advise their landlords to look for a landlord insurance policy that specifically covers holiday home rentals.

People who rent their holiday homes on a short term basis expose their property to risks including theft, malicious and accidental damage and legal liability issues arising from a holiday maker injuring themselves on a property. This can also lead to loss of rental income while damages are repaired.

The risks can be significant when you consider that a holiday home may be rented out a number of times in a year.

In addition to water damage and loss of rent, Terri Scheer Insurance has paid claims for stolen paintings, lamps, televisions, DVD players and even a Bose stereo system.

We have also paid claims for accidental damage as a result of guests dropping objects on glass dining and coffee tables and overflowing bath tubs left unattended.

Most holiday makers do the right thing, but even the most careful guests can unintentionally damage property.

Landlord insurance policies for holiday homes generally provide insurance for short term rentals of up to 12 weeks.

For further information regarding Landlord Insurance please visit www.terrischeer.com.au or call 1800 804 016



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Mr Tony Latessa recognised as an AREI

REIA would like to congratulate Mr Tony Latessa of Latessa Business Sales Victoria, who has been recognised as an Associate of the Real Estate Institute of Australia (AREI).

ABS Housing Finance figures released

The Australian Bureau of Statistics released Housing Finance, Australia for October 2009. In trend terms, the total value of dwelling finance commitments excluding alterations and additions increased 0.3 per cent.

Investment housing commitments increased 0.4 per cent and owner occupied housing commitments rose 0.2 per cent. In seasonally adjusted terms, the total value of dwelling finance commitments excluding alterations and additions decreased 1.4 per cent.

To view the REIA's media release, [click here](#).

ABS Labour Force figures released

The Australian seasonally adjusted unemployment rate was 5.7 per cent in November, as announced by the Australian Bureau of Statistics yesterday. The unemployment rate fell 0.1 per cent, from 5.8 per cent in October.

The number of people employed in November increased by 31,200 (0.3 per cent) to 10.868 million, seasonally adjusted, the ABS reported.

For further information, [click here](#).

ACCC warns about scam business directory offers

Businesses have been warned to watch out for unsolicited emails or letters which claim to offer 'free' business directory listings.

The Australian Competition and Consumer Commission warns that some offers appear to be nothing more than scams.

More than 1,000 complaints and inquiries have been received this year by ACCC on this issue.

For further information on this issue, [click here](#).

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Deloitte.



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Update on Australian Consumer Law

REIA Management attended a stakeholder forum on the new Australian Consumer Law (ACL) late last week.

There has been a delay in the passage of the legislation for the first tranche (Unfair contract terms, standard contracts, consumer protection provisions and enforcement powers) and hence there will also be a delay in the commencement date, which was to have been 1 January 2010.

The Senate is yet to debate the first ACL bill; it is now expected that the first tranche will be implemented on 1 July 2010. No delay is at this stage expected in the implementation of the second tranche on 1 January 2011.

The issue of "safe harbours" which has been discussed at REIA Board meetings, was raised at the forum. A safe harbour would operate by allowing business to gain authorisation from the regulator to ensure a term is beyond challenge.

In the report of the Senate Economics Legislation Committee on the Bill on 8 September it indicated that the concept of a "safe harbour" could be considered and suggested that the ACCC and ASIC consider the merit of the concept for certain contract terms.

This matter has previously been raised with the ACCC under its consultative arrangements with the REIA.

At the forum the ACCC categorically stated that any review of contracts by the ACCC will not involve a clearance or safe harbour as under the law it is not possible for ACCC, or other agencies, to give any formal or informal clearance of contracts.

The ACCC also indicated that there will not be any moratorium on enforcement once the ACL is in place.

REIA will keep you up to date with information as it becomes available.

Find your REI

REIA has eight members, these members are the state and territory Real Estate Institutes.

Your state or territory body can assist you with information which is relevant to being an agent in your state or territory.

For contact details, see below:

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Next week...

- National Dialogue on Universal Housing