



REIA

REAL ESTATE INSTITUTE
OF AUSTRALIA

real news

The official newsletter for the real estate profession - Issue 52

December CPI figures should not be interpreted as rampant demand in the housing sector

The ABS Consumer Price Index rose 0.5% in the December quarter 2009, compared with a rise of 1.0% in the September quarter 2009.

The most significant price rises this quarter were for fruit (+15.9%), domestic holiday travel and accommodation (+6.6%), house purchase (+1.0%), rent (+1.0%) and beer (+2.1%). The most significant offsetting price falls were automotive fuel (-2.8%), audio, visual and computing equipment (-7.1%) and pharmaceuticals (-5.3%). The ABS Consumer Price Index rose 2.1% through the year to December quarter 2009, compared to an annual rise of 1.3% to September quarter 2009.

REIA President, Mr David Airey said, "The December figures should not be interpreted as rampant demand in the housing sector. We need to examine the facts underlying these outcomes before jumping to conclusions."

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

Building Minister's Forum mandate 6 stars

Minimum requirements for residential buildings will rise from five stars to six stars no later than May 2010.

It is important to note that there will be some concessions available to residential buildings in warmer climates that incorporate covered outdoor living areas.

The new energy efficiency standards are part of a suite of proposals under the National Strategy on Energy Efficiency.

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

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Update on National Licensing

On Wednesday 28 January, the West Australian Government distributed a media release regarding the abolition of The Real Estate and Business Agents Supervisory Board in Western Australia.

The development is a direct result of a decision made by all state and territory governments and the Commonwealth Government to move towards a national licensing system for occupations, including real estate agents.

In December 2008, an Inter Governmental Agreement was signed to remove overlapping and inconsistent regulations between state and territories in the way occupations are licensed.

It is planned that for real estate, national licensing will commence in July 2012.

The REIA has three representatives on the Interim Advisory Committee (IAC) to develop national licensing arrangements for real estate professionals.

The IAC had its first meeting at the end of 2009 and is scheduled to have its next meeting on 30 March with a further four scheduled for 2010.

The developments in Western Australia are expected to be repeated in other states and territories as the real estate profession moves towards national licensing in 2012.

To view a copy of the West Australian Government's media release, [click here](#).

Fresh boost for competition in mortgage market

Competition in Australia's mortgage market has today received a fresh boost with five smaller lenders allocated up to \$3.4 billion in funding as part of the Government's investment in high-quality residential mortgage-backed securities (RMBS).

On 30 November 2009, the Treasurer directed the Australian Office of Financial Management (AOFM) to invest up to a further \$8 billion in Australian RMBS to support competition in Australia's mortgage market.

As part of the Government's second \$8 billion investment, the AOFM advised five smaller lenders, including three non-bank lenders, that it will invest in a series of separate RMBS issuances by them extending out as far as December 2010. These parties are Liberty Financial, Resimac, Members Equity Bank, Firstmac and AMP Bank.

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Fixed rate demand hits all-time low

Demand for fixed rate home loans across the country has dropped to a record low, according to loan approval data for Australia's largest independently-owned mortgage broker, Mortgage Choice.

In December 2009, fixed loans accounted for just over 1% of the company's new home loan approvals - a level not seen since it began recording such data in January 2003.

Mortgage Choice senior corporate affairs manager, Kristy Sheppard said, "Australians taking out home loans are looking at the added expense of fixing the interest rate and deciding that at the moment it's just not worth the extra dollars."

"When you look at the comparative cost between fixed and floating rates, it's not at all surprising that almost 99% of our new residential borrowers are choosing variable home loans," she said.

ASIC to have greater powers

The Minister for Financial Services, Superannuation and Corporate Law, Chris Bowen, announced proposed changes to the law to strengthen the Australian Securities and Investment Commission's investigative powers and increase penalties for market related offences.

The proposals will increase the maximum criminal penalties that can be imposed when individuals and corporations breach market misconduct provisions. The changes will increase the pecuniary penalties for individuals to \$500,000 or three times the profit made or loss avoided, whichever is greater. For corporations, the penalty will be the greater of \$5,000,000, three times the profit made or loss avoided, or 10 per cent of the corporation's annual turnover during the period the breach occurred.

For further information on complying with ASIC, [click here](#).

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.

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Next week...

- RBA meet to discuss official interest rates.