



REIA

REAL ESTATE INSTITUTE
OF AUSTRALIA

real news

The official newsletter for the real estate profession - Issue 53

REIA calls on the Government to review the amount of the FHOG

In its Pre-Budget Submission, REIA has called on the Government to increase the First Home Owners Grant (FHOG) to \$15,000, for both new and established homes, and then index the grant to median house price movements annually, so that it maintains its relativity to when it was introduced in 2000.

When the FHOG was introduced in July 2000, the Australian quarterly weighted average median house price was \$220,443. The Australian weighted average median house prices in the most recent quarter for which data is available, September 2009, was \$481,310.

Additionally, as part of a package of measures to address the affordability problem, REIA has proposed that the Commonwealth Government establish a scheme which would encourage young Australians to contribute to voluntary superannuation by allowing access to these resources for the purposes of raising a deposit for a first home.

The scheme would be an adjunct to the First Home Savers Account but would allow flexibility for the saver to decide whether all or part of the voluntary superannuation payments was needed to augment the home purchase.

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

Early Bird Prices End Soon

The National Awards and National Conference Early Bird prices will end soon, so make sure you purchase your tickets and don't miss out on these two great events for just **\$375**.

For further information, visit www.reia.com.au.



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Australia's landlords millions of dollars out of pocket

Australia's uninsured landlords could be collectively losing more than \$70 million per year from their own pockets in loss of rental income, legal liability claims and fixing damage to their investment properties caused by tenants.

This is costing some landlords thousands of dollars when it could be avoided.

In many instances, the price of landlord insurance is only a small fraction of the cost of some claims paid.

Terri Scheer Insurance has paid claims of more than \$40,000 to repair damage caused by tenants.

We have had malicious damage claims result from fire, broken windows, holes in walls and doors, and even graffiti.

We also see lots of cases where good tenants with the best intentions have accidentally damaged a property or suffered financial difficulties that have impacted on their ability to pay the rent.

Uninsured landlords really need to think about how they would manage financially if they were faced with thousands of dollars worth of damage to their rental property.

They also need to consider whether they could keep up with their loan repayments if their tenants stopped paying rent.

Many landlords are also unaware that they may be liable for costs relating to injuries that occur to tenants injured on their property.

Property managers are in the ideal position to help landlords to understand the importance of insurance and help them to minimise potential loss.

For information about landlord insurance, visit www.terrischeer.com.au or call 1800 804 016.



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Government's Intergenerational Report released

The Government this week released its Intergenerational Report which has highlighted Australia's need to meet the forthcoming population and demographic challenges.

As well as assessing the fiscal and economic challenges of an ageing population, the report includes a comprehensive discussion on environmental challenges and social sustainability. The report assesses the challenges Australia will face over the next 40 years, including an ageing population, escalating pressures on the health system, and the environmental and economic challenges of climate change.

To download a copy of this document, [click here](#).

Australian Economic Indicators released

The Australian Bureau of Statistics have released the Australian Economic Indicators report which is a monthly compendium of economic statistics, presenting comprehensive tables, graphs, commentaries, feature articles and technical notes.

The publication provides a summary of national accounts, international accounts, consumption and investment, production, prices, labour force and demography, incomes and labour costs, financial markets, state comparisons and international comparisons.

To view the report, [click here](#).

Senate Inquiry into small business finance

REIA is pleased with the decision that there will be a Senate Inquiry into the ability of small business to gain access to credit.

In April 2009, the REIA met with the Australian Bankers Associations (ABA) to discuss a range of issues including access to and the volume of credit available to small business, aggressive fees and charges on long-term existing clients and the poor understanding of discreet small business sectors like real estate.

In June 2009, REIA publicly commented on the enormous financial barriers for small business looking to grow and contribute to stimulating the economy.

In December 2009, REIA sent a letter to the Treasurer in seeking support for a Productivity Commission Inquiry into the availability of finance and the level of competition in the finance market particularly mortgage finance.

REIA will continue to keep you updated on the progress of this matter.



Creating a risk management approach

Protecting your professionalism is a daily practice and one of the most important elements of insurance for real estate agents is professional indemnity. Common allegations are that the agent misrepresented aspects of a property such as size, boundaries, encumbrance, views and characteristics.

To assist you in creating a risk management culture, we've developed the following tips:

- Appoint a senior person to be sales co-ordinator in sole control of the sales team giving it a focal point.
- Adopt a pro-active role, constantly seeking information on all that is going on.
- Conduct regular meetings with the sales team to encourage communication.
- Compile a proper agenda for these meetings, designed to draw out hidden concerns and provide a constant sounding board for sales activity.
- Develop professional systems and make fastidious record keeping a standard practice.
- Create proper procedures for staff selection and on-going training.
- Ensure all staff are fully aware of any new developments in the law and procedures relating to real estate.

For further information, call your local Aon representative on 1300 734 274 or visit our website at www.aon.com.au/realstate.

The information in this article is of a general nature only and individuals should consider their own circumstances before proceeding in reliance on such information. Whilst care has been taken in preparing this article, and the information contained in it has been obtained from sources that the Aon Group of Companies (Aon) believe to be reliable, Aon does not warrant, represent or guarantee the accuracy, completeness or fitness for purpose of that information. Aon accordingly accepts no liability for any loss resulting from the use of the information in this article.

ABS Building Approvals released

ABS Building Approvals show that the number of approvals for private sector houses rose 3.1% in December 2009 following a fall last month. Victoria (+4.6%), Queensland (+2.2%) South Australia (+0.5%) and Western Australian (+3.3%) recorded more private sector house approvals this month according to the ABS. The number of dwellings approved in Australia rose 2.2% with Tasmania (+21.7%) and Victoria (+11.1%) recording the largest increases. There was a rise in the number of approvals for private sector dwellings other than houses (+9.1%) this month. For further information on ABS Building Approval data, [click here](#).

Earn yourself a \$50 Coles Myer Voucher, while improving the Energy Efficiency of your client's property

The Federal Government Energy Efficient Homes Package offers homeowners, landlords and tenants a rebate of up to \$1200 to install ceiling insulation in a currently uninsulated property. Bradford Insulation is offering a \$50 Coles Myer voucher to real estate agents for each client referral received, which results in the installation of ceiling insulation, covered under the Federal Government Energy Efficiency Homes Package.

Bradford Insulation has specific promotional material available for those real estate agents who wish to take up this opportunity. With the permission of your client, you can then simply enter their details via the link below, and Bradford will do the rest. The follow up, measure and quote and insulation install will all be taken care of. Your clients will enjoy a more comfortable living environment and reduce energy costs.

As a member of a participating Real Estate Institute, you can enter your client referral details by [clicking here](#).

For further information on this program, contact Alison Lavis on (02) 9372 5316 or alavis@csr.com.au.

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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Sydney South NSW 2000
Tel: 02 9264 2343
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Next week...

- REIQ Awards for Excellence