REIANEWS

ISSUE EIGHTEEN: NOVEMBER 2012

100
CELEBRATING CANBERRA'S CENTENARY

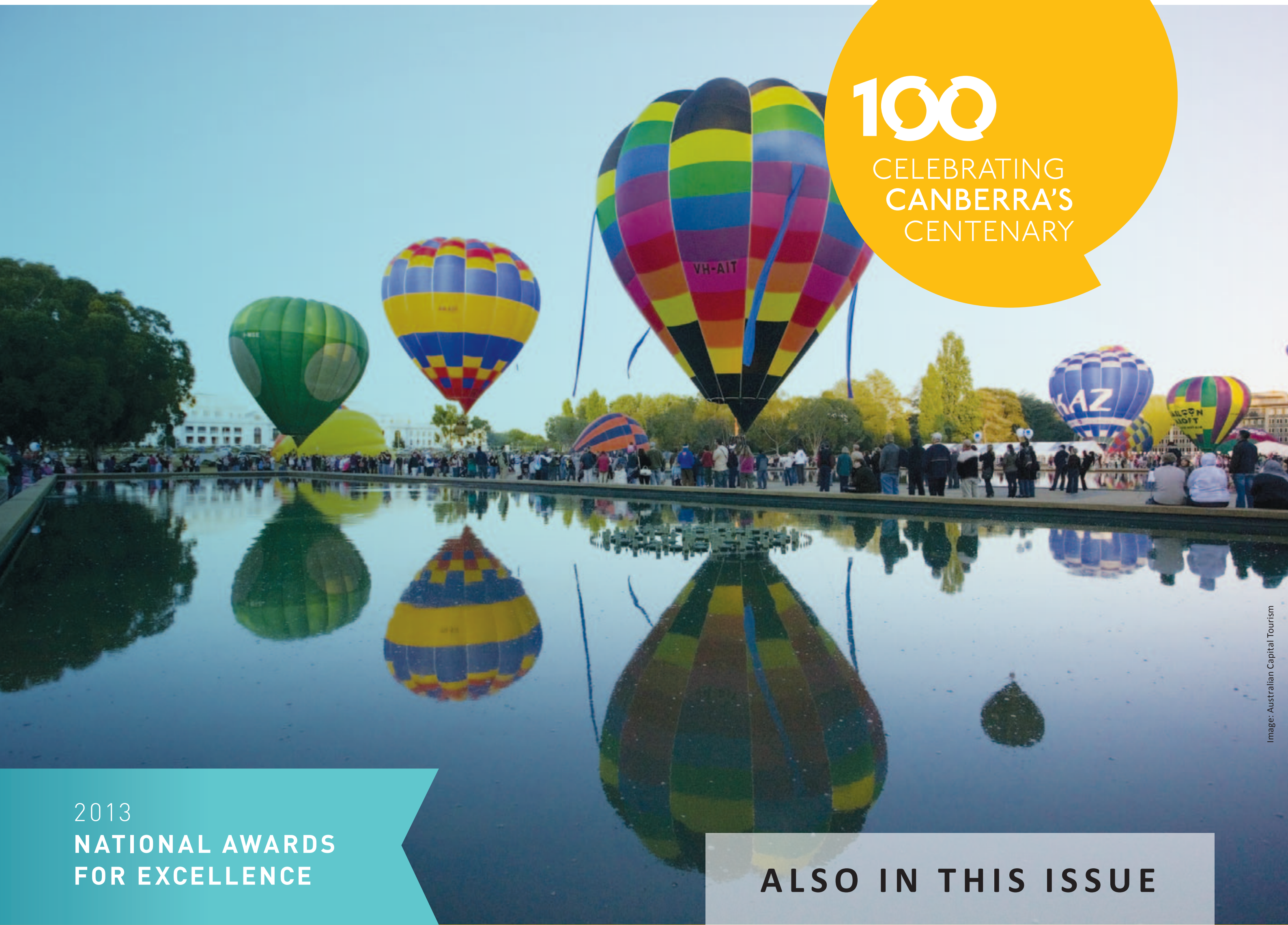

Image: Australian Capital Tourism

2013
NATIONAL AWARDS FOR EXCELLENCE

ALSO IN THIS ISSUE

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REIA
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Ms Pamela Bennett
REIA President

PRESIDENT'S REPORT

WELCOME
FROM REIA'S PRESIDENT

Welcome to the November edition of REIA News. Where has the year gone?

It was a great honour recently to spend some time with Judy Shenefield, the World President of The International Real Estate Federation (FIABCI) and the Australian Chapter President Robyn Waters. REIA took the opportunity to refresh the Memorandum of Understanding (MOU) between our two associations.

The purpose of the MOU is to outline the objectives, structure and processes of FIABCI, the responsibilities of the office bearers of FIABCI Australia and the responsibilities of REIA and the Secretariat in supporting FIABCI Australia.

REIA's campaign on national licensing continues and I participated in an industry roundtable meeting with Minister for Finance and Deregulation, Senator Penny Wong and Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Chris Evans on October 31 which was chaired by NOLA's Elizabeth Crouch.

Industry and union representatives from all trades in the first tranche were in the room and the Plumbing sector in particular voiced the same concerns as we, with the erosion of standards in some states and the removal of compulsory professional development (CPD), saying that once standards are lowered and CPD is removed we won't get any of it back.

REIA has a well articulated position on national licensing in our RIS response "Counting the Cost". If you haven't read it, I urge you to do so. Visit http://reia.com.au/real-estate-media-release.php

The way forward is to ***keep up the fight in our states and federally***—agents are urged to get in touch with your local MPs and Senators.

Due to the flawed process and unworkable outcomes, we have told Senator Wong that it is imperative we be moved to the second tranche with the building trades—builders, conveyancers, surveyors and valuers. Senator Wong seemed receptive to REIA's position. Watch this space!

By the time you read this message, the National Association of Realtors (NAR) Annual Conference & Expo in Florida US will be over for another year. Keep an eye out for next month's REIA News with details and photos on how the event unfolded.

Speaking of events, your "night of nights" is approaching very quickly. Book your tickets for the 2013 REIA National Awards for Excellence by Xmas Day for your chance to win a champagne balloon flight for two people over Canberra during your stay in March. All the details are on the website www.reia.com.au

Ms Pamela Bennett
REIA PRESIDENT

Follow us on Twitter @REIANational

Image: Australian Capital Tourism

2013
NATIONAL AWARDS FOR EXCELLENCE

100
CELEBRATING
CANBERRA'S
CENTENARY

All Australians have a link with their nation's capital, but we're sometimes guilty of taking it for granted. 2013 presents an ideal opportunity to get closer to Canberra, both the city itself and its national and symbolic roles.

In 2013, we celebrate 100 years since Lady Denman, wife of then Governor-General Lord Denman, stood upon the newly laid Foundation Stones and announced that the name of the new Australian capital would be Canberra.

The Centenary of Canberra is an opportunity for all Australians to celebrate this momentous occasion in our country's history and to explore the many facets–local, regional, national and international–of our nation's capital. This city tells the story of our country's freedom, spirit, achievements and aspirations.

Since its inception, Canberra continues to be an incubator of great ideas and scientific achievements and the custodian, on behalf of all Australians, of the nation's most significant cultural assets.

The Centenary of Canberra celebrates the history and heritage of one of the most enduring planned cities in the world and at the same time highlights its lively present and bright future.

Canberra is one of the only places in the world where you can regularly take flight over a nation's capital and hot air ballooning is the perfect way to get a bird's eye view of the architectural wonder of this city.

The sunrise balloon flights all conclude with a champagne celebration and if you choose, you can complete the morning with a delicious gourmet breakfast at the Hyatt Hotel Canberra following the flight.

http://www.balloonaloft.com/hot-air-balloon-flights-canberra

GET IN EARLY - If you book your tickets for the 2013 National Awards for Excellence before 25 December 2012, you go in the draw to win a Champagne Balloon Flight for two people over Canberra during your visit.

Balloon Aloft has also offered all delegates at the Awards a discounted rate for the duration of your stay in Canberra.

Centenary of Canberra

2013 REIA National Awards for Excellence

INVITATION

You are invited to a celebration honouring Australia's most outstanding performers in the real estate profession.

THURSDAY 14 MARCH 2013

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Four beautiful seasons, twelve fantastic months and one very big year as Canberra celebrates its 100th birthday.

Image: Australian Capital Tourism

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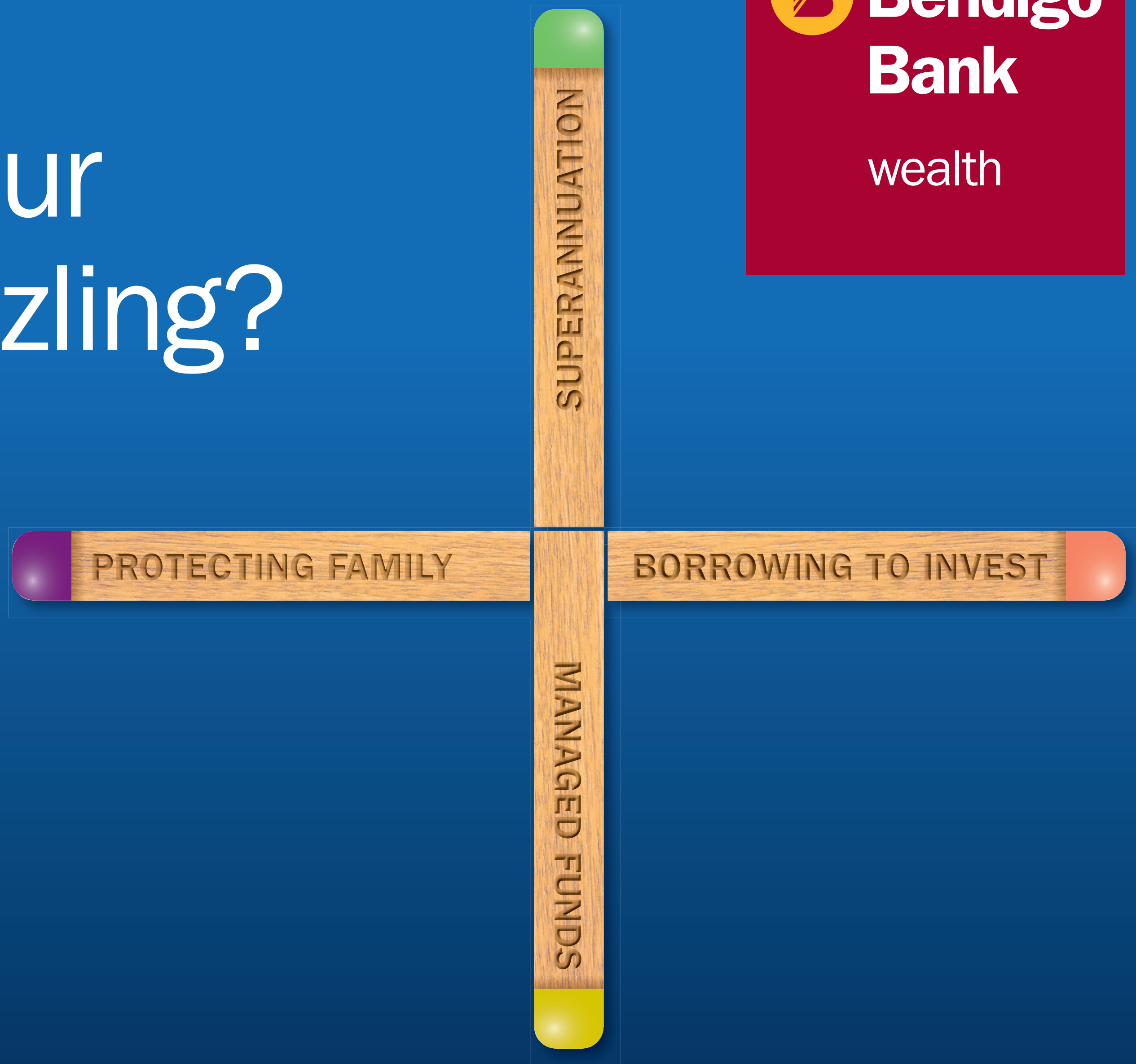

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Chris McGregor

CHRIS McGREGOR
NEW PRESIDENT FIABCI AUSTRALIA CHAPTER

Chris McGregor of McGregor First National in Hobart has been elected as the new President of the International Real Estate Federation (FIABCI) Australia for 2013-2015. The announcement was made at the FIABCI Australia Chapter AGM held on Friday 9 November 2012.

Chris has been an active member of FIABCI for seven years and has experienced the networking opportunities available at numerous FIABCI Congresses around the world.

He plans to continue the ongoing work of previous presidents and develop more opportunities for members to use the networking facilities to develop business relationships and professional friendships.

Chris will continue to dialogue with UDIA, Property Council of Australia and the Australian Property Institute in an effort to have the membership base of FIABCI Australia embrace the new World Councils of FIABCI, managers, brokers, developers/investors and experts.

Another goal is having the FIABCI Diploma included in the masters programs for property degree graduates and Chris plans to hold discussions with the Real Estate Institutes in Australia to have their various CPD programs recognised for inclusion in the FIREC (FIABCI International Real Estate Certificate) designation for members.

REIA recently took the opportunity to consolidate an already strong relationship between the Institute and FIABCI with a re-signing of the Memorandum of Understanding. Witnessing the signing was World FIABCI President, Judy Shenefield, visiting Australia from the U.S.

REIA President Pamela Bennett and FIABCI Australian Chapter President Robyn Waters said the signing reafirmed the strong connection between REIA and FIABCI which was formed back in the 1960's. They were both thrilled that Ms Shenefield could be present.

Ms Waters said, "Judy is a dynamic woman! She visited both Hobart and Melbourne while in Australia. She travels constantly and stays in touch with her membership base."

REIA President Pamela Bennett added, "We are very proud of our long and successful collaboration with FIABCI and the re-signing of the MOU underpins the relationship into the future."

If you are interested in joining FIABCI please contact Peta Moore at REIA on (02) 6282 4277 or peta.moore@reia.com.au

FIABCI MOU signing. Left to right: Kevin Sheehan, Lisa Sheehan, Judy Shenefield, Pamela Bennett, Robyn Waters, Bronwyn Booth and Trevor Booth

This article is brought to you by
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NATIONAL LICENSING AND

AGENTS' REPRESENTATIVES

The last two editions of REIA News have outlined the proposed changes to licensing for the real estate profession as part of wide-ranging regulatory reform proposed by the Council of Australian Governments (COAG). The first provided an overview of the changes and the last edition examined the implications for non-residential property transactions.

This article covers the proposal for agents' representatives as outlined in the Consultation Regulation Impact Statement (RIS) and REIA's response. The full response to the RIS is available at www.reia.com.au.

The view taken in the RIS is that an agent's representative should require five units of study. This compares to the current arrangements where: in the Northern Territory the requirement is for 24 units; South Australia 17 units; Queensland and Western Australia 7 units; 5 units in the Australian Capital Territory; 4 units in New south Wales, and; 3 units in Western Australia.

REIA believes the RIS proposal demonstrates a lack of appreciation as to the role and the level of skills that an agent's representative, covering sales and property management, requires to display on a daily basis. Both an agent's representative sales and agent's representative property management require an underpinning knowledge of: the workings of the real estate profession; State/Territory legislation applicable to the real estate profession; identifying, assessing and dealing with risk to agency and consumers; communication skills (includes cultural awareness); documentation preparation skills; negotiation/conflict resolution skills; support professions aligned to real estate (such as conveyancers and mortgage broking) and property management and body corporate.

THE RIS fails to recognise the responsibility that property managers take on in dealing with portfolios of hundreds of millions and rent rolls in millions. ABS reports that in 2011, 1,247,581 occupied private dwellings were rented by real estate agents or 16.1 per cent of all occupied private dwellings. This is 54.3 per cent of the total number of all Australian rented properties. Applying the median

» *article continues*

house price to the number of houses managed by real estate agents and the median other dwellings price to the number of other dwellings managed by real estate agents for each state and territory, the total value of rented properties managed by agents is $586bn. The total value of rent collected per annum is $25bn. In 2011 the average number of properties on a rent roll was 436.

REIA believes that it is in the consumer's interest that skills are 'front ended' – that is provided early to those wishing to participate in the property industry as agent's representatives. This approach also acknowledges that agent's representatives are often working remotely without direct supervision from a more experienced agent. Having an appropriate theoretical knowledge early, rather than picking it up as a career progresses will lead to fewer errors that can be costly to consumers.

As the scope of work for an agent's representative is a specialist area that requires training in very specific competencies the REIA in its response to the RIS has recommended that agent's representatives should be licensed after the completion of 18 units from the *CPP007 Property Services Training Package*[1]*.*

1 The units are: Work in the Real Estate Industry; Identify Legal and Ethical Requirements of Property Sales; Identify Legal and Ethical Requirements of Property Management; Interpret Legislation to Complete Agency Work; Minimise Consumer & Agency Risk; Establish and Build Client Agency Relationships; Lease Property; Working the Business Broking Industry; Appraise Property; List Property for Sale; List Property for Lease; Market Property for Lease; Market Property for Sale; Monitor and Manage Lease or Tenancy Agreement; Present at Tribunals; Prepare and Present Property Reports; Sell and Finalise the Sale of Property by Private Treaty, and Prepare for Auctions and Complete Sale.

INDUSTRY ARTICLE

By Carolyn Majda, Manager,
Terri Scheer Insurance

PROTECT RENTAL PROPERTIES FROM
UNWANTED GUESTS THIS FESTIVE SEASON

With Christmas and New Year just around the corner, many people will spend the majority of their time out and about, celebrating with family and friends, finishing Christmas shopping and enjoying the summer holidays.

It's also a time of year when there will be many brand new - and often expensive - items within the home that have been received from loved ones or are intended as Christmas gifts.

As a result, there can be an increased risk of burglaries in residential properties.

When conducting regular property inspections in the lead-up to Christmas, it is even more important to ensure that that all doors, windows and gates are secure and that any locks, deadbolts and security systems are in good working order.

There are also many tips property managers can pass onto landlords and tenants to keep their properties and possessions safe throughout the festive season and reduce the likelihood of landlords bringing in 2013 with an insurance claim.

TIPS FOR LANDLORDS

It can be a good idea to encourage landlords to install security doors and screens across windows, as they can deter unwanted guests from breaking into a property.

If your landlord hires a gardener to regularly maintain the exterior of the property, recommend that the service continues - even if the tenant has indicated that they are going away for an extended period of time.

Long grass, excess leaves covering pathways and overgrown foliage can give the appearance that the property is unoccupied, and may make the property an easy target for thieves.

Installing automatic motion-sensor or timer lighting systems is also a good suggestion for landlords, as it can give the impression that someone is at home when the lights turn on. The tenants may find automatic lights to be a handy feature while they are home, too.

TIPS FOR TENANTS

If you know your tenants are going away and leaving the property unoccupied, encourage them to tell a few trusted neighbours what their plans are so they can keep an eye on the property.

Old newspapers in the front yard and uncollected mail are giveaways that the home is unoccupied. Recommend to your tenants that they cancel their newspaper deliveries and get a neighbour or family member to collect their mail.

If the tenant is taking their car away with them and the property has a driveway that is visible from the street, suggest that they offer

» *article continues*

the space to a neighbour, as this could give the impression that the property is being lived in.

Reminding tenants to remove their spare keys from their designated ‘hiding spot’ – usually under the doormat or a pot plant – and store them safely is something that is often overlooked, but very important.

It may also be worth recommending that tenants refrain from posting comments about their holidays on their personal social media sites. Facebook and Twitter can be an easy way to unintentionally broadcast the fact that a property is unoccupied to a much wider audience than originally intended.

For further information, visit www.terrischeer.com.au or call 1800 804 016.

Media contact: Corporate Conversation, 08 8224 3535

ABOUT TERRI SCHEER INSURANCE

Terri Scheer Insurance Pty Ltd ABN 76 070 874 798 (Terri Scheer) provides insurance cover for landlords, helping to protect them against the risks associated with owning a rental property. These include malicious damage by tenants, accidental damage, landlord’s legal liability and loss of rental income. Terri Scheer acts on behalf of Vero Insurance Ltd, the insurer which issues the insurance cover. Terri Scheer has not taken into account the reader’s or their client’s objectives, financial situation or needs. If you or your client is interested in any of Terri Scheer’s insurance products, the relevant Product Disclosure Statement should be considered first. It can be viewed online at www.terrischeer.com.au or obtained by calling 1800 804 016. Based in Adelaide, Terri Scheer services all states, territories and capital cities.

INDUSTRY ARTICLE

SUPER TIPS FOR UNDER 35'S

Many young adults don't pay much attention to their superannuation fund as they know that they can't access their funds for many years.

However, there are some quick and easy things that you can do now to ensure that when you can access your super, it was worth waiting for.

REI Super, your industry super fund explains the top 5 super tips for under 35's:

1 Check your investment option

If you are investing your super fund for another 10 years or more, there is a strong argument to have the bulk of your money invested in a broad portfolio of growth assets – typically a diversified portfolio that includes shares and property trusts as well as bonds, cash and other assets. As a younger investor you can and should take a long term view about your super savings.

2 Check you are not paying too much

We all know that a cheaper mortgage interest rate means that we pay less interest on our home loan and ultimately can pay our home off sooner. Reducing your super fund fees can have a similar effect – the less you pay in fees, the more money you have invested and the greater your final super balance is likely to be…or the sooner you can retire!

As an industry super fund REI Super does not pay commission to financial planners, does not charge contribution fees nor any fees to join, helping you manage and grow your super savings effectively and inexpensively.

3 Consolidate your super

Having more than one super account can mean multiple fees, (all of which eat into your super savings) and make it easier to lose track of your super. Use a rollover form, which can be obtained from your super funds website in most instances, to consolidate your super into one place. REI Super offers an online consolidation tool to help members combine their super www.reisuperconsolidation.com.au

4 Apply for insurance through your super fund while you are healthy

All super funds offer some form of life insurance, and often total and permanent disablement insurance (TPD) and salary continuance insurance (which pays you a regular amount in lieu of your salary if you are unable to work due to an accident or illness).

The advantage of taking up these insurances through your super fund is that the premiums are paid from your super fund account, not from your income.

Also, as you are part of a large pool of super fund members, premiums are often cheaper than if you tried to obtain cover directly.

The time to apply for insurance is when you are healthy and least likely to be

» *article continues*

declined. Then you can rest assured that your dependants will be provided for should anything happen to you.

REI Super offers life, disability and salary continuance cover to members including cover for *both* commission and retainer income. You can apply online in less than 10 minutes. Remember, REI Super pays no commission to financial planners meaning premiums are affordable.

If you have any questions about how your super compares, feel free to contact REI Super at bdm@reisuper.com.au

REI Super www.reisuper.com.au
1300 13 44 33

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REI SUPER A TOP PERFORMING FUND FOR 2012!

REI Super has been ranked in the Top 10 Super Funds performers for 2011/12 by Chant West (#4 top performing growth fund).

The Trustee Super Balanced option which the majority of REI Super members across Australia are invested in achieved an average net return of 7.5% over a 3 year period to 30 June 2012. This is a pleasing result for members given investment market volatility.

The REI Super 2012 Annual Report is available here with further details.

FREE LOST SUPER SEARCH FOR MEMBERS

Did you know that REI Super can look for your lost super for free? This service is available to members of REI Super.

There is currently over $17.4 billion of lost super in Australia and some of it could belong to you or your staff. For those who have changed address, name or jobs without telling their super fund, then you may have lost super waiting to be claimed. Visit here to find out more.

NEW ONLINE CONSOLIDATION TOOL

REI Super now also offers members a free online consolidation tool to make combining their super fund accounts into REI Super easier than ever.

More details available here.

NEW PRODUCT DISCLOSURE STATEMENT (PDS) AND MEMBER INFORMATION BOOKLET

REI Super has a new PDS (which includes the membership application form) and Member Information Booklet for use by employers and members joining the fund from 1 November 2012

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This article is brought to you by REIA Research Officer, Evgeniya Hawthorne
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FIRST HOME BUYER ASSISTANCE UNDER THREAT

Housing affordability is a real issue for many Australians, in particular first home buyers. A number of initiatives have been implemented in order to help Australians purchase their first home with the First Home Owner Grant (FHOG), introduced in 2000, being the longest standing.

Twelve years on, we are witnessing a worrying development with the Governments of Queensland, New South Wales and South Australia in recent months announcing that they will only provide assistance to those first home buyers purchasing new homes.

As part of the Intergovernmental Agreement (IGA) on the Reform of Commonwealth-States Financial Relations signed in June 1999, the states and territories agreed to provide financial assistance to Australians who are buying their first home through the establishment of the FHOG. The IGA stated that assistance to first home buyers would be "uniform" and that "an eligible home would be new or established". All states and territories in signing off on the IGA had the clear intention of providing assistance to all first home buyers.

Recognising that the position taken by the Governments of Queensland, New South Wales and South Australia is in breach of the intent of the IGA, the states have written to the Commonwealth Treasurer requesting a change to it. Not only is the action of the states in breach of the IGA but it ignores the clear buying preferences of first home buyers.

The Australian Bureau of Statistics (ABS) in its Housing Occupancy and Costs publication reports that in 2009-10, only 18 per cent of Australian first home buyers with a mortgage were buying new homes with 82 per cent purchasing established dwellings. As shown in the table below first home buyers in New South Wales, Queensland and South Australia were above the national average in their preference for established homes at 85.7 per cent, 83.5 per cent and 90.7 per cent respectively.

First Home Buyers with a Mortgage, by Dwellings Type by State and Territory (%)

Dwellings Type	NSW	Vic	Qld	SA	WA	Tas	ACT and NT	Australia
New	12.5%	25.9%	16.5%	9.3%	29.2%	5.3%	8.7%	18.0%
Established	87.5%	74.1%	83.5%	90.7%	70.8%	94.7%	91.3%	82.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: ABS, special data request.

» *article continues*

Similarly a survey by Mortgage Choice undertaken in the beginning of 2012 shows that of over 900 first home buyers who purchased their first home in the previous two years, 73 per cent of all respondents had bought established homes.

These outcomes are not unexpected when you consider the profile and life cycle needs of most first home buyers. Of all first home buyers, 53.1 per cent are either single person or couple only households. Two thirds of all first home buyers are under 35 years of age. For this demographic group the clear preference to live close to existing facilities and work as opposed to buying in new housing estates is not surprising. Further, for many first home buyers the price of house and land packages, with generally larger housing than the requirements of a first home buyer, are often beyond their financial reach. As the ABS reports, first home buyers tend to buy less expensive dwellings with the estimated median value of dwellings purchased in 2009-10 being $370,000 compared to $450,000 for changeover buyers and $420,000 for all recent home buyers.

Another dynamic of the housing market is that sales of established homes to first home buyers in many cases lead to purchases of new housing by the sellers. In these cases the multiplier and employment affects are probably greater than where a first home buyer purchases a new house as the trade up buyer generally purchases a larger home than a first home buyer. Furthermore first home buyers of established homes usually embark on a program of home improvement and renovation.

The decision of the three states to provide a stimulus to the building sector may have been made without a full appreciation of the dynamics of the housing market and the stimulus provided by first home buyers of established housing.

The REIA has written to the Commonwealth Treasurer strongly urging him not to agree to the request by the Governments of Queensland, New South Wales and South Australia for an amendment to the IGA to facilitate their actions.

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INDUSTRY ARTICLE

COULD A METH LAB BE OPERATING

IN A PROPERTY YOU MANAGE?

Clandestine drug laboratories have become a multi-billion-dollar industry and are a growing problem in Australia with numbers of illegal drug laboratories detected by police on the rise. According to the Australian Crime Commission (ACC), a record 703 laboratories were detected across the country in 2010-11, up from 252 in 2001-02. However, the actual number of labs is likely to be much higher.

Meth producers can operate everywhere—from caravans and car boots to factories and garages. But according to the ACC, most clandestine labs are located in residential areas and irrespective of their size or level of sophistication, they present major risks.

The methamphetamine manufacturing process requires the use of hazardous chemicals which are often corrosive (acids), explosive, flammable (solvents) and toxic. The "cooks" often have little knowledge of the dangers or concern for public safety and as a result, meth labs can be the cause of fatal fires or explosions.

The clandestine nature of the cooking process, often in confined, poorly ventilated spaces—combined with the illegal storage and dumping of chemical wastes down kitchen sinks, toilets and stormwater drains—can damage a property and render it uninhabitable and riddled with health and safety risks.

The cost of professional decontamination can run into the tens of thousands, not counting lost rent and clearly, a property known to be contaminated can lose value.

An unfortunate reality is that meth lab operators are hard to spot. Good tenants can turn bad and meth "cooks" could have impeccable references and rental histories. The good news is that there are some tell tale signs to look for once they have moved in, even if they go to great lengths to do a good clean up ahead of a property inspection.

Here are some of the things you could look for:

- Unusual or strong chemical odours
- Lots of empty chemical containers around the house
- Laboratory material surrounding the property (butane fuel cans, clear glass jugs)
- An excessive amount of coffee filters or used coffee filters containing a white pasty or reddish brown substance
- Large quantities of discarded cold and flu boxes and blister packs
- Windows blacked-out or extra efforts made to cover windows or reinforce doors
- Yellow/brown or red staining of interior floor, wall, ceiling, furnishings and appliance surfaces
- Chemical stains or etching marks around the oven, sinks, laundry, toilet or bath
- Containers with two layered liquids in them
- The presence of hotplates near chemicals
- Dying grass or plants in a particular area
- Installation of extractor fans
- Improvised ducting and pipes used for ventilation
- Excessive security

Other signs could be a new tenant that is willing to pay rent in advance in cash or one who has frequent visitors at odd times and mostly at night.

If you do find what you believe is a meth lab, get out immediately and don't taste, touch or smell any chemicals or equipment. These labs are never safe and you could be contaminated. Call the police as soon as you can.

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All real estate agents require professional indemnity insurance

It provides cover if you ever need to defend claims brought against you for the advice you provide your clients. Without the right level of cover you risk being left exposed.

Don't delay, take advantage of this great offer – talk to our real estate insurance experts on **1300 734 274** about the right cover to meet your needs or email us on **au.realestate@aon.com**

Contact the real estate insurance experts **1300 734 274**

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General Advice Warning

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AFF0026 0912

INDUSTRY UPDATE

Industry news from around Australia

New REIA Boardmember

Neville Sanders is a third-generation estate agent and has been actively involved in real estate for over 45 years. He became a Member of the REIV in 1971.

Currently, Neville is the general manager of Whittles Australia Pty Ltd, is a Fellow of the REIA, an REIV-accredited owners' corporation manager, vice chairperson of the REIV Owners Corporation Chapter committee and a certified practising valuer. He joined the REIV Board in 2006.

Real estate scam attempt thwarted

Western Australia's Consumer Protection and WA Police have urged agents to be on high alert against real estate fraud after a recent attempt to sell a Perth home was thwarted. In October, an overseas organised criminal network began the process of selling the home by emailing the Property Manager at North Beach real estate agency, Peard and Associates. Initially the fraudsters sent an email to the agent requesting a document related to an Edgewater property using a fake email address in the real owner's name. The criminals also phoned the agency on several occasions requesting the property be sold. The agency followed the suggested guidelines related to combating identity fraud by sending a confirmation of the change of contact details to the original address on file.

More details available here.

Who owns it all?

Reserve Bank data says those currently in their seventies or older—those born before the boomers—are the biggest real estate owners, with about 80 per cent of their age group owning property compared with slightly fewer boomers. However, boomers led the real estate investment boom last decade, which lifted prices to levels many say are unsustainable.

Generation Y, born between about 1980 and the mid-1990s, have often been unfairly labelled as spoilt upstarts who focus on fun rather than serious stuff like real estate. But to write them off as property owners is, in their words, an epic fail. Mortgage insurer Genworth Financial says Gen Y are already approaching a quarter of the mortgage market and that will increase as the boomers and Xers repay their loans. The issue for many Gen Ys is the housing boom last decade pushed prices out of reach for many and those who did break into the market have suffered from flat or falling prices.

Generation Z, born between the mid-1990s and 2010, are also known as the Global Generation, Millenials and the i-Generation. A report this year by Visa found "buying a house" ranks as their third biggest financial goal, behind buying a car and paying for education. Like their Gen Y siblings, the Zs also will find it tougher than older generations to buy real estate so help and education from their families will be important.

More details available here.

Tight Queensland residential vacancy rates

Residential rental vacancy rates have remained tight across Queensland, according to the latest Real Estate Institute of Queensland (REIQ) data.

Findings from the Institute's September Residential Rental Vacancy Rate Survey, compiled from information and data by REIQ accredited agencies and agents, showed most major regions posting vacancy rates of 2.5 per cent or less in September.

A vacancy rate of three per cent is considered to be the equilibrium point of supply and demand.

Institute analysis of Australian Bureau of Statistics (ABS) data shows there were about 3,900 dwellings financed to Queensland investors in August—up 19 per cent on the same period last year—but still well below the historical figure of 5,000 dwellings financed per month.

"The rental market across Queensland has been constricted for more than two years now," Mr Kardash said.

"The reasons for this have been the low numbers of investors in the marketplace as well as the generally slow property sales market over the period.

"With the reduction in the numbers of properties being added to the rental pool, we are seeing more demand for a much smaller supply of properties."

The survey found the vacancy rate for Brisbane at the end of September was 1.7 per cent—down from 2.1 per cent three months before.

More at www.reiq.com.au

MAKING NEWS

General national news

COSBOA

Mr Ken Phillips, Executive Director of Independent Contractors of Australia, has stood down from the position of Chair of the Council of Small Business of Australia (COSBOA) and has been succeeded by Ms Amanda Lynch, the CEO of the Real Estate Institute of Australia.

Ms Lynch will be in the position until COSBOA's next AGM.

Ms Lynch said she will be working hard to represent Australia's 2.7 million small businesses and voice their concerns. In the lead up to the federal election, COSBOA will be advocating to reduce the compliance and red tape burden, the need for specific small-business friendly policies on taxation and IR, and ensure that contract law and competition policy does not adversely impact on small business. With almost 70% of Australians owning or employed by a small business, such as real estate agencies, pharmacies, convenience stories, bakeries and bookshops, it is important that this sector—the largest group of employers in Australia—is listened to and consulted by our leaders and decision-makers," Ms Lynch said.

Hobart's MONA helps it make the Lonely Planet's top 10 cities

Hobart has been christened a funky cultural hub by travel bible *Lonely Planet*, which has named the city one of the 10 best in the world to visit in 2013.

The Tasmanian capital's $180 million Museum of Old and New Art (MONA) has proved a beacon for international attention and is largely the reason for the listing in seventh place, *Lonely Planet's* Chris Zeiher said.

''Particularly for international travellers, [the question] is what's the big-hitter thing to come and actually see,'' Mr Zeiher said.

''So for people to be able to experience that massive thing in the first instance, they can then obviously experience all the things that Hobart has to offer.''

With Hobart the only Australian city to make the *Lonely Planet* list—and one of only three in the southern hemisphere—the attention is expected to give a huge boost to the state's struggling tourism sector.

The high Australian dollar has hit tourism hard, while the cost of air and sea access has been a constant controversy in Tasmania.

AAP

Green Building

The Green Building Council of Australia (GBCA) has launched a new rating tool to assess the interior fit-out of any building type—whether that's a hospital, a hotel, a school, a shop or an office. The Green Star - Interiors PILOT rating tool is a 'next generation' Green Star rating tool, having evolved from the Green Star - Office Interiors v1.1 rating tool. "Green Star - Interiors will expand the benefits of Green Star certification to new market sectors, drive industry innovation, and set new benchmarks of best practice for sustainable interiors," says the GBCA's Chief Executive, Romilly Madew.

Mining boom

Mining towns Dysart and Moranbah top the statewide list for growth in house prices, with medians rising a monster 3992 per cent and 1919 per cent cent between 2002 and 2012.

Homes in Ipswich suburbs featured strongly among the best performers in the Brisbane statistical division.

According to RP Data figures, the change in median house prices in Willowbank, about 55km southwest of Brisbane, between 2002 and 2011 was 339 per cent.

Other strong performers were Darra and Carole Park, where medians rose 292 per cent and 290 per cent respectively.

Many of the suburbs to record strong median house price growth over the 10-year period were in outlying suburbs and still had relatively affordable median house prices.

In the unit market, towns close to the mining action once again did the best with Gladstone, Woree and Gladstone City topping the list.

In the Brisbane region, it was once again the outer western suburbs which performed well. Redbank Plains had the highest growth in its median unit price - up 398 per cent.

More available details here.

Sharing the luxury beach house dream

A Sydney homeowner has taken a novel approach to selling his property, offering 12 shares in the beachfront house for $650,000 each.

The Cottage Point property owner Drew Muirhead said he chose the sales method because of the state of the market.

"The market is at an all-time low and the top end is getting hammered, so I have been researching for the last 12 months to see what else I can do.

There are few people who have $6-$8 million to buy a holiday house these days and the strength of the Australian dollar is killing the greenback," Mr Muirhead said.

While this sales method is unusual in Australia, it is much more popular in Europe and the US.

More details available here.

POLITICAL WATCH

Information and news from government

Iconic regions saved from urban sprawl

South Australia's iconic Barossa and McLaren Vale regions will now be protected from residential subdivision, with the passing of both the Character Preservation (Barossa Valley) Bill 2012 and the Character Preservation (McLaren Vale) Bill 2012.
The Minister for Planning John Rau said that the passing of the legislation is an important moment in history, not just for the regions but for the entire State. "A line in the sand has now been drawn on Adelaide's urban sprawl," Mr Rau said. "Thanks to the efforts of the people, these two defining regions of South Australia are under the unique protection of these Bills."

A timely review of vendor statements

Victorian Consumer Affairs Minister Michael O'Brien released a discussion paper into the efficiency and effectiveness of Section 32 of the Sale of Land Act 1962. Section 32 requires anyone selling land in Victoria to disclose certain information about the property by providing a vendor statement to prospective purchasers. We are conducting the review as part of the Victorian Coalition Government's commitment to cutting red tape and the resulting costs, while also maintaining consumer protections, Mr O'Brien said. The discussion paper invites community and stakeholder debate around the effectiveness of Section 32 and how this section might be reformed for the benefit of both the buyer and seller. The closing date for submissions is 20 December 2012. The discussion paper is available here.

Shorten acts on Fair Work Review recommendations

Minister for Employment and Workplace Relations Bill Shorten has announced the government will implement a first tranche of recommendations arising from the independent Fair Work Act Review. The Review Panel conducted a review of the *Fair Work Act 2009* (FW Act) and then made a series of recommendations for changes to be made to the FW Act in a variety of areas.

Mr Shorten said: "From my consultations so far, it is clear that there is broad support for around one third of the Review's 53 recommendations. It is also clear that there are diverging views on the remaining recommendations.

The Government has therefore decided to proceed with amendments to the Fair Work Act to immediately implement recommendations that are broadly supported, including a number of technical amendments, while continuing to consult with stakeholders on the remaining recommendations as I have previously committed to doing.

The amendments I have announced today also include important recommendations covering unfair dismissal and structural arrangements and processes for Fair Work Australia."

More details available here.

Tenancy review underway

A targeted review of the *Residential Tenancies and Rooming Accommodation Act 2008* is underway to ensure the legislation is working effectively.

Queensland Housing and Public Works Minister Bruce Flegg said the review included the release of a public discussion paper seeking input from the community and the residential rental sector.

"The last review of tenancy law was in 2006-07, which introduced some significant changes and it is now appropriate to consider how effectively those changes have worked," Dr Flegg said.

The review would concentrate on balancing the interests of tenants and lessors, streamlining service delivery and reducing red tape.

The discussion paper is designed to encourage debate within the sector leading to submissions, which are required by close of business 2 January 2013.

To find out more information or to make a submission visit the RTA website here.

Housing Melbourne Symposium

Swinburne University of Technology's academics will be showcasing their research into urban renewal, sustainable housing, as well as the current supply and affordability of housing at the *Housing Melbourne Symposium* being held at the National Gallery of Victoria.

The symposium is being presented by the Office of the Victorian Government Architect (OVGA) in association with Swinburne's Institute for Social Research and the Prince's Foundation for Building Community (UK).

The theme of the symposium is *Housing Melbourne: Innovation for good design, urban renewal and affordable supply.* It will explore new policy approaches to promote a housing supply system that stimulates high quality design of housing and urban environments, neighbourhood renewal sponsored by local communities, and a supply of new and more affordable housing.

Swinburne's Deputy Vice-Chancellor (Research and Development), Professor George Collins, and researchers will be attending the event.

More details available here.

THE WORLD

Property news from around the world

Sandy challenges property recovery in US Northeast

The US real estate recovery that has gained strength this year faces a setback from flooding and property damage inflicted by Hurricane Sandy, the biggest tropical gale to hit the Atlantic Seaboard.

The storm battered homes in Eastern coastal states that account for about one out of every five US real estate sales and threatened inland areas with flooding and blackouts. Lenders put transactions on hold and companies like Coastline Realty in Cape May, N.J., pulled in their for-sale signs to prevent the wind from turning them into projectiles.

“We’ll definitely see lower numbers in new sales and new applications,” said David Stevens, president of the Mortgage Bankers Association. “We do expect to see lenders put a freeze on properties across the northeast on the shoreline until they can be inspected and assessed for damages.”

Losses may total as much as $20 billion, with $5 billion to $10 billion of that insured, according to a California-based provider of catastrophic risk models.

Almost $88 billion of homes in seven states are at risk of damage, according to a report by CoreLogic - New Jersey has $22.6 billion, Virginia has $11.3 billion, and Massachusetts has $7.8 billion. Maryland, Delaware and Pennsylvania have a combined $11 billion of property at risk.

More details available here.

Problems faced by Italy and Spain

The burst of the real estate bubble has played a major role in inflicting misery on the recession-laden economies of the Eurozone. The debt mountain of Italy is currently bigger than that of its neighbours and the nation is also facing a recession. While Spain’s debt load has been increasing at a quicker rate than Italy’s, the Italian government does not feel the same kind of pressure in monetary markets just yet. This is because Italy’s real estate hasn’t seen times as bad as the Spanish properties have. In fact, prices of Italian real estate experienced a hike in the third quarter of 2012 while properties in Spain are being sold for less than half their true value.

Mortgage loans in Spain saw their average value drop by over ten per cent in September 2012 compared to the same month in 2011. Banks are the major sources of mortgages and account for over seventy per cent of the entire nation’s deals. The inability of the banks to recover payments from borrowers has jeopardised their situation, giving the opportunity for a bigger organisation to enter the fray and resolve matters. The “bad bank” is considered Spain’s best hope of recovering its economy from the financial turmoil.

More details available here.

Housing Projects

Many of London’s housing projects, often recognizable by their austere concrete and brick exteriors, were built in the 1950s and 1960s to replace the millions of homes destroyed during World War II bombing raids. Beginning in 1980, tenants living in these projects gained the right to buy their houses and apartments from the local council at a discount and sell them at a profit to private buyers. For many years, however, these resold units attracted few affluent professionals, who still associated them with public housing.

Now these properties—some of which happen to be located on the priciest streets in the city—are flying off the market, a reflection of the skyrocketing demand for central London property. In the first eight months of this year, the average price for all apartments sold in the leafy, central Royal Borough of Kensington and Chelsea was £851,000 ($1.4 million)—up from £629,000 in 2007, says Dataloft, a property-analysis group, citing figures from Land Registry, a U.K. government department that registers land ownership. Prices have soared as foreign buyers have flocked to central-London property as a safe investment compared with residential real estate in other parts of cash-strapped Europe.

Onetime housing projects are no exception. Winkworth, a U.K. real-estate agency, says the homes and apartments in former projects it has sold in Kensington and Chelsea this year fetched an average of £597,000. That’s up 48.2% from what the agency was getting for ex-projects last year.

Some former projects are selling for much more. A red-brick, Victorian apartment near the British Museum in central London is currently listed for £1.5 million. The 1,705-square-foot apartment has four bedrooms, an elevator and one bathroom. Another apartment in Kensington just sold for more than £800,000. It’s a two-bedroom, 695-square-foot apartment on the ground floor with private gardens.

London’s projects are called “council houses” or “council flats,” and districts give low-income residents access to them at discounted rent. Overall, 18% of households in England live in social housing, and almost half of these households have an annual income of less than £10,000.

More details available here.

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