

# REIANEWS

ISSUE 22: APRIL 2013



**FOR  
SALE**

**NATIONAL LICENSING  
OF REAL ESTATE**

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FOR THE NATIONAL AWARDS**

**SUPER SMART!**

**PROPOSED LEGISLATION:  
A THREAT TO WEEKEND AND  
AFTER HOURS WORK**

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INFORMATION.



Mr Peter Bushby  
REIA President

# PRESIDENT'S REPORT



## WELCOME FROM REIA'S PRESIDENT

Welcome to the April edition of REIA News and I hope you and yours enjoyed the Easter break.

With the National Awards for Excellence run and won for another year, our focus turns to the Australasian Real Estate Institutes' Auctioneering Championships coming up in Perth in September and I'm thrilled that we have organised a mechanism where we'll be able to welcome back participants from NSW. Now, if the Aussies can just wrangle the trophy back from our New Zealand counterparts, everything will be sorted!

National licensing sits at the mercy of states' and territories' Treasurers so keep up the fight in your region.

REIA CEO Amanda Lynch's piece in this REIA News makes some pithy points on the current state of play.

As your national representative, REIA lobbies hard on your behalf and is making some very important inroads at a Federal level. With the election looming, power-brokers on all sides are keen to reach out to their constituents and hear what they have to say. You can help by making your voice heard too.

Which leads me to social media and the incredible way information can be disseminated far and wide and fast. If you're not following REIA on Twitter yet, it's time to jump on the bandwagon and stay informed. Our followers are growing at a rate of knots.

**Mr Peter Bushby**

REIA PRESIDENT



Follow us on Twitter [@REIANational](https://twitter.com/REIANational)

## NATIONAL LICENSING OF REAL ESTATE



Whenever large sums of money change hands, the prospect of fraud increases. Real estate and rural agents handle very large sums of money in the form of deposits on properties for sale. Up to \$2bn is held by agents as deposits in trust at any one time.

And yes, some of it goes astray. It is usually ordinary people's money. Or money from small businesses.

Over the past year NSW Fair Trading has been cracking down on unlicensed and unprofessional agents and found some major fraud cases, resulting fines and imprisonment. Rent, deposits and purchase proceeds were spirited away. The bulk of agents, of course, behave properly. But with the amount of money being handled you would think regulatory authorities would want to keep the reins tight.

Not so. The National Occupational Licensing Authority is pushing ahead with its aims to introduce uniform occupational and professional licensing in the property occupations as well as the electrical, plumbing and gas fitting and refrigeration and air-conditioning occupations.

It is part of an agenda being pushed by the Council of Australian Governments for more deregulation and uniform national standards. NOLA put out regulatory impact statements on the occupations in July and August last year calling for submissions.

They flowed in – more than 3500 of them. Of those, more than 800 were from the property occupations.

The vast majority from the property industry expressed concern verging on alarm. Earlier this month the NSW Greens also expressed concerns. A Greens MLC John Kaye has a notice of motion before the NSW Upper House for a committee inquiry as to whether consumers will be adequately protected.

Essentially, very few people have any difficulty with a national licensing system for real estate agents, but not at the cost of consumer protection. Many of the submissions, including that of the Real Estate Institute of Australia, are worried that in pursuit of a national system NOLA will adopt the lowest educational and training standard applicable in the states and territories now, and apply that nationally. Worse, it proposes to abolish requirements for continuing professional development and to abolish the requirement for a person to be qualified in any way to act as an agent in a commercial property transaction.

One of the NSW Fair Trading prosecutions was about \$265,000 in commercial rent taken by an agent.

The trouble is that if you lower standards, cowboys come in and consumers suffer.

We saw this very clearly in the financial services industry after deregulation. After debacles in the 1990s, government had to revisit regulation to straighten things out and even then did not get it right and consumers suffered again in the mid-2000s. It has become all too obvious that the market alone is not safeguard enough.

Deregulation and national standards should not be introduced for their own sake, but only when both economic benefits and social safeguards are present.

Over the past couple of decades, a lot of needless regulation and duplication has been removed by getting state and territory governments to agree to national standards.

Much of this has been applauded by industry and has generated substantial economic benefits by increasing competition and reducing compliance costs.

But experience has shown that this has to be tempered with a need to protect consumers.

NOLA has quite rightly engaged in a consultation process over the past six months. The important thing now is for NOLA and COAG to take notice of what the property industry is saying.

Too often theoretical economists pay too much attention to the

economic gains of deregulation (often calculated in a very simplistic way) and not enough attention to the risks and social costs.

They dismiss industry opposition to deregulation as a self-serving desire to restrict entry disguised as concern for consumers. But even the most radical neo-liberal economist would agree that many occupations require certification of skills before practitioners are let loose on consumers. There is a balance here, and the Real Estate Institute of Australia says the proposals in the NOLA regulatory impact statement have not got the balance right. They pose great financial danger to consumers which is not outweighed by the economic benefits.

The occupation of real estate agent, on one hand, is qualitatively different from those in the electrical, plumbing and refrigeration trades, on the other. In the latter occupations, public protection is secured purely by ensuring technical competency.

The real-estate occupations go beyond that. Agents are required to hold large amounts of clients' money in trust and they deal in property worth substantial amounts. There is not only a high level of technical skill required, but also a high level of trust.

Moreover, consumers are often entrusting agents to deal with their

most valuable asset. Most consumers buying or selling property do so very infrequently and therefore need to turn to people who they can trust and who have the requisite level of skill.

The regulatory impact statement should not be recommending the lowest state and territory standard as the new national standard (with automatic mutual recognition), but rather adopt the Diploma of Property Services and a personal probity test as the minimum requirements.

Further, the law and practice of property sales changes from time to time. This means that NOLA's proposal to abolish Continuing Practice Development requirements would put consumers to further risk. It is far better to educate real estate agents at the start about the right way to do things rather than to track down and deal with agents who have hurt consumers after the event.

NOLA's other proposal to abolish the requirement for qualified agents in the case of commercial property is utterly misguided and displays a lack of understanding of the nature of the commercial property market.

The vast majority of commercial property deals in Australia (70 per cent) involve less than \$1 million and usually involve small businesspeople. The idea that all

commercial property deals are in a business environment among big, fairly equal entities not requiring consumer protection is wrong.

The economic rationalists have exaggerated the gains and ignored the costs. One of the gains – mobility of agents between states – is not pressing. Geography determines that the vast bulk of agents work in one jurisdiction.

REIA agrees with the aim of national occupational standards for the real-estate industry, but not this model. It would be better to wait and get it right, than crash ahead, cause untold consumer grief, only to have to revisit regulation down the track.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia.

For further information or interview opportunities, please contact:

**Amanda Lynch**

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# UNITED IN AUSTRALIA



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*PHOTO L-R Peter Strong CEO Council of Small Business of Australia, Parliamentary Secretary, Bernie Ripoll and REIA CEO and Chair of COSBOA, Amanda Lynch*

## SMALL BUSINESS ON THE AGENDA

REIA CEO and Chair of COSBOA, Amanda Lynch met with the new Minister for Small Business, Gary Gray and his parliamentary secretary Bernie Ripoll, to discuss issues facing small businesses, including real estate agents.

They discussed the better positioning of agencies for engagement with Asia, including translation of websites; the need for the onerous collection of paid parental leave and superannuation to be taken out of business owners' hands and to be administered by the Tax Office; and the problem business has with access to credit.



## TELSTRA BUSINESS WOMEN'S AWARDS

Nominations are now open for the 19th Telstra Business Women's Awards, celebrating the inspiration, determination and innovation of successful businesswomen in our community.

They are open to business owners, women in the private and corporate sector, government and community sectors. Other awards recognise young businesswomen and business innovation.

Nominations can be made at [www.telstrabusinesswomensawards.com](http://www.telstrabusinesswomensawards.com) with entries open from April 29 until June 25. The awards provide an opportunity to recognise established and emerging businesswomen whose passion, creativity and achievements inspire other women to reach their own goals.

Benefits for finalists and winners include increased business profile, networking and mentoring opportunities and a share in more than \$250,000 in cash and prizes.

# INTERNATIONAL VISITORS FOR THE NATIONAL AWARDS



Michael Wellsmore

## The REIA President and CEO played host to guests from the National Association of Realtors (NAR) in the USA in mid March.

The NAR President, Gary Thomas and Vice President Bill Brown were here to attend the REIA National Awards for Excellence in Canberra, in the Great Hall of Parliament House.

NAR is America's largest trade organisation comprising some one million real estate agent members. The designation of an agent as an NAR member or "realtor" as they are called, as opposed to real estate agent with no affiliation, provides a significant marketing advantage in the USA. In fact, NAR has a copyright for the word

"Realtor" and only NAR members may use it. Others in the NAR party were Ms Katie Stouffs, the NAR Director, Global Marketing and Business Development, Past President of the Californian Association of Realtors (CAR) Steve Goddard and a director of NAR and CAR, Tashia Hinchcliffe.

NAR and REIA have had a long standing relationship but it's been many years since a NAR President has visited our shores, so it was opportune that the group could visit at the time of the awards. In 2009, a REIA delegation attended the NAR national convention, under then President, David Airey. This led NAR to designate a state association, in our case, the Californian Association of Realtors (CAR) to directly partner on day-to-day issues. A return visit from then CAR President, Steve Goddard in 2010 was fitting and when REIA immediate past President, Pam Bennet attended the NAR national conference in late 2012, ties were cemented. Then, NAR appointed Steve Goddard as Presidential liaison to Australia.



PHOTO L-R Ms Katie Stouffs – NAR Director of Global Marketing and Business Development; Debbie Bushby, wife of REIA President; Mr Bill Brown, Vice President NAR; Mr Gary Thomas, President NAR; Ms Penny Lithgow, GM REIACT; Mr Michael Wellsmore, REIA Liaison to NAR; Mr Steve Goddard, NAR Liaison to REIA

PHOTO BY Ms Tashia Hinchcliffe, Director of CAR & NAR

» article continues



In March this year, President Gary Thomas and his group were invited to the national awards and to meetings with the board, the CEO and others associated with REIA. While there were some formal meetings held and decisions taken to further the relationship between the two organisations, there was ample opportunity for our American guests to sample Australian hospitality, learn some of the language and see some of the native fauna and flora.

Highlights of the visit included an Embassy function hosted by the US Ambassador to Australia, Mr Jeffrey Bleich and his wife Rebecca, a dinner with the Deputy Chief of Mission for the US Embassy Mr Jason Hyland and his wife Leslie and for the less formal activities, the nation's capital turned on brilliant weather for the three days of the visit. The group were greatly impressed by the city and some of the attractions they visited (Bob Brown suggesting that he could live in Canberra). The native fauna, in the form of a mob of kangaroos

at a local golf course, performed beautifully for our visitors as did some black swans on Lake Burley Griffin. The flora attractions included a visit to the national arboretum however the products of the local wineries in the Murrumbateman area proved to be more popular.

To ensure the relationship with NAR keeps moving forward and to have someone on this side of the Pacific to deal with liaison issues, REIA President, Mr Peter Bushby, sought endorsement from the Board for REIA's own Presidential liaison to NAR. I was fortunate enough to be asked to fulfil this important role and with the support of the REIs and the REIA executive I am sure we can now develop an even closer relationship with NAR. I am pleased to have the opportunity to be able to work with my good friend, Steve Goddard and we already have some plans in motion. I have also been in discussions with the NAR office in Chicago about issues that will offer new opportunities to our membership.

I would like to see a large contingent of Australians at the NAR national conference later this year in beautiful San Francisco, so save the dates 8–11th of November and stay tuned to REIA News for more details.

***Michael Wellmore***

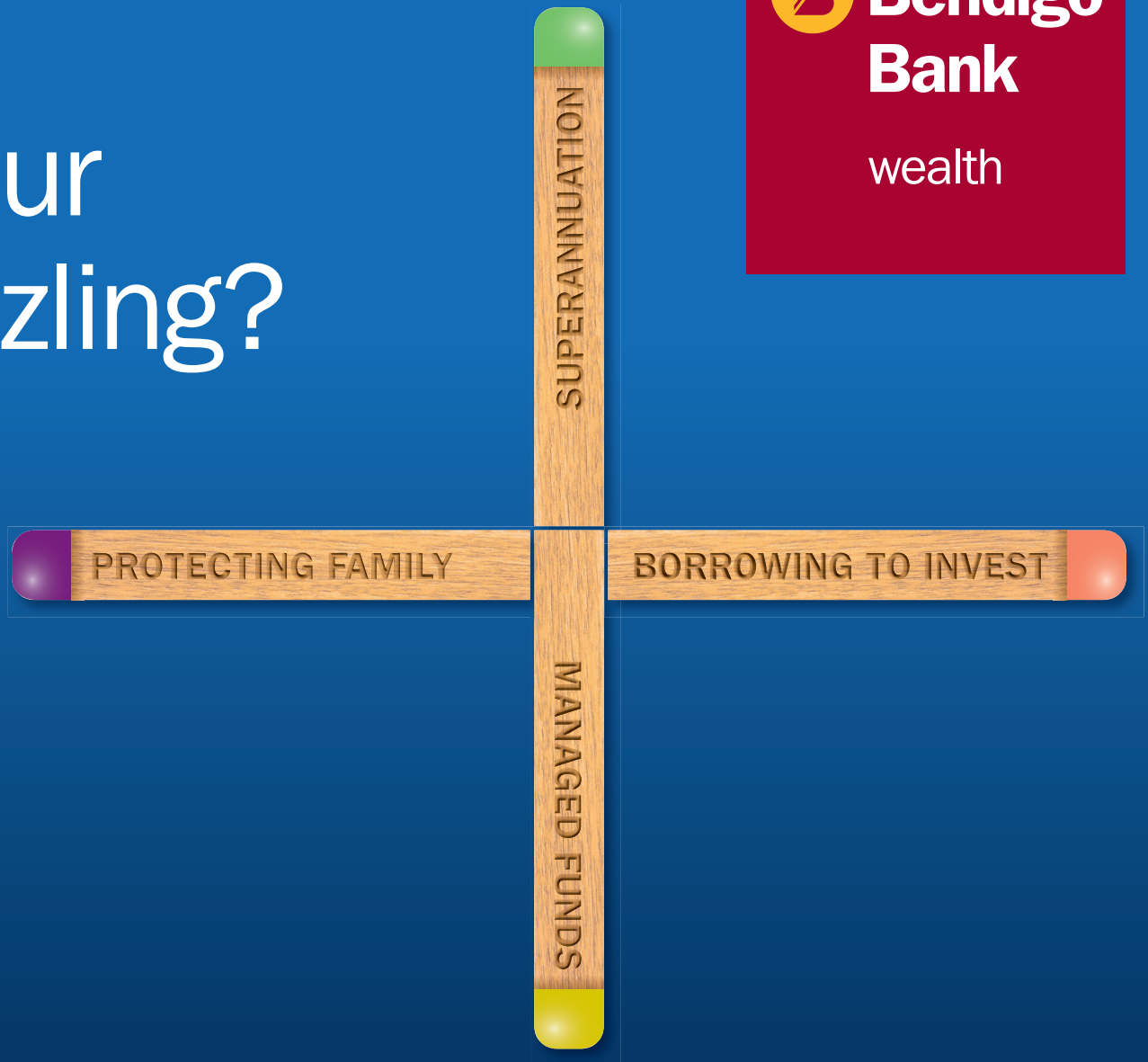
REIA PRESIDENTIAL LIAISON TO NAR

# Do you find managing your finances puzzling?



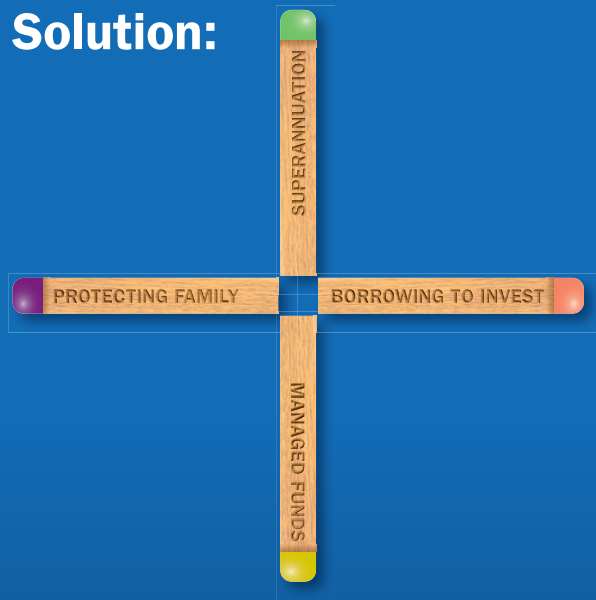
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[www.bendigobank.com.au/financialplanning](http://www.bendigobank.com.au/financialplanning)



Australian Government  
Department of Human Services

## Small Business Superannuation Clearing House

# SUPER SMART!

The Small Business Superannuation Clearing House (the Clearing House) is giving more and more small business owners back their time so they can focus on developing what's really important to them – their businesses. And with registrations in the tens of thousands, the concept is catching on.

Most small business owners will agree that the process of paying superannuation for employees can be time-consuming and complicated. Since the introduction of the Superannuation Choice of Fund rules in 2005, businesses have been required to make payments at least four times a year, often to several different super funds. The Clearing House makes this process a lot easier.

The Clearing House is a free online service that helps employers meet their superannuation obligations without the paper forms and administrative burden. Small business owners (with 19 or fewer employees) can choose to pay all their employees' superannuation in a single electronic payment using the Clearing House.

The Clearing House reached a milestone in 2012, by making over half a billion dollars in superannuation payments. While this is a massive achievement for the Clearing House, it also means the service has helped small business owners save up to eight hours of paperwork per quarter. That's a lot of red tape!

Feedback received indicates that small business owners love the service. Monthly surveys consistently show 98 per cent of respondents are either extremely satisfied or satisfied with the service.

When you're in business, you're always looking for ways to save time and improve processes – the Clearing House could be just the thing you're looking for.

The Small Business Superannuation Clearing House is administered by the Department of Human Services. For more information and to register, visit [humanservices.gov.au/smallbusinesssuper](http://humanservices.gov.au/smallbusinesssuper) or call 1300 660 048 (call charges apply).



**REIA has published property market data and analysis for several decades. It has an excellent reputation as a highly credible source of information and considered opinion on the residential and commercial property markets in Australia.**



REIA publications use information collated from a wide variety of sources including real estate agencies, industry and government. Both raw data and analysis are published in REIA reports.

The Adelaide Bank/REIA Housing Affordability Report and the Bendigo Bank/REIA Real Estate Market Facts may be purchased as single copies or by subscription. For more about the Adelaide Bank/REIA Housing Affordability Report, [click here](#). For more about the Bendigo Bank/REIA Real Estate Market Facts publication, [click here](#).

Also, "datacube" spreadsheets provide key information on quarterly median values, dating from the beginning of REIA data collection through to the current quarter, for all capital cities where data is available. For more information on REIA datacubes, please call 02 6282 4277.



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## PROPOSED LEGISLATION

### A THREAT TO WEEKEND AND AFTER HOURS WORK

Legislation has been introduced to Parliament by the Commonwealth Government that poses a significant impost on wage costs and fees charged by agents where after hours work, including weekends, is involved. Essentially this would apply to all agency staff other than clerical and administrative staff who work a regular five day week.

The Fair Work Amendment Bill 2013 (the Bill) was introduced into the Parliament on 21 March. The Bill contains seven schedules containing various amendments to the Fair Work Act (the Act) including the insertion of provisions relating to the expansion to the classes of employees who can request changes to their working arrangements. It is the Government's intention to protect workers' penalty rates by 'writing them into law'.

The legislation would provide union(s) (or any individual covered by the award) with the ability to have penalty rates applied to sales and property management for weekend work or hours worked in the evening – a situation that has not applied for the past fifty years, since industrial regulation was introduced into the industry.

The Bill seeks to extend "The modern awards objectives" in the Act by making it mandatory for the Fair Work Commission to consider providing additional remuneration in modern awards for employees working unsocial hours or for work performed on weekends.

If passed, the legislation will have serious, adverse effect on the real estate industry. Not only would costs be driven up but fees to clients would rise. This will have flow-on effects to consumers through higher rents and the inconvenience and cost associated with the possible push by agencies to have business, such as open house inspections and auctions, conducted during normal weekday working hours.

If it becomes a stated objective of the legislation to ensure modern awards provide "additional remuneration" to employees working "unsocial hours" or "on weekends", the real estate award could be varied by a simple application from an authorised person or organisation so as to insert a penalty rate (whatever that rate may be) that must be paid to employees who work such hours.

The Bill has been referred to the Senate Education, Employment and Workplace Relations Committee for

consideration. The Committee has asked for submissions by 15 April. The Real Estate Institute of Australia (REIA) is liaising with the major employer groups on their submissions, with the aim of defeating those parts of the Bill that would lead to the impost on the real estate sector. REIA will be making a submission supporting the position of the employer groups.

If the Bill is passed, this will not automatically mean that penalty rates will be applied to the sector. An application to have penalty rates applied to the industry award would need to be made and it may take up to eighteen months for this to happen. Whilst the industry employer groups with the support of the REIA would vigorously oppose such an application, the amended legislation will probably make the fight an almost impossible one. The introduction of penalty rates for evening or weekend work for sales and property management staff will require a complete rethink of how real estate agencies conduct their business.

We will keep you informed of developments on this most important issue – and our advocacy.

2013

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**Auctioneering  
Championships**



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This article is brought to you by REIA Research Officer, Evgeniya Hawthorne. Evgeniya can be contacted at [evgeniya.hawthorne@reia.com.au](mailto:evgeniya.hawthorne@reia.com.au)



# SOCIAL BENEFITS OF HOMEOWNERSHIP

The housing sector plays a crucial role in the Australian economy. While contributing up to \$40 billion in taxation revenue each year, it also provides long-term financial and social benefits to homeowners and the community.

In Australia, there is limited data available on the non-financial benefits of homeownership. In contrast, a number of studies have been undertaken internationally. It has been found that psycho-social benefits such

as personal independence, autonomy, control, freedom from surveillance and security, ultimately may contribute to social outcomes including improved education levels for children, better mental and physical health, higher levels of social connectedness and participation in local community and voluntary organisations.

The table below shows some of the non-financial benefits of homeownership.

Benefit of homeownership	Household	Community	Society
Psycho-social	Personal and family/ household independence, autonomy, control, freedom from surveillance, "ontological security"	Attachment and belonging to the local community	Attachment and belonging to the broader society
Social	Safe and stable environment for bringing up children. Basis for participation in education and employment. Good mental and physical health.	High levels of economic participation, improved educational outcomes for children, high levels of social capital	High level of social cohesion

Source: Australian Housing and Urban Research Institute (AHURI)

## SOCIAL STABILITY

According to the Australian Bureau of Statistics' (ABS) 2007-08 Survey of Income and Housing, people renting privately were very mobile, with 87 per cent of surveyed private renters having moved at least once in the last five years. In contrast, only 29 per cent of people who owned their home were recent movers. Remarkably, people owning their home outright were less mobile compared to those with a mortgage.

By remaining in their homes for a longer period than private renters, homeowners contribute to the stability of their neighbourhood.

## CHILDREN'S DEVELOPMENT

The recently released report by the Australian Housing and Urban Research Institute (AHURI), *Housing and Children's Development and Wellbeing: Evidence from Australian Data* shows that there are statistically significant relationships between a range of aspects of young children's housing

» *article continues*



and the child's wellbeing. The study has discovered strong association of housing tenure with children's socio-emotional wellbeing. Frequent moves and renting, as opposed to owning the home, have been found to have a negative impact on children's social and emotional wellbeing.

#### EDUCATIONAL ACHIEVEMENTS

In the US, a number of studies have found that homeownership makes a positive impact on educational achievements. Findings included: young children of homeowners tend to have a higher level of achievement in maths (9 per cent higher) and reading (7 per cent higher) and fewer behavioural problems (1 to 3 per cent lower); the decision to stay in school by teenage students is higher for those raised by home-owning parents compared to those in rented households (the dropout rate was 2.6 per cent lower than renters' children); daughters of homeowners have a much lower incidence of teenage pregnancy (5 per cent lower); and changing schools negatively impacts children's educational outcomes.

In Australia, the ABS shows that housing outcomes are associated with education for both the Aboriginal and Torres Strait Islander and non-Indigenous

populations. Higher levels of Indigenous household ownership and lower levels of overcrowding appear to be strongly associated with higher levels of education for the Indigenous population. However, this association is not as strong for the non-Indigenous population, where rates improve only slightly with higher levels of education.

#### HEALTH BENEFITS

Another AHURI study, based on information from the ABS 1995 National Health Survey, investigated the extent to which housing tenure contributed to inequalities in health in Australia. The study found that compared to homeowners, renters were significantly more likely to report fair or poor health status. They reported a significantly higher average number of serious health conditions and were more likely to visit a doctor. Renters and homeowners with a mortgage were significantly more likely to be smokers compared to those who owned their home outright.

#### CRIME

A number of international studies discuss reasons for homeowners being both less likely to be victims of

or commit crime. It has been found that homeownership significantly reduces criminal activity with not only higher homeownership rates leading to lower crime rates but also the rate of criminal activity increasing significantly slower in areas with high homeownership rates.

AHURI has found that low income housing areas and public housing estates in particular, tend to have a higher incidence of crime and a disproportionate concentration of those with criminal records.

#### CIVIC PARTICIPATION

Homeowners tend to be more involved in their communities than renters. International research has found that homeowners are more politically active than those who rent, with homeowners participating in elections more frequently. It also has been found that homeowners are more likely to be engaged in volunteer activity.

National and international research confirms that promoting homeownership is socially desirable. Non-financial benefits should not be taken for granted in order to achieve a high level of social cohesion through homeownership.

# FIABCI AUSTRALIA REPORT



*PHOTO L-R Past REIA President and current FIABCI Vice President Australian Chapter Kevin Sheehan and his wife Lisa Sheehan; with Julie McGregor and Chris McGregor*

## ***Help Make the World Sustainable for Future Generations***

FIABCI is contributing to make a difference in the world today. Every member of a FIABCI World Council has the opportunity to have a voice and participate in this valuable survey.

The online survey “Green the Real Estate Markets” was developed for the United Nations Economic Commission for Europe – Real Estate Market Advisory Group (UNECE-REM), a subsidiary body of the United Nations which plays a role in supporting global activities in the real estate sector. The survey was created in cooperation with FIABCI, the International Real Estate Federation. Results of this survey will provide background information for a forthcoming UNECE-REM publication, which will include recommendations for greening real estate markets for UNECE member States.

This survey is being coordinated by our own Robyn Waters in



*Chris McGregor*

collaboration with FIABCI’s Past World President, Enrico Campagnoli, currently Chair of UNECE-REM. Danielle Grossenbacher, President of the FIABCI Professional Division, contributed to the survey content.

### US FUNCTION FOR REIA

At the recent prestigious REIA National Awards for Excellence held in Canberra at Parliament House, I had the honour of being invited with FIABCI Vice President and President elect 2014-15 Robyn Waters, to the US Deputy Chief of Mission and Mrs Leslie Hyland at their residence. Also present were current REIA Board members, CEO Amanda Lynch and a delegation from the National Association of Realtors including their President, Gary Thomas. FIABCI members Julie McGregor and Vice President Kevin Sheehan also attended the Awards.

***Chris McGregor***

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Telephone number (of landlord or agent): 02 906 6666

Tenant's Name (1): Brad Pitt & Angelina Jolie  
Tenant's Name (2): Jolie  
Add all other tenants here:

Address for services of notices: 23 Bay Street BALMAIN NSW 2041  
Telephone numbers: M: 9966 8790 W: 9966 5435 M: 041560655

Landlord's agent: Rockend Real Estate  
Address for services of notices: 1 Chandos Street ST LEONARDS NSW 2065 Tel:(02) 9966 0900 Fax:(02) 9966 0922  
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# INDUSTRY UPDATE

Industry news from around Australia



## Melbourne merger

Two of Melbourne's boutique networks have joined forces in a 'strategic merger'.

Jellis Craig and Bennison Mackinnon have merged to create the co-branded 'Jellis Craig Bennison Mackinnon'.

Nick Dowling, CEO of Jellis Craig, said the expansion provides an opportunity to deliver improved service to clients and greater opportunities for what will become a 13-office network.

"Bennison Mackinnon and Jellis Craig each have a rich and successful heritage in residential sales and property management, collectively spanning more than 50 years."

"Joining forces will further cement our dominant market positions across our key geographic areas," Mr Dowling said.

CEO of Bennison Mackinnon group Andrew McCann will also join the Jellis Craig board.

## Slimmer discounts in Canberra

Canberra house and unit vendors are offering slimmer discounts than their counterparts in other Australian capital cities in order to secure sales, according to the latest information from RP Data.

Figures for the week ending March 10 show Canberra units are selling for an average of 2.5% less than their initial asking price.

Houses in the Australian capital were selling for an average of 4.1% less than their initial asking price – a figure matched by Darwin.

The rate of vendor discounting is the average percentage difference between the original listing price and the final selling price.

The data is based on private treaty sales only and records without a valid sale price have been excluded from the vendor discount analysis. The analysis also excludes results

where there are less than 10 observations.

## Perth city living

Industry experts say traffic congestion and busy work schedules mean an increasing number of West Australians see city apartments as more convenient.

Professionals WA chief executive David Hobbs said if he had \$500,000 to invest in the next 12 months he would be looking for a unit within 4km of the CBD.

"Low vacancy rates and a shortage of accommodation in Perth's hotels and motels give investors and company executives all the more reason to look at units close to the city. Other areas I would be looking to invest in would be Victoria Park, East Perth, Mt Lawley, Burswood and Highgate."

Reamark director John Percudani said the popularity of inner-city living was growing as cities became "more vertical and less horizontal".

## Darwin soars

The Territory ranks No.1 in Australia on a number of key economic and property indicators. It has the lowest unemployment rate (3.9%, against the national average of 5.4%) and employment growth is running at almost three times the national average.

The Territory ranks No.1 on three key real estate indicators: growth in loans to home buyers, the increase in investor loans and growth in building approvals.

Housing finance commitments by owner-occupiers are up 18% in annual terms (five times the average) while loans to investors have risen 30% (four times the average). At a time when building approvals nationally have increased just 1.4%, in the Territory they're up 46%.

Darwin continues to have the highest residential rents among the state and territory capital cities (the typical house is \$650 per week and apartments average \$550) and rental growth in 2012 was exceptional – the house median rent up 16% and the apartment median rising almost 20%. Perth is the only challenger to those growth rates.

Property Observer

## Horse property

A SUNSHINE Coast real estate agent has filled a nationwide real estate niche with a new business promoting horse properties around Australia.

Greg Young says he is responding to a huge gap in the market with the launch of equine property site, [horseproperty.com.au](http://horseproperty.com.au).

Mr Young says the business is off to "a galloping start", bringing people together who shared a passion for horses and rural life.

The site has more than 270 listings from throughout Australia, growing at a rate of 15 new listings per week. It makes it the largest horse property site nationally.

Traffic numbers are about 3000 visits per month and 15,000 page views per month. The business also runs a Facebook site with more than 1400 likes.

Properties listed on [horseproperty.com.au](http://horseproperty.com.au) are categorised by state and region and are coded to provide information on arenas, stables, size and more.

The site also offers a rent section specifically for people who require equestrian facilities when searching for a home or property.

# MAKING NEWS

## General national news



### Population growth

- Australia's population grew by 1.7% during the year ended 30 September 2012.
- Natural increase and net overseas migration contributed 40% and 60% respectively to total population growth for the year ended 30 September 2012.
- All states and territories recorded positive population growth in the year ended 30 September 2012. Western Australia continued to record the fastest growth rate of all states and territories at 3.4%. Tasmania recorded the slowest growth rate at 0.1%.

### Small business scammers

The operators behind a scam targeting small businesses with false claims about advertising services for publications with a philanthropic slant, have been ordered to pay \$750,000 in penalties following court action by the Australian Competition and Consumer Commission (ACCC).

The Federal Court in Sydney has ordered Adepto Publications Pty Ltd (Adepto), its sole owner and director, Craig Mitchell and a former manager, Danielle McKay, to pay penalties totalling \$750,000 after they admitted that they had made false and misleading representations in relation to advertising services that were never requested.

Representatives of Adepto made unsolicited phone calls to Australian businesses about advertising in its publications, including the National Emergency Relief Guide, Underprivileged Children's Guide and Volunteer Organisations Guide.

#### How these scams work

- You receive a call out of the blue from someone claiming to represent a business

directory or other publication you've never heard of. The caller offers to place an advertisement for your business in the publication for a fee.

- The caller may refer to a publication with a philanthropic purpose in the hopes of appealing to your charitable side. Alternatively, they may claim to have affiliation with government or a well-known business. They may even claim to represent a business through which you currently advertise.
- If you accept the offer, you find that when the ad is published, the actual distribution number and geographic reach is significantly less than what you signed up for.
- If you decline the offer, you subsequently receive an invoice in the mail along with a copy of the ad.
- If you do not pay, you receive follow-up calls or official-looking letters demanding payment.

You can report scams to the ACCC via the [report a scam](#) page on SCAMwatch or by calling 1300 795 995.

### How do you feel?

Newly released *Guidelines on Measuring Subjective Well-being* establish the first comprehensive framework for internationally comparable and intellectually robust data on this topic.

The Guidelines, developed under the OECD's [Better Life Initiative](#), stem from the growing interest in looking beyond traditional ways of measuring economic performance to provide a broader picture of social progress.

The *Your Better Life Index* offers an example of the wider picture. It aims to measure how societies are faring in a number of areas – from jobs, health

and housing through to civic engagement and subjective well-being – and allows citizens to determine which of these are most important to their own well-being.

The definition of subjective well-being used in the Guidelines extends beyond the idea of 'happiness' to cover three elements:

- Life evaluation - reflective assessment on a person's life or some specific aspect of it.
- Affect – a person's feelings or emotional states, typically measured with reference to shorter time periods
- Eudemonia – a sense of meaning and purpose in life, or good psychological functioning.

The Guidelines are intended to be used as a resource for data producers developing their own surveys, but also include sections that will be more relevant to potential users of subjective well-being data such as policy analysts and economists.

### Moulton – Marathon man

HE has hiked the mountains and the valleys of the Kokoda Track and navigated the highs and lows of the South Australian property market.

Now Harcourts chief executive and Real Estate Institute of South Australia president Greg Moulton is preparing for his next challenge – the 42km London Marathon.

Mr Moulton, 51, said while a niggling injury was hampering his training efforts, he was confident he could get his body into race-winning shape by April 21.

Mr Moulton says as long as he sticks to his strict exercise plan, he is confident he can steal a victory of sorts.

"There's a fair chance I'll win it if the second person does it in about 5½ hours," he said.

# POLITICAL WATCH

Information and news from government



## Delays in DAs highlight need for new system

Delays in council approval times for new housing, renovations and commercial construction highlight the urgent need for a new planning system in NSW. Minister for Planning and Infrastructure Brad Hazzard said the Local Development Performance Monitoring Report for 2011-12 showed councils are struggling with a complex planning system. "The current planning system is over 30 years old and has been amended hundreds of times leading to slower approvals and more red tape for mum and dad builders," Mr Hazzard said. Despite the delays, across NSW, \$22 billion worth of local and regional projects were approved by councils, private certifiers and joint regional planning panels in 2011-12, an increase of 11 per cent on the previous year.

## 805 Queensland home buyers off to Great Start

The dream of home ownership has become a reality for more than 800 Queenslanders with the help of the Newman Government's \$15,000 Great Start Grant. Treasurer Tim Nicholls said that between October 2012 and March 28 this year, 805 first home buyers had received the Grant to build or buy a new house or apartment. "We announced the Grant as part of the 2012-13 State Budget to help more people enter the property market, stimulate the construction industry and help alleviate the housing shortage in regional resource communities," Mr Nicholls said. "We consistently said it would take time to see the results, as payment of the Grant is only made once construction is complete or the first draw-down of funds occurs."

## Saving Territorians from unnecessary red tape

The Country Liberals Government is focussed on assisting Territorians to buy and sell homes by limiting the red tape involved. The Sale of Land (Rights and Duties of Parties) Repeal Bill 2013 will stop Labor's vendor disclosure legislation from coming into effect. Workshops will be held around Australia following the release of the Asbestos Management Review last year. The workshops provide input to the Government's development of a National Strategic Plan for Asbestos Awareness and Management and discuss proposed principles, strategies and outcomes. It is proposed that all "unsafe" asbestos is removed from Government and commercial buildings by 2030. No such target was proposed for residential, however the development of an Asbestos Content Report is being considered as is the feasibility of a future prioritised removal program.

## National licensing

NSW Greens MLC John Kaye has moved a notice of motion in the Legislative Council to refer national licensing to a committee of inquiry. The terms of reference are as follows: 1124. Dr Kaye to move—

That General Purpose Standing Committee No.1 inquire into, and report on proposals for a national licensing scheme for property-related occupations, and in particular:

- (a) whether the proposed scheme adequately protects the interests of New South Wales' home buyers and primary producers,
- (b) the adequacy of licensing requirements for property-related occupations in particular those involved in commercial property and livestock transactions,
- (c) the adequacy of the proposed educational qualifications, continuing

professional development requirements for property-related occupations,

(d) the process by which the scheme has developed to date, including the role of representatives of large shopping centres and the appropriateness of developing professional 'licensing' regulations before addressing 'conduct' regulations,

(e) the operation of the NSW Occupational Licensing (Adoption of National Law) Act 2010 and the Occupational Licensing National Law (NSW), and

(f) any other related matters.

## Ballarat on the move

The historic Victorian regional city of Ballarat is demonstrating above average capital growth in comparison to the rest of Victoria despite sluggish transaction activity, says a new report from PRDNationwide.

"With increased consumer confidence the Ballarat area is witnessing a consistency in the housing market which will see home buyers and prospective investors return, setting the scene for a positive 2013," research analyst, Angus McLean said.

In October last year, the Ballarat West Precinct Structure Plan (PSP) was granted approval by the state government with around 1,300 hectares to be transformed into residential property to support the region's growing population. The project will see the development of road and community infrastructure to support the 30,000 people who will call the area home once completed.

According to McLean, while residential house and unit purchasers currently remain in a state of flux, the Ballarat Area rental market has become increasingly reliable for investors since June 2012 due to the simultaneous settlement drop in the housing and unit sales numbers.

Property Observer

# THE WORLD

Property news from around the world



## US growth

For the first time since 2006, quarterly home prices in the United States remained positive over winter and forecast point to continued growth in 2013.

The latest Home Data Index report from real estate firm Clear Capital shows that in the first three months of 2013 prices increased nationally by 0.9% and the firm forecasts further growth of 1.7% over the next nine months.

Coming out of winter, national prices were up 6.5% over the year. As prices continued to move up incrementally over the winter months, slight quarterly gains fuelled stronger yearly growth.

Regionally, the West led with yearly gains of 14.5% and made the largest move forward over February's 13.6% yearly growth. The Midwest, Northeast and South saw home prices rise over the year by 4.2%, 3% and 5.1%, respectively.

According to Clear Capital, it has been seven years since home price growth continued throughout winter and they point out that it is further evidence that the home market recovery is maturing from the relatively rapid price correction seen in 2012 and it was a good sign that growth has now slowed to a more manageable climb that will make the recovery sustainable. Too much rapid growth would not be good for the market.

## UK courting international buyers

International buyers are dominating the prime property market in the UK, especially in the Home Counties, according to new data from Knight Frank.

Some 55% of homes worth £5 million or more were sold to overseas buyers in 2012, up from around 40% in 2011 and 2010, it latest prime property index shows.

One in four homes was bought by a buyer from Russia or CIS, while European buyers accounted for around one in 10 purchases.

The Home Counties remained the hotspot for super prime country house transactions last year, with 82% of all such sales happening in these counties. This is up from 76% in 2011.

The index shows that overall prime country house prices have risen for the first time in two years, up 0.4% in the first three months of 2013, but the market is likely to remain sensitive, especially at the lower end of the prime market.

Prices continue to outperform in key commuter towns. The average price of prime houses in Oxford have been rising for a year, and are now up nearly 5%, while prices in Esher have been rising moderately for three years, climbing by 20% over that period, although values are still around 10% lower than their 2008 peak.

## Dubai in demand

Demand for property in sought after locations in Dubai is increasing and pushing up prices, according to the latest research report from property company Asteco.

The figures show that the average cost of an apartment in Dubai increased 12% in the first three months of 2103 and prices have now risen 27% year on year.

Villa prices are also increasing with the average price in this sector up 21% year on year. And rents are up too, rising 3% for apartments and 4% for villas. It means that year on year apartment prices are up 19% and villa prices up 20%.

Asteco says the overall outlook is positive with demand and rates expected to continue to grow. However, this will also mean that

some tenants and buyers will be priced out of certain buildings or communities.

Dubai, which saw real estate prices decline by over 60% during the economic downturn, has witnessed a gradual recovery in its property market, largely buoyed by a the return of speculative buyers to the residential segment.

## Cyprus crisis

Property in Cyprus was regarded as a risky investment even before the current banking crisis with the latest index compiled by the Royal Institution of Chartered Surveyors showing that there has been a sharp reduction in sales, prices and rents.

The RICS index, which tracks property and rental prices across all districts and main property types, shows that in the fourth quarter of 2012 the property market bore the consequences of the slowdown in the economy, the increase in unemployment and the on-going turbulence in the banking and financial sectors.

Indeed, year on year GDP contracted by 3.3%, unemployment rose by 14.7% and there was a pronounced slowdown in mortgage and corporate lending.

RICS says that there was a dearth of investment transactions during the second half of 2012.

The Property Price Index has recorded significant falls across Cyprus' major urban areas, with prices and rents falling across all districts. Residential prices for both houses and apartments fell by 1.1% and 3.1% respectively, with the biggest drop being in Famagusta, where apartment prices fell 7%, and Limassol where house prices fell by 2.5%.

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