

REIANEWS

ISSUE 27: SEPTEMBER 2013



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Mr Peter Bushby
REIA President

PRESIDENT'S REPORT



WELCOME FROM REIA'S PRESIDENT

It's September already and Spring is traditionally a busy time for real estate with the warmer weather bringing more interest to the market.

Tony Abbott is Prime Minister and his new ministry has been unveiled (see *Political News* in this edition). REIA welcomes Bruce Billson as Small Business Minister but as REIA News goes to print, we are awaiting the Administrative Arrangements Orders of Ministerial responsibility. Housing is likely to go to Kevin Andrews, who is also in Cabinet. Stay tuned.

REIA's Decision RIS **Vote 'No'** response document is winging its way across the country in what has been REIA's most hard fought campaign to date.

The recently released *Decision Regulation Impact Statement* (DRIS) is totally inadequate and fails to comprehend the responsibilities of agents and agents' representatives and the integral role played by Continuing Professional Development (CPD).

Under the National Licensing Steering Committee's proposal, consumers in Western Australia, NSW, Tasmania and the ACT would lose the benefit of mandated CPD, leaving agents to grapple with complex legislative changes.

Consumers in Western Australia, the Northern Territory, Tasmania and South Australia would face a lowering of educational qualifications of an agent from diploma to certificate IV and consumers in Queensland would face the lowering of entry level training of agents from 7 to 4 units of competency.

In Victoria, as elsewhere, there is no economic benefit to the changes, just extra costs for small businesses. Regulatory red tape will strangle the real estate sector by increasing the licence categories from 1 to 4.

Put on top of this the unsatisfactory consultation process, the lack of consideration of the various conduct regulations, the inclusion of Real Estate with trades, and the fact that the newly created National Occupational Licensing Authority (NOLA) is another costly layer of bureaucracy, and you get the picture!

REIA is urging all jurisdictional Treasurers to **Vote 'No'** at the upcoming Standing Council on Federal Financial Relations.

The full version of REIA's **Vote 'No'** DRIS response is available at www.reia.com.au

Mr Peter Bushby
REIA PRESIDENT



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NATIONAL LICENSING

Last month I provided an update on national licensing for the real estate profession. REIA was extremely disappointed that the proposal, as contained in the Decision Regulation Impact Statement (DRIS), still failed to have a proper understanding of the industry, the work undertaken and the skills required.

Since the release of the DRIS in July, the state and territory Real Estate Institutes have been delivering the message to each jurisdictional government that the proposal in the DRIS should not be supported.

With the final decision on national licensing for the real estate profession is expected to be made at the November meeting of the Standing Council on Federal Financial Relations (the jurisdictional Treasurers), REIA has produced a *Vote 'No'* document in response to the DRIS. The document is available at www.reia.com.au.

In urging the Treasurers to vote down the current proposal, REIA notes that the Decision RIS:

- fails to understand the importance of consumer protection and the integral role played by Continuing Professional Development (CPD);
- fails to comprehend the responsibilities of agents' and agents' representatives in proposing educational qualifications
- overestimates the productivity benefits of increased mobility;
- fails to appropriately estimate the transaction costs of

jurisdictions in transferring over to a national scheme;

- fails to include an age requirement;
- irrationally separates 'licensing' and 'conduct harmonisation'; and
- requires states and territories to remove regulatory schemes, that stakeholders are broadly happy with, for relatively very small benefits.

Whilst an attempt is made in the DRIS to capture some of the costs borne by some participants when complying with current licensing laws, there is no attempt to quantify the cost to consumers flowing from removing the consumer protection elements that are in force in some states and territories. The Decision RIS merely says there can be an impact on consumer outcomes, which can lead to the "changes in consumer protection outcomes, or changes in the availability of services for consumers which are difficult to be easily quantified" and so, no attempt was made.

REIA believes that CPD is an important element in ensuring that consumers are protected, through facilitating a culture where

continued learning is encouraged and a structure exists through which changes in legislation or recognised best practice can be conveniently communicated to licensed agents. This contrasts with the relatively haphazard 'as required' approach, which is the stated preference of the Decision RIS. No robust evidence was provided to support the belief that CPD should be discarded.

REIA believes that national licensing should not proceed until the costs of removing the consumer protection inherent in the CPD schemes operating in those jurisdictions where those schemes are mandated, have been properly calculated.

The most common reason advanced for national licensing is the capacity to allow labour to move around the country in response to opportunities in the market place. The Consultation RIS admits that the benefits from improved labour mobility are difficult to quantify.

Further, it now appears that the estimate made was for all the first tranche occupation groups and thus grossly overestimates the benefit for the property profession. REIA

finds it very disappointing that such an error could end up influencing a decision on national licensing.

REIA remains of the view that a national real estate profession will only be developed where both conduct and licensing requirements are the same. The Decision RIS does not establish the grounds to say that licensing matters should proceed immediately without development of a consistent set of conduct provisions. REIA is of the view that national property licensing, if it goes ahead, should be developed holistically by officers with experience in the development of regulation for the property industry.

The DRIS estimates that the ongoing net benefit of the proposed reforms is around 1% of the revenue generated by the sector. For this miniscule benefit:

- consumers in Western Australia, the Northern Territory, Tasmania and South Australia will face a lowering of educational qualifications of an agent from diploma level to certificate IV;
- consumers in Western Australia, NSW, Tasmania and the ACT will lose the benefit of CPD; whilst

- Victoria will lose regulations that require agents to hold a single licence – something that jurisdiction values; and
- consumers in Queensland face the lowering of entry level training from 7 to 4 units of competency.

Whilst the benefits are limited, it should also be noted that there are errors in the analysis that have lead to an overestimation of the benefits in the first instance.

For the above reasons, REIA has concluded that the proposed national reforms are nothing more than a solution looking for a problem and that the analysis of the DRIS does not support the proposition that the proposal offers a net benefit to the community.

REIA thus recommends that the Standing Council on Federal Financial Relations (SCFFR) votes to reject this version of national licensing of the property profession.



NEW MINISTER FOR
SMALL BUSINESS

BRUCE BILLSON

After four years as the shadow small business spokesman, Bruce Billson says he is ready to hit the ground running in his new job.

Billson has policies to implement, particularly around red tape reduction. He wants to push through legislation that would shift the responsibility to administering the existing scheme from small businesses to the public service.

Despite the prospect of a difficult Senate, Billson is hopeful small business changes may get a clear run.

"I want to put business back into small business".

ABOUT BRUCE BILLSON

After Monterey High School and the Royal Melbourne Institute of Technology, Bruce Billson was Manager of Corporate Development, for the Shire of Hastings, a Ministerial Adviser to the Victorian Minister for Natural Resources, and policy adviser to the Shadow Minister for the Environment, Senator Rod Kemp, before entering politics in 1996.

In 2007, he was appointed Shadow Minister for Broadband, Communications and the Digital Economy. In 2009, he was appointed as the Shadow Minister for Sustainable Development and Cities and after the 2010 election he was appointed Shadow Minister for Small Business, Competition Policy and Consumer Affairs.

Bruce Billson is married to Kate and has four children: Alexander, Zoe, Madeline and Isabella.

This article is brought to you by REIA
Chief Executive Officer, Amanda Lynch



NEW COLOMBO PLAN

The REIA CEO Amanda Lynch was invited to participate in a New Colombo Plan roundtable hosted by the Foreign Affairs Minister and deputy Prime Minister, the Hon Julie Bishop, in Sydney on Tuesday August 27. The Abbott Government has committed to developing a plan to enhance the Asia-Pacific cultural awareness of Australian undergraduates by building links with businesses in the region to offer internships and mentoring. \$100 million over a 5-year period has been promised. At the meeting, REIA emphasised the links we have in the region through our relationships with FIABCI and NAR and our interest in being involved in further consultation on the Plan.

A pilot of the program, which would include Indonesia, Singapore, Japan and Hong Kong, would begin next year and a full



New Colombo Plan roundtable Chair, Kevin McCann AM and REIA CEO, Amanda Lynch

scheme would commence in 2015, according to the press release.

The Steering Group established by the Coalition comprises Mr Kevin McCann AM (Chair), Professor Sandra Harding, James Cook University, Chair of Universities Australia, as Deputy Chair.

Details of the steering committee:

<http://www.mrcltd.org.au/news/item/steering-group-formed-for-new-colombo-plan>



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NEW AFFILIATE MEMBER

LJ HOOKER



The Real Estate Institute of Australia (REIA) is excited to announce LJ Hooker has joined its Affiliates' Council.

REIA CEO, Ms Amanda Lynch says, "REIA's Affiliate members have alignment with the leading industry association for Australia's real estate profession, benefiting from REIA's advocacy on their behalf and through our strong relationship with national media."

LJ Hooker joins First National Real Estate, Professionals Real Estate Group and Estate Agents Co-operative as REIA Affiliates.

LJ Hooker CEO Georg Chmiel says, "In Australia, LJ Hooker comprises 550 offices and 2,500 agents. With the national licensing debate gathering steam it's important that LJ Hooker as a group has an

opportunity to be part of these discussions and be represented by REIA via the Affiliates' Council."

"We're pleased to be a founding member of REIA's Affiliates' Council and we're looking forward to being an integral member, working together to advance and promote the industry for real estate specialists and customers alike," said Mr Chmiel.

"The Affiliates' Council has already made some significant policy inroads on issues such as clarification with Safe Work Australia on occupational health and safety requirements, the Franchising Review, tax reform and offering support to REIA on its campaign against the 'dumbing down' of the real estate profession under the national licensing proposals," concluded Ms Lynch.



LJ Hooker CEO Georg Chmiel

How confident do you feel about the future?

New survey reveals modest confidence levels amongst Australian small businesses.

In a recent survey conducted by Aon, small businesses expect to see their revenues increase 2% over the coming 12 months, however they also expect their costs to increase 4% against prior year.

Aon have launched the Aon Confidence Index, which allows you to compare yourself to others in your industry.



Take part in the Index for the opportunity to

WIN \$5,000 for your business

Visit

aon.com.au/confidence

Sam Small HQ

Aon have recently launched the Sam Small HQ, a new area on their site designed to help small businesses better understand their insurance.

Following research conducted with over 4,000 small businesses, Aon identified that small businesses would value:

- > Insurance claims guides
- > Insurance product guides
- > Frequently asked questions
- > Monthly success stories from other small business on how they grew their business.

To find out more, visit
aon.com.au/samsmall



This article is brought to you by REIA
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BUYING A NEW HOME WITH YOUR SUPER



The primary purpose of the superannuation scheme is to provide members with financial resources and other benefits during retirement. However, the scheme also has the potential to offer a benefit that could be enjoyed before reaching retirement age – assistance with buying a home.

Superannuation is the most important financial asset component of Australian households. Indeed, with 82.1% of all Australian households holding at least some savings in their superannuation account and the average value across all households at \$142,429 (HILDA Survey), access to these sources could reverse the current trend of declining home ownership.

The Real Estate Institute of Australia (REIA) has been advocating to the Commonwealth Government to establish a scheme to encourage young

Australians to contribute to voluntary superannuation, by allowing access to their resources for the purpose of raising a deposit for a first home.

Despite the proven success of similar schemes in Canada, Singapore and New Zealand, some commentators argue that such initiatives take away from one's own future financial security.

Analysis of the latest Australian Bureau of Statistics' Housing and Occupancy Costs Survey reaffirms the importance of home ownership for older Australians. In 2011-12, older households had the highest proportion of home owners without a mortgage (76.3%) and the lowest proportion of private renters (7.4%). Due to high rates of home ownership, older households spend a lower proportion of their gross income on housing costs compared with younger households.

In 2011–12, older households spent from 7%–8% of their gross income on housing costs compared with 14% for all households. Households with someone aged 65 to 74 years who owned their home outright in 2011-12, spent only 3% of their gross income on housing. For older Australian mortgage holders, the figure was 17% however the situation was markedly tougher for older renters.

The table below shows that in 2011-12, older households living in rental accommodation face real housing affordability problems spending almost a third of their gross income on housing. Older renters spent the largest proportion of their gross income on housing costs compared to households of any age group or tenure type.

Housing costs by tenure and landlord type and age of reference person, %

	15-24 years old	25-34 years old	35-44 years old	45-54 years old	55-64 years old	65-74 years old	75 and over	All households
Owner without a mortgage	1	2	2	2	2	3	4	3
Owner with a mortgage	21	21	19	16	14	17	15	18
Renter, state/territory housing authority	20	17	16	19	21	23	24	19
Renter, private landlord	23	19	20	19	22	29	33	20
Total renter	23	19	20	19	22	28	28	20
All types of tenure	21	19	18	13	10	8	7	14

Source: ABS, Housing Occupancy and Costs, 2011-12

» *article continues*

In New Zealand, KiwiSaver is a voluntary, work-based saving initiative to help New Zealanders with their long-term saving for retirement. KiwiSaver members choose to contribute 3%, 4% or 8% of their before-tax pay and the employer is required to pay 3%.

The initiative has two features to help New Zealanders get into the property market:

- KiwiSaver home purchase withdrawal scheme, and
- KiwiSaver home deposit subsidy scheme.

Both of these features of KiwiSaver can also be used to help with the overall deposit when buying land to build a first home on. Furthermore, if a person has previously owned a home but is currently in a similar financial position to a first home buyer, they may still may be eligible for both features.

Both the schemes have proven successful. According to New Zealand Housing Minister Nick Smith, in the year to March, KiwiSaver enabled 10,733 New Zealanders to put down a deposit on their first home. That is up from 5,737 in 2012 and 1,274 in 2011. The withdrawal savings for first home buyers totalled \$120.2 million in 2013, up from \$57.2 million in 2012 and \$12.3 million in 2011.

REIA calls for the Australian Government to be encouraged by the positive results achieved in Canada, Singapore and New Zealand.

Below are outlines of the two schemes.

First Home Withdrawal

- If you have been a member of KiwiSaver for at least three years (regardless of whether or not you have been contributing), you may be able to withdraw all, or part, of your savings to put towards buying your first home.
- Your individual contributions, your employer contributions and any investment returns make the amount you are entitled to withdraw.
- Government contributions are not paid out in the first home withdrawal.
- Home will be your primary residence. Withdrawal cannot be used to buy an investment property.
- Additional requirements for those who have previously owned home.

First Home Subsidy*

- After three years of contributing to KiwiSaver you may be entitled to the deposit subsidy. You have to contribute at least the minimum percentage of your income, currently 3%.
- The subsidy is \$1,000 for each year of contribution to the scheme (\$3,000 for three years of contributing, \$4,000 for four years of contributing and \$5,000 for five years of contributing).
- The minimum you can get is \$3,000; the maximum you can get is \$5,000.
- You can use the deposit subsidy if you are buying a house, or a land to buy your first home. House price caps apply.
- The subsidy will be paid to your solicitor on settlement day.
- Home will be your primary residence. If you move out before six months, you will be required to pay the subsidy back.
- You can only receive the subsidy once.
- Additional requirements for those who have previously owned home.

* New Zealand Government has recently announced changes to the KiwiSaver Deposit Subsidy that will come into effect on 1 October this year. The changes include new house price thresholds (house caps), new income caps, and a 10% deposit.

FIABCI AUSTRALIA REPORT



Chris McGregor

- The exciting news is that our new World President Flávio Gonzaga B. Nunes from Brazil attended the Real Estate Institute of Victoria's Conference held at the Crown Conference Centre on the 10th and 11th of September – a great opportunity for delegates attending the Conference to meet him.

REIA President, Peter Bushby personally thanked Mr Nunes for his visit and invited him to return to Australia soon.

- World President Elect Robyn Waters and Vice Presidents John Garland and John Sexton have just returned from the Asia Pacific Real Estate Congress (APREC) that was held in Singapore and will report on that in the next issue of REIA News.

We held a teleconference last week with the FIABCI committee and REIA discussing the potential Congress in Australia. More on that to come.



*FIABCI World President
Flávio Gonzaga B. Nunes*

REPORTS FROM TAICHUNG

At the last FIABCI World Congress in Taichung, the past World President Judy Shenefield reviewed the highlights of her term of office, including her extensive travel visiting chapters around the world, the re-launch of the FIREC and the imminent launch of Global 1 and 11 online courses.

Work is also progressing on the development of a new web platform and guidelines have been developed for the granting of the FIABCI-Diploma by Academic Members. An Associate membership plan has been approved for Academic Members and the Scholarship Foundation has continued to provide grants to both students and institutions. These actions will work to boost the membership numbers and strengthen the presence of Young Members in FIABCI – a key factor for the future.

The Prix d'Excellence continues to grow and develop under the expert guidance of the Asia-Pacific Regional Secretariat, administrators of the Prix. Eighty-one entries were accepted in this year's Prix d'Excellence. Sixty-eight judges from 35 countries participated in the judging process including REIA President Peter Bushby, Robyn Waters and yours truly.

FIABCI continues to play an active role in dealing with property issues around the world. Medals of Honour were awarded to the following people who have provided exceptional service and dedication to FIABCI:

- Robyn Waters (Australia)
- Steve Podolsky (USA)
- Terry Dunkin (USA)
- Randy Williams (USA)
- Lily Chang Lee (Taiwan)
- Patricia Delaney (Secretary General)

MEMBER DIRECTORY

The new member directory has now been sent to all members worldwide along with the Membership Certificates. I encourage members to update their profiles on www.fiabci.org

ELECTIONS

As you are aware, Robyn Waters from Victoria has been elected President elect for 2014-2015. She will take the chair at the 65th FIABCI World Congress to be held in Luxemburg, 17–22 May 2014. It would be tremendous to get as many Australians to this Congress as possible to show our support. This will be a huge honour for Australia.

Past World President, Ireland's Laurence McCabe was commended for his work, high standards, professionalism, loyalty and friendship to all FIABCI members over the years. Laurence joined FIABCI in May 1963.

Chris McGregor

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NAR LIAISON REPORT



Michael Wellsmore



Realtor Association, Washington DC



NAR 2013 conference

The relationship with the National Association of Realtors (NAR) continues to strengthen with the US and Oz seeking to develop opportunities in various areas and in particular, in education. However, unless there is a strategy to deliver the US courses here or there is a way of “Australianising” the NAR US courses, then it could all be somewhat academic. As a result, I’ll visit the NAR headquarters in Chicago and Washington during a trip to the US in November and meet with the relevant people to see what can be developed. Of course I’ll also be exploring what we can provide to the US, that they may benefit from.

The November trip starts with the NAR national conference in San Francisco. I attended my first NAR conference in 1973 and I am sure that any of the Australian agents who have attended one of these events over the years would have found them impressive and very motivational. In addition to the many seminars and presentations on the latest developments in real estate practice, there’ll be an expo of technical aids and products for agents, the likes of which you can only get at NAR.

President of NAR, Gary Thomas and a group from NAR were in Australia earlier this year to attend the REIA National Awards for Excellence at

Parliament House and Gary is looking forward to seeing a large contingent of Australian agents in San Francisco from 8-11 November. I suggest you check out the personalised invitation videos here:

<https://www.youtube.com/watch?v=BvMe635kQas&feature=c4-overview&list=UUQYNT58KMjbPcg1eXnUAE0w>

General details on the conference and how to register can be found here:

<http://www.realtor.org/convention.nsf/>

And more specific data on the daily program schedule can be accessed here:

<http://www.realtor.org/educsess.nsf/ProgramsByDateAll?OpenForm>

» *article continues*

A recent article on the growing relationship with NAR prompted this response to the REIA President, Peter Bushby, from someone with a long history of attending NAR conferences:

Peter,

I commend you on this initiative which strengthens the relationship with NAR. I am not sure that you are aware that my father Frank Sheehan lead the first, Real Estate and Stock Institute of Australia (RESI Aust) Study Tour to the US. The tour attended the 1962 Chicago Convention of the National Association of Real Estate Boards (then known as NAREB), the predecessor to the National Association of Realtors.

He and his merry band of real estate colleagues (including Barry Waters) valued the experience so much that they repeated the Study Tour again in 1964 with a larger Australian contingent. Since those days, thousands of Australians have gained so much by attending National Conventions throughout the United States and undertaking specialised courses of study that are offered so expertly by NAR.

Kevin Sheehan

In addition there's an event for international visitors held on the evening of Thursday the 7th of November. REINT's Quentin Killian and I will be in San Francisco assisting Australians to familiarise themselves with the format and size of a NAR conference.

NAR specifically asked if REIA could provide a presentation on how auctions are conducted in Australia. It seems the US delegation who were here earlier this year were impressed with how we handled the auctioning of property "down under", so Quentin will be handling

this presentation and I think that the Americans are in for a great learning experience. Directly following the conference, the Global Business Committee is hosting a "Get to Know Las Vegas" trade mission, which would be a terrific way to wrap up your stay.

This could be the opportunity that you need to get ahead of the competition in your region. Quentin and I certainly look forward to meeting you in San Francisco in November and I know that our American friends are looking forward to returning the hospitality that they enjoyed during their visit to Australia earlier this year.

Kindest Regards

Michael Wellsmore

REIA PRESIDENTIAL LIASON TO NAR

INDUSTRY UPDATE

Industry news from around Australia



Which generation has had it easier in the property market?

The Baby Boomers, who have generated about a third of house price growth over the past 40 years?

Or Generation Y, which has the bonus of first home buyer grants and flexible house and land packages?

In 1978, when a Baby Boomer aged 60 would have been 25, the median house price in Brisbane was \$29,500.

Since then, the median house price has increased to \$515,000.

LandMark White Research has compiled raw figures comparing the property market in 1978 to the market in 2012.

- In 1978, the average annual wage was \$10,869.
- In 2012, the average annual wage was \$69,992.
- In 1978, the Baby Boomer couples were putting 22% of their (usually just one) wage towards a mortgage.
- In 2012, Generation Y couples were parting with 56% of their (usually two) incomes to service a mortgage.

That's based on the raw figures alone.

Real Estate Institute of Queensland chief executive Anton Kardash said the challenge of homeownership was just as difficult for both generations, but for different reasons.

"The challenge was as difficult, the hurdle was as great, as it is today," he said.

"But the pressures that we faced back then are different to the ones people face today."

brisbanetimes.com.au

Fraud

A man has been arrested in Nigeria over the attempted fraudulent sale of a home in Western Australia, in what is believed to be the first arrest of its kind by Australian authorities.

WA Police worked with Consumer Protection and a real estate agent over eight months to intercept the sale of the house in Falcon, south of Perth. The owners of the home are based in South Africa.

Police allege the attempted fraud began when a man contacted the property manager of a Mandurah real estate agency pretending to be the owner of a home being managed by the agency and requested documents relating to the rented property.

He allegedly used an email address in the name of one of the real owners, who is a resident of Johannesburg, and requested all future correspondence be forwarded to it.

A month later, the agency received a request to sell the property and a sales agreement with false signatures was returned to the agent, together with copies of fake passports of the two owners, a husband and wife, as well as a forged document purporting to be from the Australian High Commission in Pretoria confirming their identity.

The agent became suspicious and reported the attempted fraud to authorities. In conjunction with the police, the agency engaged with the alleged offender – at one stage instructions were given to deposit \$AU785,000 into a bank account in South East Asia.

A recycled million

A house made almost entirely of recycled materials has sold for \$1.27 million after its savvy owner converted a plain two-bedder into a four-bedroom masterpiece.

Electrical engineer Paul Young poured his heart and soul into the project, at 59 Binalong Ave, Allambie Heights, after buying it as a pole house in 1990.

The materials used included floorboards from a Caringbah hospital, rendered walls made with Kempsey mud, landscaping materials from several tips and even a Pittwater wharf post, now supporting a staircase.

The final result earned Mr Young a tidy profit.

"I spent about half a million on the renovations, on top of the \$210,000 I paid for it back in 1990," he said.

Herald Sun

Cost of Living Report

The Western Australian Council of Social Service has launched its 2013 *Cost of Living Report*.

"The evidence is quite clear that only those households on low and fixed incomes (such as those relying on income support, the minimum wage or low-skilled part-time and casual work) have seen their basic living costs going up faster than their incomes. Middle income families on average or above average wages have seen their pay packets grow faster than their essential living costs."

The report models three representative low income household types (a single parent household combining part-time work and income support, a two-parent working family mixing full-time and part-time low-skilled work, and an unemployed single in shared housing) to measure each household's capacity to meet a basic living standard and how it's net weekly position has changed over time.

- Housing is the major weekly expense for each of our households, accounting for between 29% and 45% of weekly income.
- The 8.6% increase in rental costs accounted for between 61% and 74% of the total rise in living costs.
- The lack of affordable housing for low incomes is the single biggest driver of financial hardship.
- While utility costs rose faster (at around 12-13%) they account for only around 4-5% of weekly expenditure overall.

Click to download the [2013 Cost of Living Report](#).

MAKING NEWS

General national news



Great Australian dream

The Co-op Future Leaders Index White Paper is a comprehensive sentiment index that analysed the opinions of over 2,000 university students, aged between 17-29 years old, to uncover the needs and aspirations of the nation's future leaders.

The paper found that the Great Australian Dream is still alive with over 9 in 10 (94%) surveyed stating they still plan to buy a house/flat/apartment and over 7 in 10 (72%) believe home ownership is as important to them as it was to their parents.

Of surveyed, 80% agreed that because of the high cost of houses, many would never own their own home outright. More than three quarters (77%) disagreed there was no point in buying a house in the next five years because prices would come down.

Generation Y not only is acutely aware of the major issues of unaffordability of housing going forward, but is also clearly confident that even if they don't ever own their own home, they still believe it's a good and safe financial idea, long term.

Businesses clue in to the benefits of recycling

Recycling and reducing waste at work is becoming increasingly appealing to keep disposal costs steady in the long term, and to give clients one more thing to smile about.

According to recent figures, 46% of Australia's commercial waste is sent to landfill, at a cost of \$1.4bn. Collectively, businesses are spending 1.75 times as much on landfill as they are on recycling. The 5.7 million tonnes of landfill waste from businesses around the country represents a real lost opportunity. BusinessRecycling.com.au receives hundreds of thousands of visits each year from organisations looking to support a smarter approach to waste. As well as acting as a searchable recycling database,

the site provides promotional material, bin signage, and guidance to help workplaces use resources even more efficiently.

From the latest commercial waste study conducted by Department of Sustainability, Environment, Water, Population and Communities:

- While businesses are excellent at recycling most metals, glass and cardboard (>70%), otherwise recyclable materials such as food and other organics are only recycled 22% and 33% of the time respectively, while less than 14% of all plastics are recycled.
- Manufacturing, food and beverage services, and non-food retail stores generate the greatest amount of total waste by far – 8 million tonnes annually. However the real estate, education and healthcare, and social assistance industries are sending the greatest proportion of their waste to landfill, recycling as little as 9% of their total waste.
- Finding local recycling providers and services is as easy as entering your location and the material you want to recycle. The site has grown to become Australia's most comprehensive free database helping businesses recycle.

Planet Ark's BusinessRecycling.com.au.

Marvellous Melbourne

Melbourne is the most livable city for the third year running, followed by Vienna and Vancouver.

The past five years have seen global livability slip. The Arab Spring has been most influential in pushing down global livability, but unrest in Europe and China has also contributed.

According to the latest findings of *The Economist's* Intelligence Unit's Global Livability Ranking, which provides scores for lifestyle challenges in 140 cities worldwide, since 2008 livability across

the world has fallen by 0.6%, led by a 1.3% fall in the score for stability and safety.

Melbourne tops the ranking for the third year running, however, this apparent stability hides longer-term trends that become apparent when taking a five-year view. Only 28 cities of the 140 surveyed have registered changes in the last 12 months, but 86 cities have experienced a change in livability over the past five years. Of these, just 30 have seen an improvement in scores, while 56 have seen livability levels declining.

Online shopping

According to Australian Business Consulting and Solutions, five trends accelerate the migration of customers to the convenience and personalisation of online shopping.

Five technology trends shaking up Australian commerce:

1. Smartphone/tablet explosion – Browsing on smartphones and tablets expected to overtake desktops and laptops for the first time this year.
2. Augmented reality – Where digital meets the physical world. Examples include Google glasses that provide real time information on what you are seeing or 3D modeling of your dimensions to try on digital clothing for size and look before you buy it.
3. Interactive and personalised advertising/marketing – Using historic data such as search and purchasing history to tailor and personalise advertising to consumers.
4. Online shopping shipping – Ending the Achilles heel of online shopping by providing 24/7 access to goods purchased online through 'collection lockers.'
5. Digital identities – Emergence of a single sign-on technology to access secure areas and confirm identity, ending the need for multiple usernames and passwords.

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

POLITICAL WATCH

Information and news from government



New Cabinet

Prime minister-elect Tony Abbott has named his first ministry, with promotions for Mathias Cormann, Michaelia Cash, Fiona Nash and Marise Payne, but few big surprises. Mr Abbott's cabinet will also include just one woman in Foreign Affairs Minister Julie Bishop.

Tony Abbott (NSW) - Prime Minister

Warren Truss (Qld) - Deputy Prime Minister; Infrastructure and Regional Development, Leader of the Nationals

Julie Bishop (WA) - Foreign Affairs; Deputy Leader of the Liberal Party

Eric Abetz (Tas) - Employment; assisting the Prime Minister on the Public Service; Leader of the Government in the Senate

George Brandis (Qld) - Attorney-General; Arts; Deputy Leader of the Government in the Senate

Joe Hockey (NSW) - Treasurer

Barnaby Joyce (NSW) - Agriculture

Christopher Pyne (SA) - Education; Leader of the House

Nigel Scullion (NT) - Indigenous Affairs

Ian Macfarlane (Qld) - Industry

Kevin Andrews (Vic) - Social Services

Malcolm Turnbull (NSW) - Communications

Peter Dutton (Qld) - Health; Sport

Bruce Billson (Vic) - Small Business

Andrew Robb (Vic) - Trade and Investment

David Johnston (WA) - Defence

Greg Hunt (Vic) - Environment

Scott Morrison (NSW) - Immigration and Border Protection

Mathias Cormann (WA) - Finance

SMH

NT Housing

The NT Country Liberals Government has a simple and smart recipe for housing availability and is getting on with it, says the Minister for Housing Peter Chandler.

"As promised we are releasing land for development to get building under way and increase the supply of homes. As more houses and rentals go on to the market the heat will go out of rising prices and improve the cost of living for Territorians."

"We have already identified more than 70 sites throughout the Territory that have room for over 2700 homes."

"This government land will come to the market quickly; it has already been developed with power, water and sewer lines to the sites."

"Are developers, investors and builders excited? You bet. The phones are ringing. We are well on the way to developing the first thousand."

NSW Population

The population of NSW will rise by two million people by 2031 according to new figures which underline the need for a new planning system to better cater for this growth.

The State-wide and local area projections released by the Department of Planning and Infrastructure represent the first new figures in three years.

Continuing high birth numbers and overseas migration will combine to lift Sydney's population from 4.3 million to 5.8 million and the State's from 7.2 million to 9.2 million in the 20 years to 2031.

In particular, Sydney's growth is accelerating, with its overall population expected to be 200,000 higher in 2031 than was predicted three years ago.

The projections are future assumptions on population change based on births, deaths and migration data from the Australian Bureau of Statistics (ABS), the Department of Immigration and Citizenship and NSW Health.

They will be updated next year following the release of revised ABS data on 30 August and other ABS population statistics over the next few months.

The new figures also show significant changes in the community's make-up which means the planning system needs to be able to provide a range of housing choices. For instance, the number of elderly residents in the 65 and older age group is expected to grow by 78 per cent by 2031 – the strongest growth of any age group in the State.

ACT Land Rent

The ACT Government has introduced a security payment for the land rent scheme to discourage land speculation and make sure that land sold by the Land Development Agency goes to those people who are genuinely interested in building a home.

The land rent scheme lets a person lease the land rent block of land on an ongoing basis by paying a percentage of the value of the land. This reduces the entry costs and mortgage payments for homeowners.

A person can also choose to purchase the land outright from the Government at a later date. The benefit of the scheme is to enable people to buy a home sooner by reducing borrowing costs from banks, allowing people to save to buy the land outright in the future while paying land rent.

THE WORLD

Property news from around the world



Japan

Japan's housing recovery is one of the least-celebrated aspects of "Abenomics", the prime minister's campaign to reanimate the world's third-largest economy, where discussion often focuses on the boost to exporters of a weaker yen, or consumption unlocked by higher stock prices.

But since the end of last year, when Shinzo Abe swept to power, activity has spread from the capital into big cities such as Osaka and Nagoya. Buyers have been spurred into action by the low cost of borrowing and a growing sense that prices have no further to fall after years of almost uninterrupted declines.

"I definitely wanted to buy before interest rates go up," says Masayuki Osada, a 33-year-old executive in a property management company, who took a ¥34m floating-rate loan in April to buy a ¥40m flat in Minami-Senju in northeast Tokyo.

Such properties typically offer a rental yield of 3 to 4 per cent, say brokers, giving buyers a solid buffer against potential rate rises.

In the upmarket Tokyo districts of Azabu, Akasaka and Aoyama – marketed overseas as "the three As" – buyers from Singapore, Hong Kong and Taiwan are particularly active, say agents, drawn by prices between 40 per cent and 70 per cent lower than similar units back home.

"This is not a boom," says Mr Yamamoto. "There is a lot more room to recover."

China

So much for cooling the market. China Vanke, China's largest listed property developer, said it pulled in a record 11.9 billion yuan (RM5.45 billion) in sales last month.

Sales in Shenzhen soared by 84%, in Guangzhou they were up 56%, and

there were steep rises in Shanghai (31%) and Beijing (23%).

Two Hong Kong-listed China developers said combined sales for August were close to 10 billion yuan.

The renewed boom has prompted fears that Beijing may be lining up new austerity measures.

The rising sales belie fears that the world's second-biggest economy is slowing due to tighter lending to the real estate sector. Ironically, earlier cooling measures may have had the unintended effect of boosting sales by making homes more affordable.

"This may trigger the introduction of stricter enforcement of existing measures," said Lee Wee-liat, regional property research head at Samsung Securities. "If prices continue to grow, the government may introduce a property tax in one or two cities or even tighten credit conditions for developers as a way to reduce the asset bubble."

Surging prices – which threatened to put property out of the reach of the growing middle class – forced the central government to introduce a series of cooling measures in April.

Home values in the biggest cities soared last year, with prices in Shenzhen surging 95%, Beijing rising 88%, Shanghai 43% and Guangzhou 41%.

Packer online

James Packer has emerged with a 6.6 per cent stake in booming real estate website Zillow, the so-called REA Group of the US, and believes the group has massive growth potential.

Mr Packer was introduced to the opportunity by Sydney investor Will Vicars, Caledonia Investments' chief investment officer and a director of upmarket retail group Oron.

Caledonia is Zillow's largest shareholder with a 16.05 per cent stake in the company.

Mr Packer is said to have 6.6 per cent of the NASDAQ-listed, Seattle-based company personally on a fully diluted basis, representing \$3 million of the 45 million shares on issue.

The Australian

Venezuela

With an unstable political regime and a history of seizing private property, Venezuela would seem an unlikely place for U.S. companies to buy commercial real estate.

Yet companies have been snapping up office buildings there.

The reason: A Venezuelan ban on money leaving the country has stuck foreign companies with no way to get their cash home. As accelerating inflation and the threat of currency devaluations risk eroding the value of cash holdings, companies increasingly see real estate as the best place to park their money.

"The risk of losing hard-earned profits has made the companies take creative steps," says Rubén González, a senior partner at real-estate firm Binswanger Venezuela. "Real estate that maintains its value is the preferred option."

And in a twist peculiar to controlled economies like Venezuela's, a disparity between the official and actual exchange rates promises to raise the value of the properties.

While the deals illustrate the bind for profitable foreign companies here, the purchases have fueled a property miniboom in this otherwise neglected capital and elsewhere in Venezuela.

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