

REIA NEWS

ISSUE 31: FEBRUARY 2014



REAL ESTATE
INSTITUTE OF
AUSTRALIA

PRE BUDGET
SUBMISSION
2014/15

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INFORMATION.



Mr Peter Bushby
REIA President

PRESIDENT'S REPORT



WELCOME FROM REIA'S PRESIDENT

Welcome to the first issue of REIA News for 2014.

All the hard work, determination and sensible argument finally paid off late last year when we were victorious in the fight against a sub-standard model of national licensing. I cannot tell you how proud I was of REIA, all REIs and their members for keeping the faith and using the power of a united front against the National Occupation Licensing Authority proposal. Congratulations.

There is always more to strive for though and in this issue, you'll see there's no rest for the wicked as REIA lays out its Pre-Budget Submission for the new Federal Government, focusing on housing affordability and first home buyers.

The News Corp Australia REIA National Awards for Excellence 2014 are approaching fast. I can't stress enough how important it is to book your tickets and accommodation NOW if you want to be at the real estate event of the year. Tickets are selling faster than in any other year and space is running out. The destination has a lot to do with it. As a proud Tasmanian, I can assure you that MONA, Hobart's Museum of Old & New Art is a destination like no other. No one visits MONA and walks away unaffected by its bold, thought provoking and awe inspiring art and architecture. Book [here](#).

Finally, welcome back to our valued sponsors and a hearty welcome aboard to some new ones as well. We couldn't do it without you.

Mr Peter Bushby
REIA PRESIDENT



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This article is brought to you by REIA Manager Policy, Jock Kreitals. Jock can be contacted at jock.kreitals@reia.com.au

REIA CALLS FOR GOVERNMENT TO ACT ON HOUSING AFFORDABILITY



In its [Pre-Budget Submission](#), the Real Estate Institute of Australia (REIA) has urged the Government to act on housing affordability and the rapid decline in the number of first home buyers.

REIA also proposes that the decline in the standards of delivery of vocational education are addressed and that adequate data on the supply/demand imbalance of housing is available for informed decision making by policy makers and stakeholders.

Figure 1 below shows the number of loans to home buyers and the proportion of first home buyers in the housing finance commitments from November 2011 to November 2013. During this period, the number of home loans issued to home buyers increased by 20.5 % while the participation of first home buyers

declined from 20.2% to 12.3% – the lowest level ever recorded by the ABS. This decline is despite eight cuts in the official interest rate since November 2011.

Availability of affordable housing is a goal that is shared by governments and all sectors of the community and it impacts on the functioning of the economy as well as the wellbeing of individuals and the cohesiveness of communities and society.

The Government acknowledged the importance of addressing housing affordability during its pre-election campaign of 2013. The Liberal Party of Australia in its *Our Plan: Real Solutions for All Australians* called for improving housing affordability and supporting housing development and promised to improve housing affordability and encourage high levels of home ownership saying “We will

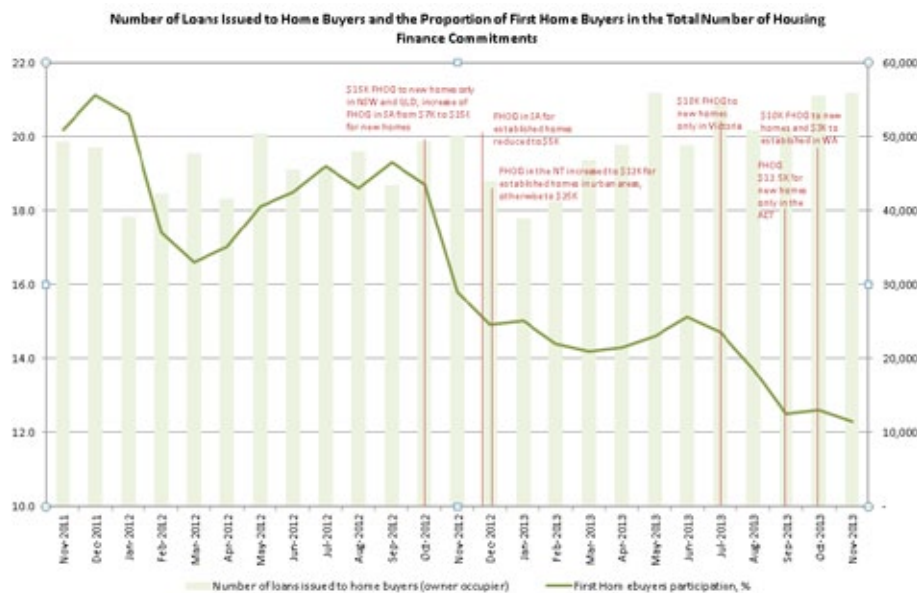
work closely with States and Territories who have primary responsibility for housing to reduce red tape holding up the supply of housing and construction and to increase land release for new homes.”

One of the factors that contributes to increases in house prices and declining affordability is the undersupply of housing. Supply has been unable to keep pace with demand due to constraints on land availability, lengthy planning delays and associated costs of approvals, zoning policies, skill shortages and lower yields stemming from the increased cost of entering the property investment market.

Housing is a complex issue with a number of economic, social and infrastructure factors determining affordability. The substantive causes of the housing affordability problem have been identified to include: prices; the deposit gap for first home buyers; demographic change; insufficient supply of dwellings for both purchase and rental which in itself is attributable to a myriad of factors including taxation; lack of innovation in the building industry; council requirements which generally show a lack of acceptance of low cost housing and lack of diversity of house type as well as protracted and expensive development application processes and importantly, lack of urban infrastructure.

What is needed is for the Federal Government to take a leadership role in developing a coordinated and strategic approach to the provision of housing and ensuring that complementary policies, covering amongst other things first home buyers and taxation, are in place to achieve this.

FIGURE 1





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

COMMONSENSE PREVAILS WITH NATIONAL LICENSING



What a way to end 2013! The decision by COAG to can the proposed National Occupational Licensing Scheme reform in favour of a sensible and workable solution came after a relentless political and media campaign by REIA, the REIs and real estate practitioners.

Australia's 118,000 real estate professionals are thrilled with the decision, which reflects what we have been saying for the last 18 months – that the proposal did not deliver the expected benefits and that there is a better way to achieve them.

From the outset, REIA supported national licensing but objected to a flawed model that dumbed down educational and operational standards for our industry.

We are pleased that the States and Territories have agreed to investigate approaches that will lock in benefits for businesses, consumers and governments and REIA is already holding talks with senior government representatives to maintain the professionalism of the real estate occupations.

REIA applauds Prime Minister Tony Abbott's comments at the COAG press conference that national licensing would be replaced with mutual recognition "without the extraordinary difficulty and just endless process that these national schemes seem inevitably to involve."

"This process has been going for almost a quarter of a century and frankly, we still haven't come to a

landing place. So let's try to do it – let's try to bring about the same outcome in a less cumbersome, less time consuming and ultimately more productive way and I think that's what we're going to now," the Prime Minister said.

The National Occupation Licensing Authority is in the process of being disbanded and REIA welcomes this development, as the Authority represented an additional layer of bureaucracy and a waste of millions of taxpayer dollars.

This month REIA has lodged a submission with the Productivity Commission Study on Geographic Labour Mobility stating that after considering the level of cross-border movement between jurisdictions, and where there is a genuine net public benefit, REIA believes the way forward is to move towards the development of a harmonised set of laws for any relevant profession. This should be underpinned by a rigorous qualifications framework upheld by the Australian Skills Quality Authority.

REIA's Submission to the Productivity Commission re Geographic Mobility Report can be found [here](#).

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REIA President Peter Bushby and REIQ Chairman Rob Honeycombe in Brisbane for the 2014 REIQ Awards for Excellence

NEW REIQ CHAIRMAN

The Real Estate Institute of Queensland (REIQ) Board of Directors has elected a new chairman.

With a successful agency in Brisbane's inner suburbs – Bees Nees City Realty in South Brisbane – Mr Honeycombe has been a real estate salesperson since the age of 21. Formerly from Ayr and Townsville, he founded his own agency in 2006. Mr Honeycombe has completed four years as an REIQ director and his passion is professionalism.

“My main motivation is the professionalism of the real estate sector and as a REIQ director over the past few years we have made further significant inroads into this area,” he said.

“I am honoured to have been elected the REIQ chairman and am looking forward to continuing to assist the Institute through its current transformative phase. I am also excited about helping to create a profession that is an attractive long-term career prospect for a new generation of agents.”

Mr Honeycombe's election comes following the retirement of Pamela Bennett, who was the REIQ chairman for four and a half years and on its board for nearly 15 years. Ms Bennett is a former REIA President.

**REI Super
launches app
for members**



Real Estate Industry Super Fund REI Super has launched an innovative mobile app for members providing even greater service and accessibility to over 30,000 members across Australia.

REI Super CEO Mal Smith says, “I am delighted to announce that the REI Super mobile app has gone live in both the Apple ‘App Store’ for IOS devices and ‘Google Play’ for Android devices.

The REI Super mobile app offers members mobile access to their account, including investment summaries, transaction histories and also provides personal contribution capability. As such we believe this to be a market leading service for our members.

In conjunction with our superior investment returns is our delivery of excellent service and support, which now includes mobile access.

Our members work in real estate and are always on the go. This new feature allows them to access their accounts via smartphone or tablet on the road, anytime, anywhere.”

REI Super members can download the app from the App Store or Google Play for Android devices.

URGENT



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YES NO

Q. Is your super fund free from commissions to financial advisers?

A. No commissions or adviser fees are permitted under MySuper, so more super stays working for retirement, where it should be. REI Super is your MySuper industry super fund.

YES NO

Q. Do you pay your super contributions electronically?

A. Under new super laws, eventually all super contributions must be submitted electronically. REI Super's FREE Employer Online options will save you time and money. We also offer a clearing house: pay multiple super funds in one transaction.

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STAMP DUTY IS NOT AFFORDABLE

The housing sector in Australia contributes nearly \$40 billion in taxation revenue to federal, state and local governments each year, or 11% of the total taxation revenue collected. Despite the fact that stamp duty is widely acknowledged as an inefficient tax, little has been done to ease the pressure from those buying property.

Stamp duty is the tax imposed by state governments on certain contracts, with the amount of tax payable calculated as a percentage of the contract value.

Australia has a long history of inconsistency and complexity in this area with states and territories applying different stamp duty rates and offering different concessions depending on the characteristics of the buyer and the property.

- In NSW, from 1 January 2012, stamp duty concessions are no longer available to first home buyers of established homes.
- The Victorian Government offers eligible first home buyers a duty reduction when they purchase a new or established home. Currently,

This article is brought to you by REIA Research Officer, **Evgeniya Hawthorne**. Evgeniya can be contacted at evgeniya.hawthorne@reia.com.au



the reduction is 40% and it will eventually reach 50%, when it has been completely phased in.

- In Queensland, stamp duty concessions are available to eligible first home buyers of both new and established homes.
- While first home buyers in Tasmania no longer enjoy the \$4,000 concession, the initiative was in place between 20 May 2004 and 17 June 2011.
- In Western Australia, the \$250,000 first home buyer stamp duty relief was increased to \$500,000 on 1 July 2007.
- In the ACT, the stamp duty concession ceased for first home buyers of established homes as of 1 September 2012. Eligible first home buyers can elect to defer payment of the duty.

For the governments of states and territories, stamp duties are the major source of budget revenue. Table 1 (over page) shows revenue from stamp duties on conveyances collected by state and territory governments between 2002/03 and 2011/12.

TABLE 1 Revenue from Stamp Duty Conveyances and Share in the Total Taxation Revenue

State/Territory		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Stamp Duties on Conveyances, \$m	NSW	3,677	3,918	3,282	3,237	4,166	3,938	2,736	3,739	4,045	3,764
	VIC	2,116	2,446	2,337	2,671	2,961	3,706	2,801	3,604	3,910	3,379
	QLD	1,382	1,863	1,728	1,949	2,542	2,912	1,806	1,978	1,933	2,023
	SA	428	578	561	600	721	909	721	784	784	683
	WA	833	1,207	1,218	1,904	2,034	2,243	1,008	1,615	1,039	1,340
	TAS	91	123	131	141	157	197	151	163	145	136
	NT	43	64	73	113	107	112	108	126	102	93
	ACT	174	188	141	170	232	272	196	283	272	239
	All	8,745	10,388	9,472	10,787	12,920	14,289	9,526	12,292	12,229	11,657
Share of Stamp Duties on Conveyances in Total Taxation Revenue, %	NSW	26.0	26.1	21.4	20.3	23.5	21.2	15.3	19.5	19.8	18.2
	VIC	22.7	24.1	22.4	24.5	25.3	28.8	22.2	26.2	26.3	22.5
	QLD	24.7	27.9	24.9	26.4	30.0	30.5	20.3	21.1	19.4	19.1
	SA	17.6	20.6	19.1	20.1	22.4	25.5	20.4	21.5	20.5	17.7
	WA	24.5	29.3	28.2	36.7	35.6	35.4	18.3	26.0	15.9	19.0
	TAS	16.1	19.5	18.9	19.9	21.0	23.7	18.8	18.7	16.9	15.3
	NT	17.4	24.2	24.3	30.0	29.1	28.4	26.7	30.4	25.7	23.1
	ACT	25.4	25.0	19.6	21.4	25.0	26.4	19.3	25.1	21.9	20.2
	All	24.0	25.7	22.7	24.4	26.4	26.9	18.8	22.5	21.0	19.5

Source: ABS Taxation Revenue Australia 2011-12

The Real Estate Institute of Australia (REIA) has been advocating for stamp duties to be abolished. REIA's biggest concern is the damage stamp duties do to housing affordability and labour mobility.

Stamp duties represent additional costs to property transactions, thereby

discouraging turnover of housing and distorting choices between renting and buying and between moving house and renovating. Individuals who move more frequently would pay more taxes than those who move less often. Others, who would have to buy or sell if they changed jobs, could be

deterred by these costs, thus reducing labour mobility. These distortions lead to sub-optimal outcomes, reduce investment in the property market and impede labour mobility.

Stamp duties should be abolished and replaced by an efficient source of revenue for states and territories.

INDUSTRY ARTICLE

HOW ARE YOU GOING TO MAKE A DIFFERENCE IN 2014?



John Goddard

Earlier today I asked a member of our client service team, Cynthia, what she thought would be an interesting topic for REIA News and its many readers. After a few minutes discussion we settled on the question “what are we doing at Rockend to make a difference for our clients’ business”. The answer Cynthia gave was as quick and sharp as the question “more bums on seats and greater use of Live Chat so we can support clients in real time”.

More “bums on seats” in the client services team means more REST Professional support specialists who can provide invaluable assistance to clients when they make the odd mistake or just need to know how to use a specific part of the software before they press the button! It’s important to have the correct number of support specialists, especially when you think about the 10,000 calls that we take every month. It’s also important to have specialists trained to deliver the quality of support that our clients expect. It takes us between 3 and 12 months to train a client service specialist to be able to deliver the full range of application support services that our

clients expect every time they call. So getting the right “bums on seats” is a big task that requires thought every week to keep ahead of our growth.

I picked this question because it’s also very important for you and your business. Think about it! What are you going to do to make a difference for your customers in 2014? Do you have any firm plans to deliver a better or refined service? Do you know what your customers would value? Or do you know how they feel about the service you deliver today?

These questions are fundamental for any business owner or employee to consider at any time, but especially when a New Year starts and you have a little spare time to think about the year ahead. Our goal is to hire another 5 to 6 REST Professional support staff between now and July. One per month is a big task when finding people with the base skills and background we need to start training them. Cynthia has been a member of our support team for over eight years. A few have been with us for more than ten and most three to five. Getting and retaining good people is a common challenge but if you choose carefully

and offer ongoing development you will keep them for the long term and that’s good for everybody.

At Rockend we know it is our staff that make a real difference every day for our clients. It’s the same for every real estate business, the quality of your people and their professional approach will determine whether a customer has a positive or negative experience at the next interaction. Only positive interactions will improve your business and make a difference when considering the one thing we all need – happy customers!

I trust that 2014 be a year of personal and business success.

▶ John Goddard was Rockend CEO from 2004 to 2012. He currently heads Rockend’s sales and marketing teams. He is personally committed to life-long learning and encouraging all Rockend staff and their clients to take control of their personal development, both through work and personal learning.

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FIABCI AUSTRALIA REPORT

Welcome to my first column of 2014 and I sincerely wish all FIABCI members a very successful and prosperous year.

To end 2013, World President Elect Robyn Waters and I attended the winter meetings at the Clyde Hotel in Dublin along with approximately 210 other members. I am not sure if the location had something to do with it but I must say the numbers were terrific and the Irish hospitality was just fabulous. We were quite fortunate with the weather as well. It was cold, but nothing a Tasmanian can't handle.

The December meeting this year will be held in Washington. Dupont Circle, the neighbourhood of the Washington Hilton, is a vibrant, walkable area with many excellent restaurants and shops. In addition, special VIP events are being planned at diplomatic venues that regularly host the world's top leaders. Book your place now to reconnect with your FIABCI family and visit the outstanding historic and cultural attractions of Washington DC.



Chris McGregor

65TH FIABCI WORLD CONGRESS

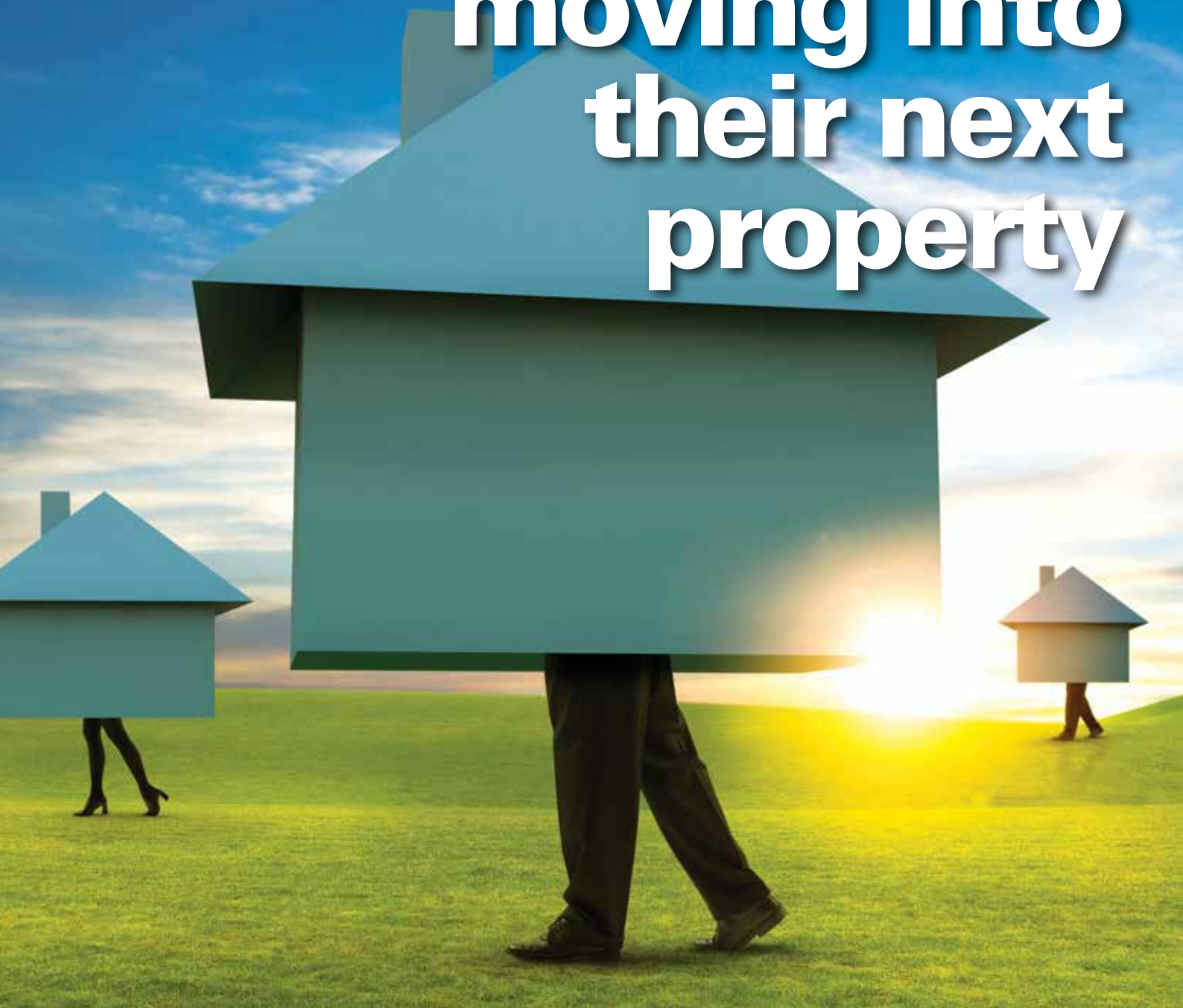
May is approaching rapidly and soon we will be heading to Luxembourg for the 65th World Congress. Carlo Hein from Luxembourg has put a lot of hard work into making this an extraordinary event. It is also when our very own Robyn Waters elevates to the role of FIABCI World President. Robyn is delighted with the response she has received from our members encouraging her to take on this huge responsibility. It is also fantastic to see so many Australian FIABCI members planning to support Robyn at this event, with some of our CEOs and Presidents from around the states participating.

Jump onto the site to make sure you secure your accommodation www.FIABCI65.com

Chris McGregor

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INDUSTRY UPDATE

Industry news from around Australia



REIWA and the Salvos

The Real Estate Institute of Western Australia (REIWA) has launched its 'Community REInvest' program, designed to help agents and property managers provide money and support to worthy causes throughout WA.

REIWA Chief Executive Neville Pozzi said members wanted to co-ordinate a greater collective role in helping community causes and were keen to contribute.

"Most real estate agencies already have strong charity connections in their local communities, whether for medical research, volunteer bushfire brigades, local community groups or animal rescue centres."

While REIWA's Community REInvest program will be guided by its elected Council in terms of focus and direction, Mr Pozzi said that to begin with the Institute had partnered with The Salvation Army to help people struggling with homelessness.

"It makes sense that agents working in the housing sector and dealing with people and accommodation issues every day would be keen to get involved with helping those less fortunate and for whom home ownership or a secure rental is out of reach," Mr Pozzi said.

Mr Pozzi said that REIWA members who wished to join the Community REInvest program would make a contribution each month, commensurate with the size of their business, and that all monies collected would be used to assist community needs.

The Salvation Army has welcomed the partnership with REIWA and assured sponsors that all funds will go to support deserving clients right around the state.

REIQ Standards

Real Estate Institute of Queensland (REIQ) accredited agencies across the State are now proudly displaying their 2014 logos.

The REIQ logo – issued every year – has been synonymous with professionalism and best practice for more than 95 years and serves as a visual safeguard to help consumers make informed and confident choices.

REIQ CEO Anton Kardash said REIQ members commit to a higher set of professional standards than what is required by law. Each accredited agency must also carry professional indemnity insurance.

"Our members must abide by our Standards of Business Practice to have the right to display and be associated with the REIQ brand," he said.

"This year we will be promoting our members as the super-agents of real estate because we believe they have access to more training, research and advice than the general real estate populace."

No More Paper

REISA has scored another massive win for its members.

Last year, REISA tirelessly lobbied the Government to have the exemption for real estate transactions removed from the Electronic Transactions Act.

Under this legislation, real estate transactions could not be prepared or finalised electronically.

However, they believed – as did their members – that in today's age of an

increasing paperless society, it was ridiculous that every real estate transaction had to be written and signed in a hard copy format.

The SA State Government has accepted REISA's submission and agreed that the exemption for real estate transactions be removed.

The benefits to industry and consumers will be enormous. Agents and consumers will now save significant time and resources and have the undoubted convenience of conducting business electronically.

REISA's new REI FormsNow platform is now operating at full steam and with a click of a button, this decision of the State Government can be implemented as soon it is finalised.

Building Regulatory Framework

The Tasmanian Minister for Workplace Relations, David O'Byrne has announced the Government's intention to commence a systematic and complete review of the Tasmanian Building Regulatory Framework. Minister O'Byrne said "Buildings must be designed, constructed and maintained in a way that meets minimum safety standards, delivers community and consumer expectations of performance and sustainability, and contributes to the State's economy. The quality, safety and cost of building work is heavily influenced by the States building regulatory framework and prescribed building standards."

MAKING NEWS

General national news



Expensive Australia

There is one area where Australia leads the world. Demographia's [10th Annual Survey of house prices](#) - this one covering 360 cities in nine countries – shows Australia blitzing all opposition other than Hong Kong in house prices. To ensure against distortions from different standards of living and costs, the survey compares median house prices in terms of average family incomes.

Although considerably higher than land-constrained Hong Kong, Australia (and New Zealand is similar) has average house prices relative to incomes that are 60% higher than those of the US, 12% above the UK and 20% above Japan. Australian house prices are even higher than those of Singapore.

The prices are driven by the stock of new houses being built in comparison to the demand for houses – a significant factor of which is population growth. Although new houses add only 2-4% of total stock each year, it is these small numbers that drive the overall average price levels. And the number of new houses built is critically dependent on approval regimes.

Australia's restrictive planning laws are pretty much a constant across the continent but Melbourne and Sydney are two of the 10 least affordable cities worldwide.

Business Optimism

Two out of three Australian businesses (68%) are more optimistic about growth this year compared to 2013, with the positive mood lifting first quarter expectations for sales, profits, selling prices, investment and employment to their highest levels in 12 months.

With greater activity expected, Dun & Bradstreet's Business Expectations Survey reveals that 18% of businesses are planning to access new finance during Q1

to grow their operations; the survey's highest response since Q4 2011.

The pick-up in borrowing plans is reflected in stronger capital investment and employment intentions, which have recovered from negative territory during the previous quarter and moved above their respective 10-year averages.

Telstra Business Awards

Some of Australia's best business leaders have called on consumers to say thanks to their best local businesses by nominating them for Australia's most prestigious business awards.

Nominations are open for the 2014 Telstra Business Awards and 120 of Australia's most successful small and medium business owners have shed light on what they think makes a brilliant business and the attributes people should consider when nominating a business.

"For a business to be successful, it needs to have a comprehensive business plan for the future that includes a clear and concise understanding of the company's past performance. It's also important for your business plan to be flexible so that it can change quickly for your customers' expectations, and so that innovative and new improved processing practices can be implemented quickly," Mr Blackmore said.

"The nomination process is really simple, only takes a minute but can make a real difference to the business involved," Mr Irving said.

Nominations can be made at www.telstrabusinessawards.com or by calling 1800AWARDS. Entries for the 2014 Telstra Business Awards can be submitted until 31 March.

Building Growth

The Federal Government has the opportunity to leverage off the expanding housing sector in order to restore growth in Budget 2014/15, said the Housing Industry Association (HIA), the voice of Australia's residential building industry. The home building industry generates around \$70 billion each year for the Australian economy and is recognised as a key driver of employment and economic activity as the investment phase of the mining boom winds down. HIA Chief Executive Industry Policy and Media, Graham Wolfe, highlighted the imperative for May's Budget to contain measures that promote growth in new home building.

ASIC Investigation

Following an application by ASIC, the Federal Court in Adelaide yesterday froze all assets owned or otherwise held by the founder of the Charterhill group of companies, George Nowak, and his wife, Betty Nowak.

The court also ordered the surrender of Mr and Mrs Nowak's passports and restrained their travel out of Australia, as ASIC investigates the collapse of the Charterhill group, which specialises in assisting clients to invest in property through self-managed superannuation funds (SMSFs).

ASIC is investigating the management and activities of the Charterhill group, which operated as a 'one stop shop', providing advice to clients on the establishment of SMFS, rollover of existing superannuation funds into an SMSF, sourcing and purchase of investment properties, property management, insurance and taxation.

POLITICAL WATCH

Information and news from government



Tree Change

Metropolitan long-term renters can make their dreams to move to regional NSW a reality with the help of a NSW Government Regional Relocation Grant. Deputy Premier and Minister for Regional Infrastructure & Services Andrew Stoner said city-based long-term renters looking to buy a home in regional NSW could apply for \$7,000 in NSW Government funding.

Mr Stoner said a separate new incentive of \$10,000, aimed at encouraging more people to relocate from metropolitan areas to regional NSW for employment, has also come into operation. "The expanded Regional Relocation Grant and the new Skilled Regional Relocation Incentive will help ease Sydney's tight rental market and population pressures," Mr Stoner said.

Graffiti Dob In

Rewards of up to \$500 will be offered for citizens who dob-in graffiti vandals, under a new scheme announced by the SA State Government. The rewards will be given for information that leads to the conviction of a person for graffiti offences.

Attorney General John Rau said that the measure is another step in the Government's war on graffiti vandals. "Graffiti vandalism is senseless and places an unnecessary cost on businesses, homeowners and ratepayers," Mr Rau said. "We have recently increased the penalties for graffiti vandalism after new laws passed last year and now we are seeking the community's help in identifying the suspects."

Super Win

The Federal Government has moved to make life easier for small business, taking the first step to reduce the compliance burden employers' face when making superannuation contributions for their workers.

As part of this first step the Australian Taxation Office (ATO) will take over the running of the Small Business Superannuation Clearing House. The move is part of the Government's commitment to cut \$1 billion worth of red-tape out of the economy and will make life easier for small businesses as they already have dealings with the ATO.

The Small Business Superannuation Clearing House is a free online service that helps small businesses with 19 or fewer employees meet their superannuation guarantee obligations by allowing employers to pay superannuation contributions in one transaction to a single location to reduce red tape and compliance costs.

The move will be followed by an extensive stakeholder consultation process so the Government can better understand superannuation compliance cost concerns and develop further options to reduce these costs.

Queensland Reviews Property Law

The Queensland Government has established a review of Queensland's property laws to reduce red tape, regulation and property law duplication. The broad-ranging independent review will pave the way for a more streamlined approach to how Queenslanders buy, sell and manage property.

The government has engaged highly-respected and experienced property law experts from the Queensland University of Technology (QUT) to conduct the review. It will examine legislation including the *Property Law Act 1974*, *Land Sales Act 1984* and the *Body Corporate and Community Management Act 1997*.

Feedback is now invited on the first two issues papers prepared as part of this review. Click [here](#) for more.

Improved Code of Banking Practice

The revised Code has improved rights for bank customers. The Code is contractually binding on subscribing banks and sets out minimum standards banks have agreed to follow when dealing with personal and small business customers.

Steven Münchenberg, Chief Executive of the ABA, said: "The Code sets the standards for fairness, transparency, behaviour and accountability that customers – individuals and small businesses – can expect from their banks. Banks are committed to acting fairly, responsibly and transparently – the revised Code reinforces these industry values."

The Code was improved following an independent review by Jan McClelland and an extensive consultation process with community groups and other interested parties.

The Code of Banking Practice also covers small business customers. As well as the existing obligations to small business customers, banks have a new notice requirement that will see them normally give at least 10 business days' notice before making any necessary materially adverse changes to a small business customer's terms and conditions of their credit facility.

If a customer feels that their bank has not met its obligations under the Code or has fallen short of expectations, they should first complain to their bank. If they are still not satisfied, they can complain to the independent Code Compliance Monitoring Committee (CCMC) or to the bank's external dispute resolution scheme, the Financial Ombudsman Service (FOS), if the customer is claiming a loss. Both the CCMC and the FOS can investigate allegations of a breach of the Code.

The revised Code is available from the ABA [website](#).

THE WORLD

Property news from around the world



UK Rentals

The private rental market in the UK should prove to be interesting in 2014 as the Help to Buy mortgages scheme is set to get more first time buyers into the market, but a lack of new housing means supply remains tight.

Reading between the lines it looks as if most experts expect the rental market to remain strong although there could, of course, be regional variations.

The latest index published today from Sequence, which has a 300 branch network which includes Barnard Marcus, William H Brown, Fox & Sons, shows that national monthly rents in the UK increased 8% annually in December to £763 and this was despite a seasonal dip of 2% month on month.

Looking more closely at the numbers reveals the strength of the market with the number of new tenancies agreed up 13% annually.

And it is by no means all happening in London, indeed the capital city has seen average rents increase annually by just 3% to £1,417 and number of new tenancies was up 11% annually, slightly less than the UK average.

Sequence

Canada's Soft Landing

Is it a bubble? Is it a balloon? No, it is Canada's real estate market, and it finally looks as though it may be losing some of its zip.

The typical price in December of a detached property in Greater Vancouver was \$927,000, reflecting a price increase of 2.5 per cent from the previous year, reports the Greater Vancouver Real Estate Board. (The typical price for all types of residential properties in the region is \$603,400.)

Historical graphs show Toronto prices were more expensive than Vancouver's from 1982 to 1992, and from 1988 to 2005.

Another graph, charting home prices from 1987 to 2011 in relation to prevailing economic fundamentals — rate of inflation, personal disposable income, growth in per-capita GDP, and even rents — shows the trajectory of Vancouver house prices has had a life of its own, zooming upward in a manner unrelated to the modest, mundane path taken by all the economic fundamentals.

The Canadian Real Estate Association reported that national home sales have declined modestly in each of the last three months, signalling that the soft landing is upon us.

www.reuters.com

Call for Qatar Regulation

The recent call by the Central Municipal Council (CMC) to ban sharing of single housing units by expatriates stresses the need to further tighten real estate regulations in the country.

Some CMC members have expressed the view that the partitioning of villas by "sub-agents" has become very common, violating the already applicable legislations in the country.

A well-regulated real estate market will benefit both investors (property owners) and customers alike and contribute to the national economy.

The business strategy of investors is clearly driven by the projected return on investments (ROI). Obviously, return on investments is decided by the demand/supply situation.

Currently, there is no major shortage for housing units in the country due to abundant supplies coming in to the market. But for many expatriate families, the rents quoted are still not affordable.

By regulating the real estate market and fixing rent based on criteria such as type

of units, building life, facilities provided and location will benefit customers. Probably, this will create a situation, wherein, there is no need for sharing single housing units in the country.

Many employers in Qatar are providing decent accommodation or generous house rent allowance to their employees. Employers can certainly help stabilise the real estate market by facilitating "fair deal" between realtors and their employees.

Mauritius

South African investors are flowing back into the property market in Mauritius. South Africans have bought a third of all Mauritian integrated resort scheme (IRS) properties and smaller scale real estate scheme properties sold to date. Two large IRS schemes have been completed while six are under construction.

The schemes are an initiative of the Mauritian government and are designed to encourage resort and residential property investments by noncitizens.

Foreign direct investment from SA had ballooned in recent years to about 100m a year. Meanwhile, about 1,500 applications for residency permits had been granted to South Africans, most of whom were professionals.

Mauritius, which was once heavily dependent on sugar production and later tourism, has looked to increasingly diversify its economy. Manufacturing now makes up 17% of the economy.

While manufacturing is now the biggest contributor to gross domestic product, other sectors including logistics, information and communication technology, finance and real estate are playing a greater role in the island's economy.

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