

# REIANEWS

ISSUE 40: NOVEMBER 2014



## THE PITFALLS OF SHORT COURSES & SMSFs

### ALSO IN THIS ISSUE

FIRST HOME BUYERS  
AND DEBT

HIGHLIGHTS FROM  
THE AUCTIONEERING  
CHAMPIONSHIPS

NOVEMBER IS ASBESTOS  
AWARENESS MONTH

REIV FIGHTS SHOPPING  
CENTRE COUNCIL

# WANT TO FIND OUT ABOUT PROMOTING YOUR BRAND IN **REIA NEWS**?

**MORE**

---

CONTACT REIA MANAGER COMMUNICATIONS ZOE DAVIES ON  
**02 6282 4277** OR AT **ZOE.DAVIES@REIA.COM.AU** FOR FURTHER  
INFORMATION.



Mr Peter Bushby  
REIA President

# PRESIDENT'S REPORT



## WELCOME FROM REIA'S PRESIDENT

Hello and welcome to the November edition of REIA News. It's hard to think that in only six weeks, Christmas will be upon us – hasn't the year flown by? It's been a very busy year for REIA and for the real estate sector as a whole with things particularly busy at the moment in Victoria as REIV fights damaging changes to the Estate Agents Act enacted by the current Liberal State Government. REIA has pledged its full support behind REIV's campaign to reverse the decision in the lead-up to next week's state election.

Following the AGM in December we will welcome some new faces to the REIA Board next year and I take this opportunity to acknowledge and thank retiring directors Morgan Shearer, David Airey and Adrian Kelly for their many years of dedicated service.

Real Estate Institutes of Tasmania, South Australia and Victoria have all also recently elected new presidents. The changes are:

- In Tasmania, Tony Collidge has been elected to serve as the 2014-15 REIT President after outgoing President Adrian Kelly did not stand for re-election. Mr Collidge was elected unopposed. REIA would like to thank Adrian for his four years as service as the President and for the support that he has provided during that time, particularly stepping up as an REIA director while I have been President.
- REISA has elected former president Greg Moulton as incoming president, replacing outgoing president Ted Piteo. Mr Moulton was president of REISA between

2011 and 2013. He is also chief executive officer of Harris Real Estate. We would also like to thank Ted Piteo for his contribution to the industry as REISA President.

- REIV has elected President, Ian McDonald who has worked in real estate since 1966 and has been a licensed agent since 1968. REIA thanks out-going President, Neville Sanders for his continued support and service in that role and his valuable input as a REIA Board Director.

I also had the pleasure recently of attending the 2014 Auctioneering Championships, held in the beautiful city of Auckland, New Zealand.

I would like to congratulate the Real Estate Institute of New Zealand on hosting this marvellous event, which was a resounding success. While for me personally, it was disappointing that Australia was unable to bring home the trophy, the standard of auctioneering on show at this year's event was truly impressive and our finalists certainly did us proud.

**Mr Peter Bushby**

REIA PRESIDENT

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

# THE PITFALLS OF SHORT COURSES & SMSFs

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



**REIA recently spoke before the Parliamentary Joint Committee Inquiry into the Financial Services Industry, which is considering proposals to lift the industry's professional, ethical and education standards. Our involvement with this inquiry was at the request of the committee, although REIA has been pro-actively working to address community and industry concerns about the blurring of lines between real estate agents and the provision of financial advice.**

This matter is a complex one and in many ways is an issue that stems from the training standards, both for financial service providers and real estate agents alike. REIA firmly believes in setting high standards and training within our profession and has strongly supported the Federal Government in its moves to ensure a more rigorous regulation of training providers.

While we recognise that for the most part, few if any, real estate agents are involved in the promotion of SMSFs, some of our members report that there is increasing demand from accountants who managed SMSFs on behalf of trustees as well as vertically integrated organisations that approach agents seeking suitable properties.

We were pleased to be able to report to the committee that the vast majority of real estate agents do not make estimates on rental returns or capital gain on properties. Those that do, use information that is publicly available through agencies such as the Australian Bureau of Statistics and the Bendigo and Adelaide Banks and REIA's Real Estate Market Facts

(REMF) and the Housing Affordability Report (HAR). Importantly, no payment is sought for this advice as it forms a basic part of being a real estate agent.

However, the current federal inquiry into Australia's financial system is also concerned about the quality of information provided to SMSF operators as well as the fact that some people borrow to purchase property as an SMSF investment.

These issues are increasingly attracting media attention and are often pitched around the theme that there needs to be a 'crack down on property spruikers' who are capitalising on the recent growth in house prices, particularly in the eastern state capital cities.

Only this week, the Australian Security and Investment Commission announced it had begun proceedings in the NSW Supreme Court seeking interim and final orders to prevent property investment promoter, Park Trent Properties Group, from carrying on an unlicensed financial services business involving the promotion of SMSFs to buy investment property.

» *article continues*

COVER STORY CONTINUED

## THE PITFALLS OF SHORT COURSES & SMSFs

When REIA spoke to the Parliamentary Committee, we detailed our knowledge of clusters of agents in certain areas, who had a dual role in also being a financial planner but that the cost of the personal indemnity insurance required to offer financial advice was a sufficient deterrent for most real estate agents. On the flip-side, what has concerned REIA greatly is media reports that some financial advisers are seeking fast-tracked courses that offer real estate licences. These courses do not require attendants to sit any exams, are completed solely online and have a very suspicious 100 per cent success rate.

While these sort of courses are in the minority and exist only on the outlier of the industry, REIA has been working very closely with the Australian Skills Quality Authority (ASQA) to improve the integrity of registered training organisations (RTOs) offering real estate courses with the end result that we would like to see those RTOs organisations offering 'no course, no examination 100% success rates'

deregistered. REIA is obviously very concerned about the repercussions that stem from these sorts of courses, if for no other reason than that people who undertake them find it very hard to secure work within the sector as the courses are not at all regarded by established real estate agents.

The recent announcement by Federal Industry Minister, Ian Macfarlane to provide a funding boost of \$68 million over four years should give ASQA a sharper bite in being able to address poor training practices. REIA would also like to see ASQA sharpen its focus on a risk-based approach to regulation, which will scrutinise those disreputable Registered Training Organisations (RTOs) and brokers offering quickie courses that compromise industry standards.

While for the vast majority of our members, these debates over standards in the financial services industry, the promotion of SMSFs and the existence of quick courses do not interfere with the professional

manner in which they undertake their role, it pays to be mindful of the impact that unscrupulous operators can have on our sector and the need to close the loopholes that allow these 'spruikers' to operate.

# Are you ready for the next generation of property management software?



Cloud based



Innovative & fresh



Manage your business your way



Simple to learn and use



Always on, always up to date



**If you think like us, contact us: 1300 778 733**  
sales@propertytree.com | www.propertytree.com

Powered by  
**rockend**  
The leader in property software



## NEW PRESIDENTS ELECTED IN TASMANIA, SA AND VICTORIA



*Tony Collidge*  
REIT President

TASMANIA



*Greg Moulton*  
REISA President

SOUTH  
AUSTRALIA



*Alexander Ouwens*  
REISA Vice President

SOUTH  
AUSTRALIA



*Ian McDonald*  
REIV President

VICTORIA



*Matt Nichols*  
REIV Senior Vice President

VICTORIA

### The Real Estate Institutes of Tasmania, South Australia and Victoria have all recently elected new presidents.

In Tasmania, Tony Collidge has been elected to serve as the 2014-15 President. Mr Collidge commenced in real estate in 1992 and has been a multiple winner of PRD nationwide Gold Awards & Best First Year Agent.

REISA has voted previous president Greg Moulton as incoming president of the group, replacing outgoing president Ted Piteo. Mr Moulton was president of REISA between 2011 and 2013. He is also chief executive officer of Harris Real Estate.

Alexander Ouwens was elected as Vice President. Mr Ouwens has been placed in the top 10 sales people for Harcourts every year since he has entered into real estate in 2006. Along with winning a long list of industry awards, his passion for the industry saw him launch Ouwens Casserly Real Estate with close friend Nathan Casserly in November 2011. Within 12 months they have lead their office to #1 out of 50+ offices in the group finishing first in September with a team of 25 employees.

In Victoria, REIV has elected President, Ian McDonald, and Senior Vice President, Matt Nichols. Mr McDonald has worked in real estate since 1966 and has been a licensed agent since 1968. He joined the REIV in 1969. Currently, he is a Director of Arbee Real Estate (Vic) Pty Ltd, Bacchus Marsh,

Fellow of the Australian Property Institute and the Real Estate Institute of Australia, Member of the Royal Institute of Chartered Surveyors, Associate of the Australian Institute of Arbitrators, Member of the Australian Institute of Company Directors and a qualified Valuer and Land Economist. He joined the REIV Board in 2013.

Matt Nichols runs the Moorabbin office of Nichols Crowder and has worked in all sectors of the commercial and industrial markets for the past 25 years, including working in Singapore and Jakarta. He joined the REIV in 1997 and has been a dedicated contributor to the C & I Chapter, including presenting to educational forums.

REIA would like to congratulate all in-coming presidents and vice presidents on their appointments.



# ALLIANCE TO FIGHT DAMAGING CHANGES

REIA has thrown its full support behind its Victorian members who are fighting the damaging changes to the Estate Agents Act being proposed by the Victorian Government.

The proposed changes, lobbied for by the Shopping Centre Council of Australia and the Property Council of Australia, will exempt the largest owners of commercial property from offering key protections embedded

in the Act. As a result, many small businesses will lose the important protections currently afforded to them when they buy or lease commercial property. The proposed changes have shocked Victorian small businesses, as the government had earlier in the year advised that this was “off the agenda.”

The inherent safeguards provided by the Estate Agents Act will be lost if these damaging changes are

implemented. These safeguards include the mandatory use of a trust account, access to the Real Estate Institute of Victoria’s valuation and mediation processes and the many other quality assurances put in place by the Act, REIA and REIV.

“These damaging changes are being rushed through without a proper process or parliamentary scrutiny, at five minutes to midnight.” said Enzo Raimondo, CEO of REIV. “The alliance has already received pledges of \$1 million for a fighting fund to campaign against these damaging changes right across Victoria.”

Peter Strong, Executive Director of the Council of Small Business of Australia (COSBOA) said, “Victorian small businesses deserve better. Negotiating against the massive commercial property owners is already tough enough without being stripped of key legislative protections.”

REIA CEO Amanda Lynch said, “We are completely behind this campaign to protect these important safeguards for commercial tenants.”

ADVERTISEMENT

## Why?

The Napthine Government’s plan to remove the current strong protections for many small businesses under the *Estate Agents Act* will damage the Victorian economy and cost jobs.

The changes allow Australia’s biggest landlords to force small Victorian businesses to negotiate sales and leasing contracts directly.

This means thousands of small businesses such as shops and manufacturers will lose the inherent safeguards provided by the *Estate Agents Act*, such as mandatory use of a trust account, access to the REIV’s valuation and mediation processes and the many other quality assurances put in place by the Act, REIA and REIV.

**Why does the Napthine Government want to:**

- ✘ Hurt small businesses across Victoria
- ✘ Damage Victorian manufacturing
- ✘ Increase our cost of living through higher retail prices
- ✘ Put thousands of Victorian jobs at risk

These damaging changes are being rushed through without a proper process or consultation. We urge both the Government and Opposition to rule these damaging changes out.






Authorised by Enzo Raimondo, The Real Estate Institute of Victoria Ltd, 335 Camberwell Rd, Camberwell VIC 3124

This ad has run in both major newspapers in Melbourne in the lead-up to the November State Election





**Our lowest  
home loan  
rates in  
decades.**

**But it's bigger  
than that.**

 **Bendigo Bank**  
Bigger than a bank.

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

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)

# ASPIRING AUSTRALIANS TURNING TO DEBT TO FUND THEIR FIRST HOME DEPOSIT



The latest housing finance figures showed first home buyers as a proportion of all owner occupier housing finance commitments fell to historically low levels – only 11.8%. While the Australian Bureau of Statistics is evaluating the robustness of estimates of loans to first home buyers, emerging reports show that aspiring home buyers are overreaching themselves in order to enter the property market. Some first home buyers find investing in property rather than purchasing their own home, is a more affordable option

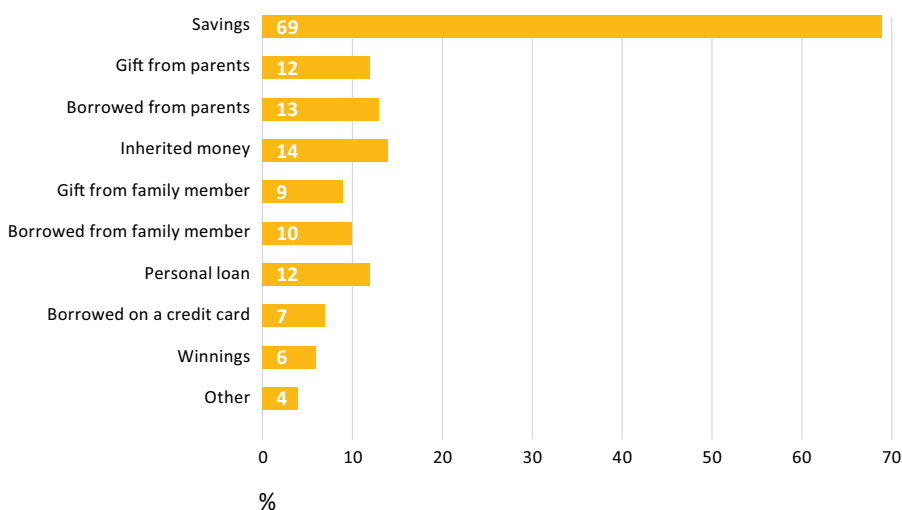
while others, worryingly, are turning to non-saving based sources in order to raise a deposit for their first home.

The 2014 Mortgage Choice Recent First Home Owner Survey shows that rising property prices are forcing first home buyers to save for longer than ever before in order to get their foot onto the property ladder. The survey showed of over 1,000 first time buyers who had purchased within the last two years, 26.5% said that they had been saving for more than five years before buying their first home.

In addition, Mortgage Choice’s 2014 First Time Investor Survey found that one in five first time investors opted to purchase an investment property instead of an owner occupied, as their first ever property purchase. Further still, 16.7% indicated that they could more easily afford an investment property rather than an owner occupied property. This survey reflects what many agents are witnessing first-hand.

The most recent Genworth Homebuyers Confidence Index Report suggests that first home buyers are becoming more burdened with debt, with deposit source data showing that they are more likely to have used personal loan and credit card products to meet their first home deposit. Twelve percent of surveyed first home buyers said that they had taken out a personal loan, and 7% borrowed on a credit card to supplement their deposit. Genworth found that 31% of first home buyers, who used a personal loan or credit card, relied exclusively on debt for their deposit. With credit cards having higher interest rates than other forms of credit, the findings are alarming.

**FIGURE 1** Deposit source breakdown for Australian first home buyers, %



» *article continues*

*Celebrating excellence  
in the real estate profession*



# REIA NATIONAL AWARDS FOR EXCELLENCE 2015

With three quarters of Australian first home buyers having less than a 20% deposit, it is critical that first home buyers have an alternative way of financing their deposit.

The Real Estate Institute of Australia has long advocated for the Federal Government to establish a scheme that encourages young Australians to contribute to voluntary superannuation and then allow them access to these resources as part of the deposit for a first home. The proposed scheme would allow flexibility for the saver to decide whether all or part of their superannuation is needed to augment the home purchase. Similar schemes have already proven successful in Canada, New Zealand and Singapore and there is no reason why it wouldn't also work in Australia.

REIA believes in the benefits of continuing the high ownership level in Australia, particularly as the population ages, and strongly encourages the Federal Government to help implement solutions that will assist aspiring first home buyers.

**7.00 pm THURSDAY  
12 MARCH 2015  
PERTH WA**

Click [here](#) to book and secure your tickets and discount hotel rates. Book now for discounted Crown Perth hotel rate: Quote REI 120315

**LAST YEAR'S EVENT SOLD OUT SO  
BOOK YOUR TICKETS NOW FOR WHAT  
PROMISES TO BE A GREAT NIGHT OF  
ENTERTAINMENT AND FINE DINING**

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

## THE CONSEQUENCES OF NOT ADDRESSING HOUSING SUPPLY



Much has been written about the need to address the under-supply of housing to improve affordability, including by REIA in this newsletter. The consequences of inaction are however far broader than high house prices and include economic and social disruption across the demographic spectrum.

Earlier this year, REIA hosted a roundtable discussion on housing affordability, which was attended by key Government and industry leaders from real estate, construction and finance sectors as well as community groups. The roundtable identified under-supply as a priority policy issue in addressing housing affordability.

According to a recent study by the Housing Industry Association on Australia's housing requirements, annual new home building requirements between now and 2050 will be considerably higher than what has been achieved over the last 20 years. The study concludes that the nation will need to build an average of around 186,000 dwellings per annum. This requirement comprises 152,000 homes to provide housing for new households and between 30,000 and 34,000 dwellings to offset demolished homes. This figure would also satisfy the demand for new housing associated with a rise in real household incomes.

We are already seeing the consequences of not addressing housing shortages here in Australia. One of the groups affected are Australia's expanding ranks of retirees with inadequate retirement savings – the average nest egg is little more than half of what is required for a modest retirement. Many are turning to manufactured homes in caravan parks as they provide an affordable solution for an ageing population.

With the number of Australians over 65 set to grow at double the rate of the total population, more retirees will turn to options such as these. The Productivity Commission has estimated that the number of Australians older than 75 would rise by about four million between 2012 and 2060.

An insight into what may be another consequence of inadequate housing supply is provided by Berlin.

In Berlin's Kreuzberg district, which has a shortage of affordable housing, long-time residents have been priced out of their neighbourhoods as newcomers flock to the city as the local economy grows. This clash of cultures has actually resulted in violent street behaviour.

In Kreuzberg, rents have increased by 64 per cent in the past three years. Whilst in Berlin, on average, rents

have increased by 43 percent. By comparison, the national economic gain during that time was 7 per cent.

The changes that are occurring in Berlin can not be just dismissed as the fall-out from gentrification with the shortages so great that the consequences are on a scale that amounts to social upheaval. An almost ironical consequence is that developers are backing out of earlier commitments to redevelop areas because of the community clashes.

Whilst the situation in Berlin may be readily dismissed as unlikely to happen in Australia, it is a pointer to what happens when there are severe housing shortages.

### State and territories housing requirements between now and 2050

(Figures indicate the number of homes required to be built each year)

NSW	between 35,709 and 57,887
Vic	between 33,226 and 62,947
Qld	between 31,287 and 59,983
SA	between 5,566 and 11,869
WA	between 25,719 and 45,722
Tas	between 250 and 2,989
NT	between 1,769 and 2,188
ACT	between 2,246 and 4,853





## WHAT EVERY AGENT OUGHT TO KNOW ABOUT DIGITAL MARKETING

### HOW AGENTS CAN INCREASE LISTINGS BY SHARING THEIR KNOWLEDGE ONLINE

By **Campbell McPherson**. Campbell is an expert digital marketer and his business specialises in providing strategies to help small business owners get leads and sales online.

[campbellmcpherson.com](http://campbellmcpherson.com)



Campbell McPherson

Estate Agents are often frustrated at the time it takes to grow their listings and rent rolls. Traditional methods like referrals, free valuations and cold calling take time! Particularly for those with under ten years in the industry, listings growth can be a huge problem. It shouldn't be.

In the internet marketing industry there is a tried and proven approach to selling high value products. This sales model involves the seller giving away free information to build trust and credibility. The seller uses cheap modern tools like email newsletters and webinars to share this information digitally.

In doing this they spread goodwill and establish their own personal brand with their prospects. Internet marketers know that by sharing insights and educating their leads upfront, they will make more sales later on!

The Australian real estate industry enjoys a highly engaged public. Most Australians are mad about the housing market; we can argue about it for hours! Punters are dying for insider expertise, yet most rely on piecemeal press coverage or ill-informed opinions of friends and family.

If you're like most estate agents, you take your existing knowledge for granted. You compare yourself against the best in the industry and forget that you have information that the average investor would LOVE to know!

This information gap presents an opportunity for ambitious agents to grow listings and rent rolls with an internet marketing approach. Because if it's you giving your prospects the weekly low-down on the market, it's you they'll come to when it's time to transact!

Here is how the process works:

#### STEP 1: Create a Lead Magnet

You create a free gift that you give away to prospects in exchange for their details. Your 'Lead Magnet' can be as simple as a 'free valuation'. However a product which educates the buyer allows you to build more goodwill. These include a free eBook, home seller's guide, industry report or online seminar ('webinar'). These gifts also help you position yourself as an expert authority figure in your area. You advertise your free gift online (for example, on Facebook or Google) and encourage prospects to provide their details so they can access it.

#### STEP 2: Build relationships

Your prospect will receive your free gift and be automatically subscribed to your email newsletter. They are now a lead! Once or twice a week, you send your 'list' emails providing more valuable insights and advice about the industry. What are your comments on the weekend's auction results? What are industry insiders talking about? What's hot right now? What's an interesting story you have this week about a house you had listed? And so on. Your emails should have your own personality, humour, views and opinions. Use your own unique voice and avoid bland corporate speak. It's YOU people want to hear from, not a generic agency newsletter. People buy from people, so it's all about you and your personal brand! With regular value-adding emails, you will quickly become known, liked and trusted by your leads.

#### STEP 3: Invite human interaction

Online advertising is great for attracting attention and getting leads, but nothing compares to human interaction when it comes to sales. Some of your leads will come straight to you, but others will need a little encouragement! Most estate agents know how to sell to a lead that's in front of them. It's initiating this interaction in the first place that's the challenge. Again, we can invite this interaction with the promise of free value! You can offer more information both on a tailored, individual basis (e.g. an on-site consultation, a home inspection, or a consultation call). However, if you have less time, you can do this on a more scalable group basis (e.g. workshops, seminars and webinars).

You can invite this interaction with these leads by emailing them special offers on your newsletter. You can also use Facebook to advertise offers exclusively to your leads database. [You can also call your leads directly, however your sales conversions will be far higher if you your leads approach YOU first.] Imagine the difference it would make to your listings, if you had 1,200 subscribers on your weekly newsletter! When the time comes that they're ready to take action on buying, selling or renting their next property, it's you they'll come to!

More and more small businesses are making use of the internet marketing model. It's only a matter of time before it becomes common in the real estate industry. But right now the field is wide open for ambitious agents to get in ahead of the competition!



# Is your client's rental property really protected?

Terri Scheer Landlord Insurance from as little as one week's rent per year\*.

Terri Scheer is Australia's leading landlord insurance specialist, offering protection for your client's rental property from risks that standard building and contents insurance may not cover, including:

- ◆ Malicious and accidental damage by tenants
- ◆ Theft by tenants
- ◆ Loss of rent
- ◆ Flood, storm and water damage
- ◆ Damage by pets

That's real protection from as little as one week's rent per year\* - and may be fully tax deductible.

Benefits to Property Managers:

- ◆ Protects management fees
- ◆ Protects client relationships

**For more details call us on 1800 804 016 or visit [terrischeer.com.au](http://terrischeer.com.au)**



Australia's Leading Landlord Insurance Specialist



\*Cost comparison based on average premium cost and claimed loss of rent data between 1/01/12 and 6/12/12 under our Landlord Preferred Policy types. Consult your tax advisor in relation to tax deductibility of premium. Terri Scheer Insurance Pty Limited (ABN 76 070 874 798, AFSL 218585) acts on behalf of the landlord insurance product issuer, AAI Limited (ABN 48 005 297 807 AFSL 230859) trading as Vero Insurance. Please consider the Product Disclosure Statement before making any decision about this product. Call 1800 804 016 for a copy.

## INDUSTRY ARTICLE

# IS YOUR PERSONAL LIFE HIGH ON THE BUSINESS AGENDA?



### **Will Irving**

GROUP MANAGING DIRECTOR  
OF TELSTRA BUSINESS

While technology innovation is undeniably changing the way Realtors and Agents operate in business, it is often overlooked how these same technologies can be used to enable flexibility in the workplace, and drive greater work life balance. In fact, a recent survey conducted by Telstra Business shows that small business owners want to work smarter, not harder, and invest time savings into an improved lifestyle.

It appears that the age old conundrum of a 'better work life balance' is still alive and kicking – especially in the lead up to the holiday season.

Will Irving, Group Managing Director, Telstra Business, says that mobile solutions can help to unlock time that Realtors and Agents can invest back into their lifestyle, which was one of the reasons many in the industry chose to set up their own business in the first place.

“Finishing jobs sooner or getting more done each hour is imperative in any business and one of the easiest ways to do that is by reducing time spent on admin tasks. Small business owners are half way there. The survey shows they are using a smartphone or tablet for 8.5 hours during the working week, but they are not taking full advantage of these devices, as only 46 per cent are using mobile business applications and only 25 per cent are using cloud computing to be able to efficiently share critical business information amongst their team.”

Mobile business apps like Canvas and DocuSign, for example, produce invoices on the spot from your smartphone or tablet and make carbon copy books and re-typing data into a computer a thing of the past. It's these smart features on mobile devices that have the potential to give business people back time in their work day.

“With Christmas just around the corner, getting some extra time to spend with the family is especially important. Cloud computing software such as [Microsoft Office 365](#) combined with mobiles, tablets or laptops lets you get out of the office but keep on top of urgent emails and documents from wherever you are on holiday,” added Mr Irving.

### **Will Irving's top time-saving tips to beat the clock**

**1 Don't let technology own you:** make sure that the technology tools you choose are set up specifically for you and your business. Get expert advice

on making the most of each device using apps and functions that can save you time and money.

- 2 Don't tie yourself to the desk:** cloud computing and mobile devices such as tablets now let you run the business whether at the office, at showing properties, or working from home.
- 3 There's a business app for that:** business apps can make doing business easier when out of the office. [Telstra's Mobile Business Apps](#) including ARISapp, DocuSign, Canvas and GeoOP, take business processes mobile, even replacing pen and paper forms – so you can work during traditional 'down time' as well as save time on admin.
- 4 Be flexible:** The old notion that a full-time working week is nine to five, 40 hours a week, tied to one location, is fading fast, as customers expect 24/7 service with both employees and employers are seeing the benefits of harnessing a more flexible culture, which in turn improves work life balance.

IT'S HOW  
WE CONNECT



# INDUSTRY ARTICLE

## RENT ROLLS – BE SALE READY

By *Christine Murray and Kristen Porter, Meyer Vandenberg Lawyers*



*Christine Murray from law firm, Meyer Vandenberg*

*Kristen Porter from law firm, Meyer Vandenberg*

As the property market tightens, the focus of real estate businesses tends to turn towards rent rolls for securing revenue. When it comes time to move on and sell your rent roll, being 'sale ready' can help you to take advantage of a seller's market when it occurs.

### The Assets of the Business

It is generally accepted that when a property management agency agreement is signed by a client, you get an immediately valuable and tradeable asset – or do you?

Not many principals carefully consider or review the terms of their agency agreements. Most principals think of their agreements only in terms of regulating the relationship they have with their clients. They do not turn their mind to the relationship they will have in the future with a buyer of their business.

Your agency agreements affect your relationship with a buyer of your business, and even a banker if you wish to refinance.

### Selling your Rent Roll

Look at your agreements and ask yourself the following questions:

- Are the agreements personal to you?
- Do the agreements include opt-out provisions or can they be assigned to a buyer of the business?

- On a sale of your business, do you need to seek the consent of each client to be transferred to the buyer?

The sale of your property management portfolio can be emotionally draining and time consuming. Do you want to add to the frustration if your agency agreements are not easily assignable?

Finance for smaller portfolios can be a challenge. Banks may lend against the value of your rent roll without taking separate security, but only if your agency agreements are enforceable.

Not only do you need to identify how easily assignable your agency agreements are, but you will also need to ensure that they comply with the legislation. Making sure your agreements are legally compliant will ensure a better result when it comes to a sale or refinance.

### Increasing the Value of your Rent Roll

The value of your rent roll will usually be based on a formula which is a multiplier of the yearly management fee. A retention period may be nominated during which any leakage of properties from the portfolio will be adjusted against the sale price. Apart from having your agreements in order, high multipliers and a strong sale price can be gained through the following ways:

- What are your plans after sale? A restraint of trade will ensure a higher sale multiple.
- If you are in a franchised business is your franchise agreement current? Timing becomes extremely important as there are certain points in time in a franchise arrangement which can trigger a higher sale price.
- Managing more fixed term leases than periodic tenancies will increase the sale price.
- Operational and financial hygiene, including arrears management, is crucial. Do you have sound debt collection procedures in place?
- Will your property managers stay on and increase the retention rate after the sale? Are their employment agreements up to date and in line with any changes in the law?
- Don't just sell to the person who offers the most money. Sell to someone who is capable of looking after your clients to the end of the retention period or you will lose more than you gained by taking a higher offer initially. Avoid selling to someone with a bad reputation.

There are many issues which are unique to the sale of a rent roll and you should seek a business lawyer who specialises in real estate and rent roll businesses for advice.



## CONGRATULATIONS TO PAM BENNETT



REIA would like to congratulate Pamela Bennett on becoming the first female life member of the Real Estate Institute of Queensland.

Mrs Bennett has a long history of involvement in Australia's real estate sector having served as the REIA president from 2011-2012. Mrs Bennett has also served as the REIQ chairman for four and a half years and on its board for nearly 15 years.

Mrs Bennett is the first female Life Member of REIQ in its 96 year history with REIQ recently also appointing its first female CEO.

Mrs Bennett is a licensed real estate agent who held a Professionals franchise for 31 years and has chaired the Consistent Education and Licensing Committee for the past four years and has served 15 years as the Industry Representative in Queensland on the Residential Tenancies Authority.



## REIA DIRECTOR VISITS HAWAII TO TALK REAL ESTATE

Last month, REIA and REIACT Director Stan Platis visited Hawaii in the United States, as a guest speaker at the Hawaii International Real Estate Council conference to provide an update on the Australian property market.

In his presentation, Mr Platis outlined recent developments with regard to the Australian residential property market and spoke to the conference attendees about the economic factors that help drive investments between the two countries. Mr Platis informed conference participants about foreign investment rules that govern the property transaction process in Australia, and shared some insight on industry cultural differences when dealing with customers.

# INDUSTRY ARTICLE

## NOVEMBER IS NATIONAL ASBESTOS AWARENESS MONTH 2014

From 1 November, in the lead-up to [Asbestos Awareness Day](#) on Friday 28 November), all Australians especially homeowners, renovators tradies and handymen need to **Get to know Asbestos this November**.

People connected to the property sector are encouraged to visit [www.asbestosawareness.com.au](http://www.asbestosawareness.com.au)

and take the 20 Point Asbestos Safety Check to learn how to protect themselves and families from exposure to dangerous asbestos fibres.

There is no safe level of exposure to asbestos fibres. The call for Australians to stop playing renovation roulette is supported by a study published by Dr Anthony Johnson in the Medical

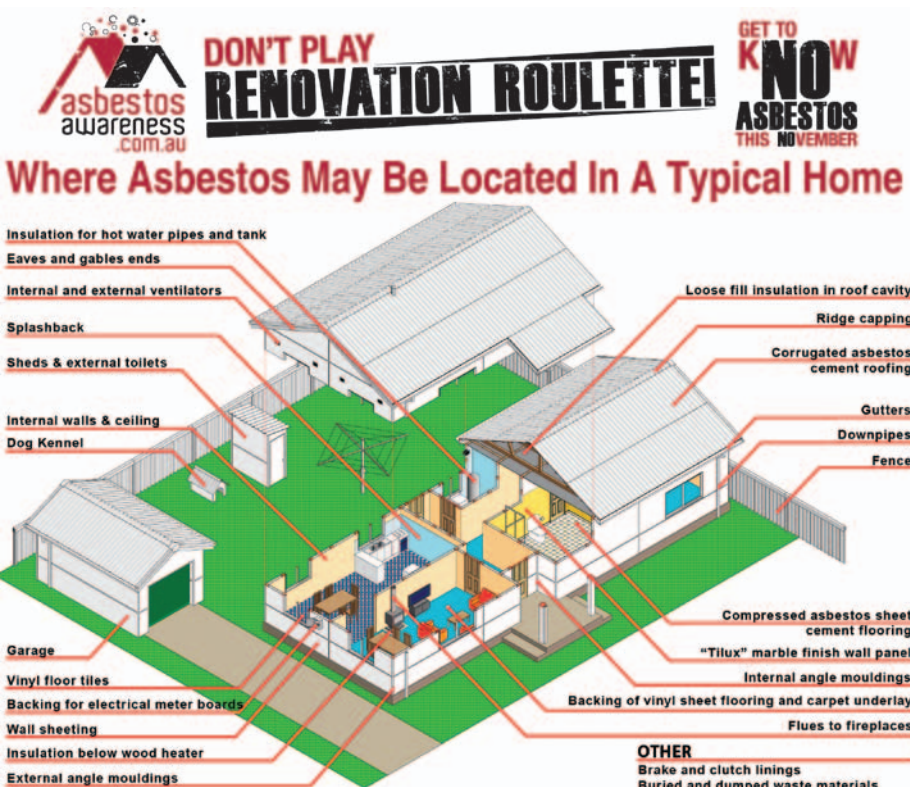
Journal of Australia that found exposure to asbestos fibres was common during home renovations, particularly in DIY. The study showed that 60.5% of do-it-yourself (DIY) renovators reported being exposed to asbestos fibres during home renovations. 53% reported that their partner had been exposed; and 40% said that their children had been exposed to asbestos fibres during home renovations.

Most Australians don't know where asbestos might be located in homes or on rural properties nor the risks they take when disturbing it during renovations or maintenance.

Many wrongly assume that ONLY fibro homes contain asbestos. Asbestos products can most likely be found in ANY Australian home built or renovated before 1987 even brick, weatherboard, fibro and clad homes.

Asbestos could be anywhere! Under floor coverings such as carpets, linoleum and vinyl tiles, behind wall and floor tiles, in cement floors, internal and external walls, ceilings and ceiling space (insulation), eaves, garages, around hot water pipes, fences, extensions to homes, outdoor toilets, dog kennels and backyard sheds.

It's vital that homeowners, renovators, tradesmen and handymen Get to know Asbestos this November and visit [www.asbestosawareness.com.au](http://www.asbestosawareness.com.au) to take the 20 Point Safety Check to learn where asbestos might be in homes and on properties and how to manage it safely.





SuperStream is here  
Employers are you ready?



9 in 10

employers deal with multiple funds – each with different requirements for accepting contributions

Employers typically spend at least

50–100

hours a year sorting out contribution issues

SuperStream is a new way of making super contributions

electronically



It will save employers time and effort by:



Simplifying how you make super contributions



Providing a consistent way of sending data and payments electronically



Linking your payroll system into a single channel that reaches all super funds

Get ready now

20+

If you have 20 or more employees, SuperStream started on 1 July 2014.

As long as you are making a genuine attempt to prepare, you have until 30 June 2015 to start using SuperStream.

≤19

If you have 19 or fewer employees, SuperStream starts on 1 July 2015.

As long as you are making a genuine attempt to prepare, you have until 30 June 2016 to start using SuperStream, but you can start using it now to benefit sooner.



Prepare your business for SuperStream  
[www.ato.gov.au/superstreamchecklist](http://www.ato.gov.au/superstreamchecklist)



## Fuel tax credit rates have changed

[ato.gov.au/fueltaxcreditchanges](http://ato.gov.au/fueltaxcreditchanges)

### CHANGES TO FUEL TAX CREDITS

In good news for businesses who claim fuel tax credits, the repeal of the carbon tax means that from 1 July 2014, some of the rates have increased, potentially reducing your fuel costs even further.

If you're not already claiming fuel tax credits go online and check out the Australian Taxation Office (ATO) [Fuel tax credit eligibility tool](#). Once you've established you're eligible, you need to make sure you get your claim right the first time and every time you claim on your Business Activity Statement (BAS).

You can also access the calculator through the ATO's free [ATO app](#) for smart phones and tablet devices, so you can work out your claims anywhere anytime.

The ATO is also reminding people to ensure they have accurate records to support their claims, including when they acquired the fuel, the type of fuel, what they used it for and how much was used for each activity.



1



# AUCTIONEERING CHAMPION DECLARED



2

- 1 REINZ hosted what was a spectacular event in Auckland
- 2 Championship winner, Andrew North from NZ during the final rounds of competition

After a week of tight competition in Auckland, the Australasian Auctioneering Champion has been declared for 2014. The event, this year hosted by the Real Estate Institute of New Zealand, was a hotly contested fight reminiscent of the recent game of Ruby Union's Bledisloe Cup. The three Australian contenders put up a tough fight but were nipped at the post by Andrew North from New Zealand, which enabled New Zealand to win its fourth consecutive championship.

REIA would like to congratulate the winner, Andrew North, who also won the NZ Real Estate Auctioneer of the Year title in 2013 as well as all the finalists:

- **Daniel Coulson** New Zealand (REINZ)
- **Harry Li** Victoria (REIV)
- **Justin Nickerson** Queensland (REIQ)
- **Jason Andrew** Queensland (REIQ)





- 3 Traditional Maori singers highlighted NZ's strong cultural heritage
- 4 Previous winners of the coveted trophy
- 5 REIA President, Peter Bushby receives a traditional Maori welcome
- 6 Chief Judge, John Abbott presided over the competition, which was very tight

The annual event tests the top auctioneers on their knowledge of best practice and legislation as well as their performance in a simulated auction situation that includes complex bidding sequences and testing questions.

The competitors were judged on their ability to sell a multi-million-dollar house at auction. But to enhance competition, contestants couldn't see how each other performed.

Andrew says this is his fourth Australasian Auctioneering Championship final, and going into this competition he did everything in his power to be prepared. "I met with some of our Harcourts auctioneers once a week and practised new techniques, bidding sequences and tweaked my whole performance with them. I knew going into the competition I had

done everything possible. To win feels amazing. Four times at the final, and finally a win. It's a monkey off my back."

REIA strongly believes in the value of auctions in providing an important alternative option for sellers and buyers alike to private sales with these championships encouraging professionalism and skill in the art of conducting an auction.



Approved insurance broker of  
Real Estate Institute of Australia



## Receive a **\$200 discount** for buying your **Professional Indemnity online\***

Improved features:

- › Quote online in less than 5 minutes
- › 2 FREE hours of legal advice for profession-related matters
- › No forms at renewal

Same exceptional service & cover.

**Buy online now >**

**[aon.com.au/reia](http://aon.com.au/reia)**

**1300 734 274**

**[au.realestate@aon.com](mailto:au.realestate@aon.com)**

\*Offer available until 31 December 2014

© 2014 Aon Risk Services Australia Pty Limited ABN 17 000 434 720 AFSL No. 241141

The information contained in this advertisement about Aon Risk Services products is general in nature and should not be relied upon as advice (personal or otherwise) because your personal needs, objectives and financial situation have not been considered. So before deciding whether a particular Aon Risk Services product is right for you, please consider the relevant PDS or contact us to receive a copy of the PDS and to speak to an advisor.

AFF0391 0714

# FIABCI AUSTRALIA REPORT

FIABCI was one of the several organisations representing property and related professional services from around the world at a meeting at the United Nations headquarters in New York recently to establish the International Ethics Standards Coalition (IESC).

The Coalition, which is made up of leading professional bodies from Asia, Europe, Oceania, North and South America aims to develop and implement the first industry-wide ethics standards for property and related professional services.

Member organisations of the coalition, many of which already have their own codes of conduct focusing on things like trustworthiness, integrity and respect, will seek to align fundamental ethics principles through the new international standard. The

ultimate goal is that professionals will undertake their work in an ethically consistent way, regardless of where in the world they are located and the nature of their work.

The Coalition is hopeful that the new International Ethics Standard will be ready in early 2016, following which the member bodies of the Coalition will implement it through their own training and guidance to professionals.

“Over the last quarter century, the property market has become truly global covering all aspects of commercial and residential development as well as institutional investment. Numerous ethical codes already exist with common principles promoting integrity, transparency, trustworthiness and professional competence. However, up to now there has been no united voice or single, clear set of fundamental standards applied worldwide,” said FIABCI World President, Robyn Waters.

“The new Coalition has the potential to transform the public perception of the entire real estate industry by creating and implementing international standards of ethical conduct. This, in turn, will help to



*Robyn Waters*  
*FIABCI World President*

enhance confidence and stability in the global market place, leading to improved ratings for property as an asset class,” Ms Waters added.

The Coalition hopes that the introduction of clear and transparent international ethics standards will improve professional services and promote stable property markets around the world.

The ethics principles set out in the standard will be drafted and published for public consultation by an independent group of experts, which will be appointed by the Coalition early next year. The expert group will represent both the diverse nature of professional practice as well as the international scope of the project.

## **Robyn Waters**

WORLD PRESIDENT • FIABCI



# INDUSTRY UPDATE

Industry news from around Australia



---

## Dwelling approvals flat

The latest figures from the Australian Bureau of Statistics show building approvals were flat in September 2014, in trend terms, holding steady for the last two months. Approvals of house dwellings have been declining slowly in trend terms for the last 6 months. Dwelling approvals increased in September in the Australian Capital Territory (4.0 per cent), South Australia (1.3 per cent), Western Australia (0.9 per cent) and Queensland (0.7 per cent), but decreased in Tasmania (5.1 per cent), the Northern Territory (1.7 per cent), New South Wales (1.0 per cent) and Victoria (0.6 per cent) in trend terms. Further information is available at [www.abs.gov.au](http://www.abs.gov.au)

---

## Aussies paying off their mortgage faster

New research from REST Industry Super fund shows property debt appears to dominate the financial priorities of Australians in their 30s and 40s. As part of the survey, 1000 Australians were asked about the state of their current finances, what their financial priorities are, how they are managing debt levels and how they are planning on funding retirement. The results show that for those currently paying off a mortgage (71 per cent of respondents), paying this debt off is their number one priority when it comes to financial priorities. Long-term savings, including for retirement, is only their fourth priority, after paying off personal debts and short-term savings. For those with no mortgage, short-term savings, for things such as holidays and

education costs came out on top. Only those that own their own home outright (8 per cent of respondents) prioritise retirement saving as their most important financial goal. "Focusing on paying off the house means that over half (51 per cent) of Australians are relying solely on the compulsory super system to save for their retirement – at the very stage of life when they are likely to be in the best position to make additional contributions on top of what their employer is paying," REST Super CEO, Damian Hill said.

---

## Property Council survey for developers

Planning has been identified as a top five issue for the property industry with housing starts reaching record levels of 181,000 per annum. There is now a window of opportunity to strive for a national approach to development assessment reform. Those working in development assessment can help by completing a ten-minute survey that will help us gauge each State's performance more accurately. The survey findings will support the third Development Assessment Report Card. It will rank each jurisdiction according to recent reforms it has undertaken as well as those it plans to undertake, and will provide a fresh appraisal of how each system performed. The Report Card is recognised as an important benchmark report on progress towards improved planning practices across the country. Please [click here](#) to complete the survey now. *iPads and \$200 Dan Murphys gift vouchers are up for grabs.* The survey closes Friday 14 November.

---

## New CEO for MFAA

The Mortgage and Finance Association of Australia has announced that its new CEO will be Siobhan Hayden, former partner at Finware Australia. Having been at Finware Australia for the past eight years, Siobhan brings much knowledge of the mortgage broking industry, as well as expertise in HR and management gained in roles with Woolworths and Guinness. Her formal education includes an MBA from the Macquarie Graduate School of Management, a Diploma in Project Management, and a Bachelor of Commerce, Human Resource Management and Industrial Relations.

---

## New CEO for FSC

Sally Loane has been appointed CEO of the Financial Services Council effective 8 December. She replaces John Brogden who will assume the role of CEO of the AICD in January 2015. Sally was a broadcaster and journalist before entering the corporate sector. For the past eight years she has been director of media and public affairs for top 50 ASX Listed company, Coca-Cola Amatil. Greg Cooper, FSC chairman, said: Sally brings a strong background in media and corporate reputation to the FSC. Her skills and experience will be critical as financial services moves from an era of the most significant changes in regulation and legislation in its history to its next phase of being an export and growth industry for Australia.

---



# MAKING NEWS

## General national news



---

### ASIC permanently bans SA finance broker

ASIC has permanently banned former finance broker, Malcolm Royce Jones, from providing financial services and engaging in credit activity after he was convicted of serious fraud offences. In November 2013, Mr Jones pleaded guilty and was convicted in the District Court of South Australia of one count of aggravated deception and one count of aggravated dishonestly dealing with a document. The offences involved Mr Jones forging a memorandum of mortgage, which he used to defraud \$170,000 from an investor. Mr Jones was sentenced to imprisonment for two years and five months, with a 15 month non-parole period, on 10 September 2014.

---

### How diverse is your workplace?

Cultural diversity in the workplace can improve employee commitment, team performance and increase market share and customer satisfaction. The Workplace Cultural Diversity Tool helps employers to measure their workplace against best practice standards, manage diversity, plan business development and chart progress over time.

For more information visit [www.culturaldiversity.humanrights.gov.au](http://www.culturaldiversity.humanrights.gov.au) or email [culturaldiversity@humanrights.gov.au](mailto:culturaldiversity@humanrights.gov.au)

---

### PIN @ the Point Of Sale

On 1 August this year, signatures for credit card transactions began to be phased out and the ability to sign is now almost at an end. Financial institution data shows that over 95% of Australians are now using PIN at the point of purchase. As software upgrades continue to roll out, this will very shortly become 100%.

However, signatures are still allowed in some limited circumstances:

- Cards without an embedded chip
- Cards from outside of Australia
- Signature-preferred cards for people with a genuine need to sign.

Contactless transactions up to \$100 do not require a PIN or signature. For more information visit

[www.pinwise.com.au/merchant.html](http://www.pinwise.com.au/merchant.html)

---

### Business confidence still weak

The latest Australian Chamber of Commerce and Industry (ACCI) *Business Expectations Survey* shows that businesses are worried about the prospects for the Australian economy over the Christmas holiday period. Even though upward trends are emerging for businesses with regard to their own performance, the improvement is muted. More worryingly, business expectations for the future have come off during the September quarter and worse, business expectations for the broader economy over the next 12 months have also fallen. With trading conditions having been generally depressed for a

considerable period of time, ACCI believe the upward trends will need to continue for a while yet before business confidence about the economy turns the corner.

---

### Identity theft on the rise

A new report from the Commonwealth Government shows identity crime has become one of the most common, costly and disturbing crimes affecting our nation. The report estimates that the total economic impact of identity crime to the Australian economy is likely to exceed \$1.6 billion each year, although the true financial impacts are unknown, as a considerable proportion of incidents go unreported. This includes direct costs to Australia's law enforcement agencies and criminal courts associated with investigating and prosecuting identity crimes of approximately \$76 million. Of concern is that, the use of fraudulent identities continues to be a key enabler of serious and organised crime and terrorism.

---

### Stand up!

Most workers spend around six hours sitting every day. Now that's some serious down time. Standing up for just two hours a day increases energy, reduces stress, improves posture and circulation, and burns 50% more calories than sitting down. Research has even shown that it decreases body discomfort by 62%. For more info about the benefits of standing versus sitting, please click here.

---

# POLITICAL WATCH

Information and news from government



---

## Changes to ABS Lending Finance Data

The ABS is reviewing the usage of some Lending Finance tables, with the aim of improving the relevance of data released and minimising the reporting load placed on businesses. As part of this review, the ABS is seeking user feedback on the possible removal from future releases of 38 current time series spreadsheets on the downloads tab of the ABS website. The list of tables is shown at [Proposed Removal of Tables](#). If you have any feedback on the possible removal of these tables, please email [finacct@abs.gov.au](mailto:finacct@abs.gov.au) or phone the Financial Statistics Section in Sydney (02) 9268 4186.

---

## NSW Fair Trading to target agents

Underquoting estate agents will be targeted by the NSW Department of Fair Trading, if the Liberal Government is re-elected next year, according to the Fair Trading minister Matthew Mason-Cox.

Mr Mason-Cox confirmed that should the coalition win the state election next year, he expects the department to be re-armed with enough firepower to hit rogue business operators, such as underquoting estate agents, with the full weight of the law. Mr Mason-Cox had been quoted a price on a Sydney unit previously, only for him to discover it sold for 25 per cent more a few days later.

---

## 457 Visa Report released

The Independent Review Panel's Report into the 457 visa skilled immigration program was recently released by Senator Michaelia Cash, Assistant Minister for Immigration. The report was welcomed by the building and construction industry. "The Report's findings and recommendations will position the Government to achieve a more balanced 457 program to help unlock investment in the construction industry, enhances productivity and creates more jobs for skilled Australian workers," Wilhelm Harnisch CEO of Master Builders Australia said. "Master Builders welcomes the Report's finding that there is no systematic sorting of the 457 visa program by employers," he said.

---

## New smartphone app to help WA tenants

Western Australian tenants will be able to manage their tenancy at the click of a button thanks to a new smartphone app launched today by the WA Government. Commerce Minister Michael Mischin said the free app would help tenants easily calculate the maximum amount they might have to pay a landlord before moving in and save photos of the mandatory property condition reports, rental receipts and items that needed repair. "The app will set reminders for paying rent, routine inspections and giving proper notice before moving out," Mr Mischin said.

---

## Responsible lending guidelines released

ASIC has updated its guidance for credit licensees on their responsible lending obligations.

The updated guidance reflects a recent Federal Court decision that is relevant to all credit licensees regarding their responsible lending obligations. The Federal Court's decision makes it clear credit licensees must, at a minimum, inquire about the consumer's current income and living expenses to comply with the responsible lending obligations. Further inquiries may be needed depending on the circumstances of the particular consumer.

The Australian Prudential Regulation Authority (APRA) has today also released final guidance for authorised deposit-taking institutions on sound risk management practices for residential mortgage lending. This guide can be found on its website at [www.apra.gov.au](http://www.apra.gov.au).

---

## WA's search for new airport sites

The Western Australian Government has called in the private sector to help identify potential sites for two new airports for Perth. Consultants are expected to take nine months to report back to the Government and will focus their search in the Perth metropolitan and Peel regions and look at areas as far north as Moore River, as far east as the Shire of Brookton and as far south as the Shire of Waroona. Tender documents reveal the Department of Planning wants help to identify potential sites for a new airport to handle domestic and international services, and also a general aviation airport like Jandakot, which typically provides services for charters, pilot training and recreational flying.

---

# THE WORLD

Property news from around the world



## Canadian first home buyers shut out of market

Rising housing costs and tighter lending rates in Canada have locked many first-time homebuyers out of the market. A recent Canadian Imperial Bank of Commerce (CIBC) report showed that the home ownership rate among first-time homebuyers (age 25 to 35) fell from 55% in 2012 to the current 50%, reports Canada's Financial Post. A Bank of Montreal report released in March found six in ten would-be homeowners delaying their purchase, with 39% citing rising real estate prices as the main reason for delay. The majority (61%) say they have made cutbacks in their lifestyle to save and 30% are looking to family to assist with the purchase. The Canadian government offers a Home Buyers' Plan (HBP) to assist first-time buyers. Under the HBP, individuals can withdraw money from their retirement plan to help purchase or build a qualifying first home. A portion of the withdrawn amount must be paid back annually, with the full amount to be repaid within 15 years.

The HBP's withdrawal limit is \$25,000. With inflation, the plan's buying power has eroded, reducing the ability of Canadians to afford their first home. In response, the Canadian Real Estate Association (CREA) has proposed that the federal government index the HBP to the Consumer Price Index in \$2,500 increments to ensure first-time homebuyers never lose their purchasing power. CREA argues there is no cost to the government until 2015, at which point the cost would be minimal.

## My house, my life – Brazil

Brazil has announced the addition of 350,000 housing units in 2015 for Phase 2 of *My House, My Life* affordable housing program. The government plans to build 200,000 housing units by the end of this year and an additional 150,000 in the first six months of 2015, to reach their goal of 3.1 million homes for the housing initiative. My House, My Life was created in 2009 as a way to keep the economy rolling amid a global slowdown. It relies on private-sector companies to develop subsidized homes. According to a recent report by the Ministry of Cities, Brazil is facing a shortage of at least five million homes. The housing shortage is evident in the rental market as well. Of the available properties in the market today, 15% are rentals, falling short of the 35% of the public interested in rentals.

## US home market shows early but promising signs of growth

According to the National Association of Realtors (NAR), pending home sales slightly rose in September and are now above year-over-year levels for the first time in 11 months. The Pending Home Sales Index, a forward-looking indicator based on contract signings, inched 0.3 per cent to 105.0 in September from 104.7 in August, and is now 1.0 per cent higher than September 2013 (104.0). The index is above 100 for the fifth consecutive month and is at the second-highest level since last August. NAR says moderating price

growth and sustained inventory levels are keeping conditions favourable for buyers. Housing supply for existing homes was up in September 6 per cent from a year ago, which is preventing prices from rising at the accelerated clip seen earlier this year. Additionally, the current spectacularly low mortgage rates should help more buyers reach the market. Despite improved housing conditions and low interest rates, tight credit conditions continue to be a barrier for some buyers. Of the reasons for not closing a sale, about 15 per cent of Realtors in September reported having clients who could not obtain financing as the reason for not closing.

## Rent rise in the UK

Rents in the UK have continued to increase steadily throughout the year with the average rent in the third quarter of 2014 reaching £903 per calendar month, according to the latest index. This is an increase of £21 per calendar month, up from £882 per calendar month in the second quarter of 2014. In September, the average UK rent increased to its highest level for 32 months to £916 per calendar month, a growth of 5.2% year on year. All regions saw a year on year increase in rents apart from the Midlands, which saw no increase in the third quarter of 2014 while Greater London saw the greatest increase, up 9.8% on the third quarter of 2013, followed by the East of England which saw an increase of 7.3%.

# REIA NEWS

IS A PUBLICATION BROUGHT TO YOU BY THE  
REAL ESTATE INSTITUTE OF AUSTRALIA. FOR  
FURTHER INFORMATION ABOUT ADVERTISING,  
PLEASE CONTACT REIA MANAGER  
COMMUNICATIONS ON 02 6282 4277 OR AT  
[ZOE.DAVIES@REIA.COM.AU](mailto:ZOE.DAVIES@REIA.COM.AU)

16 THESIGER COURT, DEAKIN ACT 2600  
02 6282 4277 | [WWW.REIA.COM.AU](http://WWW.REIA.COM.AU)