REIANEWS

ISSUE 42: FEBRUARY 2015

REIA'S PRE-BUDGET SUBMISSION 2015-16

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Mr Neville Sanders
REIA President

PRESIDENT'S REPORT

WELCOME
FROM REIA'S NEW PRESIDENT

Hello and welcome to the February edition of REIA News.

This is my first message in REIA News as President of REIA after being elected at the December Board Meeting. I am humbled to be able to serve as the president for the peak body representing the real estate sector especially at such as significant time politically with the Federal Government set to release its much anticipated taxation discussion paper.

It was wonderful to have the year start with a boost with the Reserve Bank of Australia providing some new year cheer for households in announcing a rate cut of .25%. This will mean a lot for home owners nationally and it is very pleasing to see the banks already moving to pass this rate cut onto consumers.

It has already been a busy year for REIA with the release of our Pre-Budget Submission that received much positive media coverage nationally. Our focus as we head into the May Budget will be the retention of negative gearing and the implementation of mechanisms to improve housing affordability. REIA wants to see Australia's strong home ownership levels continue and we believe the Federal Government needs to assume a leadership role on the issue of first home buyers. We have advocated for a uniform approach to assistance for first home buyers, including stamp duty concessions and grants for both new and existing homes. We also believe that the Government should consider allowing first home buyers to access their superannuation to assist them with their home deposits. Successful schemes are already in place in New Zealand, Canada and Singapore and we believe there is no reason why similar schemes could not also be effective here.

Late last month, we also saw the Prime Minister give an address to the National Press Club and in this speech he made mention of the Government's intention to implement the recommendations from the House of Representative's Inquiry into Foreign Investment in Residential Real Estate.

During the inquiry's public hearings, business repeatedly called for a greater enforcement of current regulations. It is also very pleasing to see the recommendation for the Foreign Investment Review Board will be given more resources to pursue breaches, such as investors not selling houses within three months after they return to their countries of origin, given that the last prosecution occurred in 2006.

We believe this inquiry produced a series of common sense recommendations that reflected the concerns of industry. We look forward to the Government formally committing to these recommendations.

Mr Neville Sanders
REIA PRESIDENT

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

CHANGE IN STRATEGY COULD ATTRACT FIRST HOME BUYERS BACK

Yesterday the Australian Bureau of Statistics released adjusted data on first home buyers levels following a review into the methods utilised for collection. The new data however was still disappointing and confirmed a long-term trend with the decline in first home buyers, which now stands at only 14.5 % for December 2014. This is an increase of just two percentage points.

With first home buyers increasingly feeling shut out of the market, or worse, giving up on ever owning their own home, we are pleased to see Victoria, Western Australia and Queensland offer stamp duty concessions for first home buyers for both new and established homes. The ACT, New South Wales and South Australia offer concessions for new homes while Tasmania and the Northern Territory have no stamp duty concessions available for this important group. Given any agent around Australia will tell you that first home buyers prefer existing homes in established suburbs, where they are closer to public transport and entertainment choices, we have, and will continue to, strongly advocate for stamp duty concessions in all jurisdictions for both new and existing homes.

Stamp duty concessions also help mitigate any perceived risk that first home buyer grants simply push up the price of property at the entry level end of the market.

We also believe that lessons can be learnt from experiences overseas and we have repeatedly advocated to Government that first home buyers should have the option of potentially unlocking their superannuation, as is the case in Canada, New Zealand and Singapore. Such a scheme would encourage 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. We believe this scheme would be effective given that survey after survey of first home buyers has found that an adequate deposit was the biggest barrier to purchasing a property and allowing access to superannuation with the amount withdrawn repaid over a set period providing a very workable solution.

First Home Buyer levels are very topical at the moment as the Australian Bureau of Statistics (ABS) recently released an information paper explaining changes to the method of estimating first home buyers' data and the extent of revisions.

An investigation to evaluate the robustness of estimates of loans to first home buyers commenced last year and has identified that the data on first home buyers is under-reported as some lenders have only reported loans to first home buyers who have also received a First Home Owner Grant (FHOG). It has been found that some lenders underestimated loans to first home buyers in those jurisdictions which restricted availability of the FHOG to new homes from the dates of the change in eligibility. According to the information paper, analysis and follow-up with lenders has confirmed that the drop was due, at least in part, to under-reporting by some lenders contrary to the original assumption of the impact of the change in eligibility for the FHOG reducing the affordability for first home buyers and economic conditions, such as rising house prices and the increase in investment loans for housing.

The ABS is now working with lenders to ensure all loans to first home buyers are recorded in the future, regardless of whether they receive a grant or not. This is a pleasing development and in the interim, the ABS has adjusted first home buyer data for this under-reporting using estimates based on data provided by lenders which have reported correctly. The estimates will be updated over time as more lenders report correctly. However, the trend is still below the long-term level of 19%.

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

SMALL BUSINESS PEOPLE AND THE NATION'S SECURITY

Peter Strong
COSBOA CEO

BY PETER STRONG, CEO OF COSBOA

Recently I met with representatives from the Commonwealth Attorney-General's Department to discuss the national security threat posed by individuals making explosives from commonly available chemicals. These chemicals are widely available throughout the small business sector whether it's retail, manufacturing or transport. I left the meeting concerned about the nature of this threat, but also very sure about the role that our sector can play in preventing the worst from happening.

We discussed the current security situation and while the officials did not want to alarm me, they wanted small businesses to be aware that the threat posed by terrorism has grown recently and that people need to be alert and aware of anything suspicious and report it to the relevant authorities. They see the small business community as a key part of our country's security awareness.

Australia has over two million small businesses. We are truck drivers, are retailers, hairdressers, farmers, real estate agents, financial advisers, newsagents, café owners, contractors, health experts and tradespeople. We cover nearly all aspects of our society and importantly we are found in all communities. We have always been part of the security awareness of our communities. Normally this is keeping an eye out for potential thieves or identifying fire or safety hazards.

We are, however, like most other Australians reluctant to "dob on" people when we have no real evidence; or raise concerns with authorities because that is not the Australian way. Sadly times have changed; our nation is at the highest level of security alert since the World Wars. All of us, not just small business people, have to be alert and be prepared to make that necessary security line phone call and then leave it to the authorities. That doesn't make us vigilantes or annoying busy bodies, but we can make a phone call.

Interestingly in writing this article I also felt that maybe I was being an alarmist, maybe I should just leave the issue alone. I have discussed the article with various people who supported me in writing this article and that support is valued and appreciated.

Let's face it, when we are at our business premises, our awareness is naturally enhanced. Any recent change or strange person will be noticed or an event will be watched with suspicion until proven good. When operating our business we will also note any odd business transaction, that may indicate money laundering or where access to loans for strange activities can shed a light on unlawful behaviour. Banks can monitor activities through technology but the small business person can also see the people involved and they will know when something is odd that a report might not highlight.

I know stock and station agents will note and report any odd purchases of agricultural chemicals. This equally applies to many industries with access to chemicals including: hairdressing; panel beating and auto repairs; most trades such as cleaning.

My meeting with the department was not meant to alarm me and I do not mean to alarm you, rather the meeting reinforced my belief that small businesses are not just the backbone of the economy but integral to our culture, our social cohesion, our well-being, our health and our security, whether that be national or local security, we see what is happening and if necessary will report our concerns. So, yes, we can and should report suspicious behaviour to the right authorities.

The contact number and the website information is:

National Security Hotline 1800 123 400
www.nationalsecurity.gov.au

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

IS 2015 THE YEAR OF THE MACRO?

In late 2011, in the face of the Global Financial Crisis, the Reserve Bank of Australia (RBA) began a cash rate cutting cycle in order to boost growth and provide a stimulus to economic activity outside the mining sector. Since then, the official interest rate gradually decreased from 4.25% to 2.25% and we are now observing one of the longest periods of interest rate stability. Many economists project that rates may decline further bringing the official cash rate down to new record lows.

Supported by easing monetary conditions, strong population growth (1.6% in 2013-14) and solid rises in the median house price (9.9% over the year to the September quarter of 2014), dwelling investment grew 5.1% in 2013-14. Combined, these signs provide some optimism for the Australian economy. This development is particularly important considering the consolidation in the mining industry as it moves from the exploration to the production phase. Already many in Western Australia and Queensland are reporting signs of the downturn in employment which is associated with this transition. This transition shines a light on dwelling investment, which will become increasingly vital for the overall economic growth in the short to medium term.

During the 12 months to the September quarter of 2014, Sydney and Melbourne recorded the largest house price increases across the capital cities with the median rising 16.6% and 9.4% respectively with investor levels in these markets exceeding 40%. In the context of historically low interest rates, high levels of household debt, strong competition in the housing market and accelerating credit growth, regulatory bodies indicated a potential likelihood of some sort of macro prudential policy. On December 9 last year, the Australian Prudential Regulation Authority (APRA) announced its shock move to clamp down on home lending which was coupled with an announcement on the same day that the Australian Securities and Investment Commission (ASIC) would review interest-only loans.

APRA has written to banks to warn that it will pay particular attention to specific areas of prudential concern, including

- higher risk mortgage lending, e.g. high loan-to-income loans, high loan-to-valuation loans, interest-only loans to owner occupiers, and loans with very long terms;
- strong growth in lending to property investors, i.e. over 10% growth;
- loan affordability tests for new borrowers, i.e. application an interest rate buffer of at least 2% above the loan product rate, and a floor lending rate of at least 7%, when assessing borrowers' ability to service their loans.

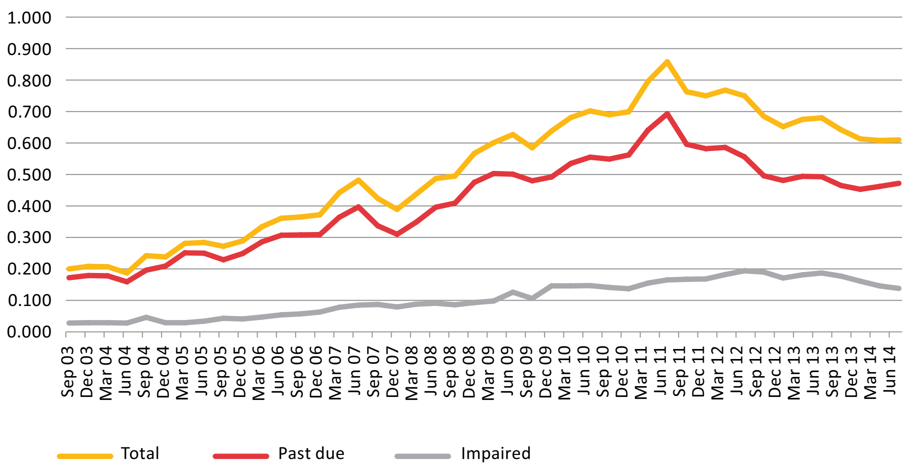
To ensure responsible lending, ASIC announced that it would conduct surveillance into the provision of interest-only loans as part of a broader review by regulators into home-lending standards.

Despite the rapid dwelling price growth, any introduction of macro prudential tools aiming to dampen dwelling price inflation will be harmful

» *article continues*

for the Australian housing market which only recently experienced a painful period of stagnation. Not only will macro prudential tools threaten the share of first home buyers on the market which in November 2014 stood at the record low 11.4% but they will also exacerbate the recent trend of many first home buyers turning to non-saving based sources in order to raise a deposit. Furthermore, tighter controls on housing loans that target property investors are not necessary given non-performing housing loans have drifted lower since peaking in mid-2011 and, according to the APRA, account for less than 0.7% of total housing loans in June 2013.

FIGURE 1 *Banks' Non-performing Housing Loans, %*



Source: APRA

It is hardly surprising that the favourable interest rates environment from 2011 to today has prompted investors to rush in and that the price in the undersupplied market increased significantly after a sluggish 2010-11. Currently, however, dwelling prices are not showing the same degree of increase they were showing in 2013 and the trend for the September quarter of 2014 was a cooling off of the market nationally.

In New Zealand, the cooling housing market led the Government to phase out macro-prudential restrictions on home loans after only two years following their introduction in late 2013.

With the national shortfall of dwelling stock estimated at 100,000 and the potential for housing to provide an aid during the transition towards the post-mining boom economy, any changes to the current arrangements would likely cause uncertainty and threaten robust demand from owner occupiers and investors alike. Ultimately, it could potentially impact building activity, employment and overall growth.

INDUSTRY ARTICLE

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IMPORTANCE OF KPI REPORTS IN YOUR BUSINESS

Do you know how many vacant properties you have available, or which staff member is sourcing the most tenants? If the answer is no, reporting on these Key Performance Indicators (KPI) can provide you with answers to these important questions. A KPI report should measure the performance of staff and significant areas in your business. The process of measuring data is an important aspect of any company strategy. A quality software package should have automated KPI reports which will provide you with actionable feedback for your team. How can you use these to build your business and guide your strategy?

Every aspect of your business is important, but some aspects need more focus than others. KPI reports can help shift your focus to areas which need attention and rethinking. Identifying and working on any weaker areas allows you to evaluate and ultimately improve these weaknesses. KPI reports can also provide a richer context for understanding and improving performance, and will help measure long term strategic goals. The measurement of data is important to tracking your success in achieving your goals.

Creating KPI reports does not need to be a chore, with automated reports becoming more common, eliminating the need for manually manipulating this data. In most reports, the data is extracted from your software and can provide you with an insight into lease renewals, rent increases, staff performances and much more.

While it's all well and good to generate and read these reports, constant measurement and communication of the insights will help generate the best results for your business. When establishing long term goals, remember the simple SMART approach; your goals should be Specific, Measurable, Achievable, Realistic and Time Specific. The SMART approach allows you to create realistic goals which can be measured against the data in your reports.

Measuring performance and data in a business promotes education and growth for both the individual and the organisation. The main role of a KPI report is to learn; learn both your strengths and weaknesses. KPI reporting can provide the required information to assist in navigating towards the desired results. To achieve these results, training may be needed or a change in process, both which may require re-education. Learning should be embraced and seen as growth in your business, so use your KPIs as a form of education measurement.

KPI reports can help you make some great changes with only minimal effort. Take the time to generate some reports and see how these can help you determine the best course of action for the year.

Terry Christianos
PRODUCT MANAGER REST PROFESSIONAL

REIA'S PRE-BUDGET SUBMISSION 2015-16

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

In its pre-budget submission, REIA has urged the Government to retain negative gearing to encourage property investment and place downward pressure on rents.

REIA's Pre-Budget Submission highlights eight recommendations aimed at contributing to Australia's continuing economic development and productivity while attracting first home buyers back into the property market and improving housing affordability.

For the 2015-16 Budget, REIA seeks the Commonwealth Government's consideration of the following:

That conveyance stamp duties be abolished and replaced by an efficient source of revenue for states and territories.

The Henry Review identified stamp duties as a highly inefficient tax. Stamp duties are a State tax and so are not determined by the Federal Government and the ACT State Government has embarked on a long term transitioning program of reducing stamp duties with higher rates. It would be better for all state and territories to act in coordinated manner with leadership shown by the Federal Government. Stamp duties represent additional costs to property transactions, thereby discouraging turnover of housing and distorting choices between renting and buying, down-sizing and between moving house and renovating. These distortions lead to a sub-optimal outcomes, reduce investment in the property market and impede labour mobility.

That negative gearing be retained in its current form to encourage property investment and that capital gains tax on property investments is not increased.

The current taxation arrangements provide many Australians with the opportunity to invest in property and augment their savings in particular their retirement savings and at the same time improve rental affordability through an increased supply of rental housing.

Further, to amend the current negative gearing provisions for housing would treat real estate differently to other asset classes and create a distortion on the investment landscape. The Henry Review, released in 2010, recognised that the current tax arrangements placed downward pressure on rents.

That the Government take a leadership role in introducing a uniform approach to the provision of assistance to first home buyers for both new and established homes.

One of the most important housing policy instruments in assisting first home buyers is the First Home Owner Grant (FHOG). The Intergovernmental Agreement (IGA) on the Reform of Commonwealth-States Financial Relations stated that assistance to first home buyers would be "uniform" and that "an eligible home would be new or established". All states and territories in signing off on the IGA had the clear intention of providing assistance to all first home buyers.

Despite this, as at 1 January 2015, provision of the First Home Owner

» *article continues*

Grant is restricted to purchasing of new dwellings in all the states and territories except for WA where eligible first home buyers of established homes can access $3,000. Further, availability of stamp duty concessions for first home buyers is not uniform across the states with Victoria, Qld and WA being the only jurisdictions that allow concessional rates of stamp duties to first home buyers of established dwellings.

That the Government establish a scheme to encourage young Australians to have access to their superannuation for the purpose of raising a deposit for a first home.

Allowing access to a proportion of superannuation funds would help prospective buyers to save for a deposit faster. That proportion could be either a fixed percentage or the total of their voluntary payments over and above the super guarantee contribution.

Superannuation and home ownership are both components of a retiree's "nest egg" and not competing products. By buying earlier in life retirees have every prospect of having a higher equity on retirement due to compound growth and a larger "nest egg" on downsizing.

That the Government establish a mechanism to ensure the availability of reliable data on housing demand and supply to assist in formulating effective policies.

The National Housing Supply Council – that was established in 2008 to monitor housing demand, supply and affordability in Australia and to identify gaps between housing supply and demand – was abolished at the end of 2013.

With housing affordability recognised as a policy priority, it is imperative that the information contained in the Council's State of Supply Report continues to be available.

That the Government continue to fund the Industry Skills Fund to meet all skills shortages.

The real estate profession is one, amongst others, where the demand for adequately trained employees fluctuates greatly with the cyclical nature of the property market and the construction activity. At the same time, there are a number of structural issues which will influence demand for training regardless of where on the economic cycle an industry sits.

The Construction and Property Services Skills Council's (CPSISC) 2014-15 Environmental Scan identifies auctioneers, property managers, real estate agents and real estate sales persons as being "skills in demand" and that as a consequence funding should be available for training in these occupations.

The Government better utilise private investment to improve the supply of housing for social housing tenants transitioning to private rental.

REIA's Pre-Budget submission provides details on how we believe private investment could improve the supply of social housing. It specifically focuses on how to increase the supply of social housing for those tenants transitioning to the private rental market. The scheme recognises that social housing is not meeting demand and is unsustainable without a change in approach. The scheme also addresses the identified shortcomings of current arrangements and builds on the Western Australian Rental Pathways Scheme.

REIA's Pre-Budget submission can be found here.

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NEW CABINET AND MINISTRY – HOW IT IMPACTS THE REAL ESTATE SECTOR

On 21 December, just before Christmas, the Prime Minister announced a surprise new Cabinet and Ministry and there were several important changes for the real estate sector.

Scott Morrison is now the Minister for Social Services and will be responsible for housing. REIA will organise a meeting with the new Minister in February.

Kelly O'Dwyer, who headed up the inquiry into foreign investment in Australian residential real estate has been appointed as Parliamentary Secretary to the Treasurer.

The education portfolio, under Minister Christopher Pyne, will take on the added responsibility of skills and training with Simon Birmingham filling the position of Assistant Minister for Education and Training.

Other changes include:

- Peter Dutton MP as Minister for Immigration and Border Protection.
- Sussan Ley MP as Minister for Health (which is a Cabinet position) and Minister for Sport.
- Following the resignation of Senator Arthur Sinodinos AO, Josh Frydenberg has been appointed as Assistant Treasurer.
- Senator David Johnston will stand down as Minister for Defence and is replaced by Kevin Andrews.
- Senator Brett Mason will stand down as Parliamentary Secretary to the Minister for Foreign Affairs and is replaced by Steven Ciobo.
- Ian Macfarlane will assume the title of Minister for Industry and Science.
- Bob Baldwin is the Parliamentary Secretary to the Minister for the Environment.
- Christian Porter is the new Parliamentary Secretary to the Prime Minister.
- Karen Andrews is the Parliamentary Secretary to the Minister for Industry and Science.

The swearing in of the new ministry took place on Tuesday 23 December 2014.

Further details can be found here.

Scott Morrison
MINISTER FOR SOCIAL SERVICES

Kelly O'Dwyer
PARLIAMENTARY SECRETARY TO THE TREASURER

REINZ ANNOUNCES NEW CEO

Colleen Milne
REINZ CEO

Following the pre-Christmas announcement of the resignation of Helen O'Sullivan as CEO of the Real Estate Institute of New Zealand, Colleen Milne has been appointed to replace her.

"We are delighted to have found such a strong candidate with both relevant industry and commercial experience," says REINZ Chair, Dame Rosanne Meo. "Colleen's time at the NZ Realtors Network and previously with First National means that she has a comprehensive understanding of the industry throughout New Zealand and across our diverse sector groups."

The new CEO commenced in late January. When asked about the appointment, Ms Milne said "Looking back on my last 15 years in executive roles, particularly the last four years in real estate, this position seems a natural career progression and it is with great anticipation and admiration for the industry that I look forward to the New Year."

"REINZ is an organisation in great spirit and in a strong commercial position," says Dame Rosanne. "The Real Estate Institute has a range of exciting initiatives in place to better service the industry and the needs of our members. We are grateful to Helen for her leadership during the last four years."

"We are most confident of Colleen's ability to continue to grow the organisation as it moves into its next phase and warmly welcome her to her new role."

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

REAL ESTATE INDUSTRY AWARD UPDATE

The Real Estate Industry Award was reviewed by the Fair Work Commission in late 2014 as part of its four yearly review of all modern awards.

The Australian Property Services Association (APSA) sought to have a provision in the Award requiring employers to register all commission-only agreements with a fee of some $70. The proposal would have seen the national adoption of Schedule E of the Real Estate Award currently in force in New South Wales, South Australia and Queensland. This schedule requires employers in those states to lodge new or revised employment contacts with state based union and employer associations. The Award provides for Schedule E to end on 31st December 2014.

The Real Estate Employers Federation in both NSW and Queenslandd supported APSA's application for the national registration of employment contracts. This support was qualified in that REEFNSW has brokered a "handshake" deal with APSA that they will make no additional claims to change the Award (such as introducing penalty rates) until after the next round of Award reviews, which would be in 2018 the earliest.

The registration of agreements has in the past been seen by some as a way of ensuring compliance of the requirements. However the "non-registration" environments of Western Australia, Victoria, Tasmania, the Northern Territory and Canberra has not suffered higher levels of non-compliance than the states where registration was mandatory.

REIV made a submission opposing the continuation and extension of the fee base registration agreements. REEFWA and REEF SA/NT also lodged opposing submissions

The Full Bench of the Commission handed down its decision on 23 December last year.

The application by APSA was unsuccessful with the Full Bench concluding "We are not satisfied that the inclusion of the provision proposed by APSA is necessary in order to achieve either the modern awards objective … or the minimum wages objective".

The Award will thus ***not include any provision requiring employers to register all commission-only agreements*** with an associated fee.

The Full Bench added that "Our conclusion does not mean that the current registration arrangements in New South Wales, Queensland and South Australia may not continue on a private and consensual basis. However after 31 December 2014 they will no longer operate by force of the REI Award".

INDUSTRY ARTICLE

MEYER VANDENBERG LAWYERS

HOW VENDOR FINANCE ARRANGEMENTS COULD COST YOU MORE THAN YOUR COMMISSION

Christine Murray, Partner, Meyer Vandenberg Lawyers

John Morrissey, Associate, Meyer Vandenberg Lawyers

Vendor finance arrangements could equal fines?

Many real estate agents are increasingly looking at inventive ways to make their properties more attractive to the market such as enhanced deposit by instalments arrangements and various forms of vendor finance. But did you know that as an agent facilitating these arrangements, you can also suffer penalties?

The legislation relating to the provision of credit assistance and acting as an intermediary in such transactions is broad in scope and will cover agents and others that advise consumers in connection with a credit transaction, even where such assistance is limited to a referral.

When is a credit licence required?

The *National Consumer Credit Protection Act (2009)* ('Act') and the National Credit Code ('Code') regulates the provision of credit to a consumer under a credit contract.[1] Where the arrangements constitute the 'provision of credit' within the meaning of the Act unless the seller holds a Consumer Credit Licence the seller can be liable for substantial fines of up to $1.7 million and up to two years imprisonment.[2]

How does this affect you?

Under the usual arrangements for the sale and purchase of property the Act and the Code have no impact. However, where the transaction contemplates the buyer paying any part of the purchase price by way of instalments (regardless of whether such instalments are made before or after settlement) there is potential for the Act or the Code to apply as:

- incentives to buyers that involve the payment of the purchase price by instalments may constitute the provision of credit that does not come within any of the exceptions to the Act or the Code;
- the beneficiaries of the incentives are usually first time buyers rather than investment corporations therefore the 'consumer' element of the Act and Code will usually be satisfied;
- any form of residential property is covered by the Act and the Code;
- it is not necessary that any charge for the arrangement or incentive is made, only that there is potential for a charge to be made; and
- whilst developers will not normally be in the business of providing credit the arrangements will be incidental to their main business of property developers.
- Where agents provide advice to consumers in respect of such arrangements they can be deemed to have provided credit assistance[3] and find themselves personally liable for penalties up to $340,000. The agency itself could incur fine of up to $1.7 million.

What should agents do?

To take maximum advantage of the opportunities in the current property climate transactions need to be structured to ensure maximum flexibility without incurring the requirement of obtaining a consumer credit licence or penalties for failing to hold such a licence. The majority of incentive arrangements with buyers can be structured so that the exceptions to the Act and the Code apply, but care is needed.

1 S6 of the Act and S 3(1) of the Code. Note for the purposes of the Act a consumer is a natural person or a strata corporation

2 S167 of the Act ($1.7m for body corporate, partnership or multiple trustees or $340,000 for an individual)

3 S8 of the Act

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A new satirical website has been launched to provide disheartened house hunters with some light relief, but also to shed light on a serious housing crisis of a different sort. The median house price in Sydney reached an all-time high of $811,837 for the September Quarter 2014 yet this figure could build 400 houses in Nepal or 200 in Cambodia where it costs just $3000 to build a house in many parts of Asia for a poor family.

The site highlights the delights of "alfresco", and "waterfront" living that are on offer for just a few thousand dollars on a phony real estate site – The Real Value of Housing www.realvaluehousing.com.au

"The reality is that these 'homes' represent the substandard housing that condemns millions of families across Asia Pacific to live in poverty and disease without access to safe water, sanitation or even a locking door," Habitat for Humanity Australia, CEO Martin Thomas said.

"We are not trying to make people feel guilty or dismiss the very real housing problems in Australia. But sometimes it is good to look around at some of the challenges other people are facing."

With 500 million people living in slums across Asia today, the growth of its largest cities has created a shelter crisis which is akin to "a humanitarian crisis in slow motion", Mr Thomas said.

The Real Value of Housing, supported by the Department of Foreign Affairs and Trade (DFAT) is raising awareness of the growing rate of slums and the need for adequate housing.

CAN A DRINK CLOSE THE PAY GAP?

CEOs who have taken action on pay equity, or gender equality more broadly, often talk about a 'light-bulb' moment that encouraged them to start intervening to address barriers for women at work. For many, this was having a daughter. In fact, research shows that when a CEO has a daughter, the pay gap in their organisation shrinks.

This novel piece of research provided the hook the Workplace Gender Equality Agency recently leveraged to put the issue of pay equity on the radar of employers. The Agency created Daughter Water, a fictional tonic that purported to help CEOs have a daughter, and sent a bottle of Daughter Water to all the CEOs who reported to the Agency that their organisation had not yet undertaken a gender pay gap analysis. The goal, through this light-hearted and slightly ridiculous approach, was to help them have their own 'light-bulb moment' and persuade them to make pay equity a priority.

At launch, the campaign was supported by 39 Pay Equity Ambassadors from organisations around Australia. One month in and the campaign now has 53 Pay Equity Ambassadors, leaders who are willing to stand up and say gender bias is real and the only way you can be sure there are no pay equity issues in your organisation is to analyse your payroll data and take action.

The aim of the campaign is to raise awareness of the issue and build the capability of employers to address pay equity in their workplace. The WGEA wants to educate employers on how they can ensure gender bias plays no part in performance and pay decisions, and has developed a suite of resources to help achieve this, including a gender pay gap calculator to identify and analyse pay gaps in the workplace.

We encourage you to visit inyourhands.org.au and download the resources to get started on the pay equity journey. Equal pay is in your hands.

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KEY STREAM SPEAKERS

Paul Harcombe
Chief Surveyor NSW / Deputy Surveyor General NSW Land and Property Information Division, NSW Office of Finance & Services

Peter Sippel
Director Surveying, Spatial & Urban Design Services at THG Resource Strategists and Chairman of the Board of THG WSG Pty Ltd

Matt Higgins
Manager of Geodesy and Positioning, Queensland Department of Natural Resources and Mines

Prof Professor Naohiko Kohtake
Keio University, Japan

KEY STREAM PRESENTATIONS

International Property Measurement Standards and the implications for the Spatial industry
Mike Stapleton, Landdata Surveys

CADASTRE 2034: Powering land and real property
Paul Harcombe, Intergovernmental Committee Surveying & Mapping

Mobile Laser Scanning (MLS) - evolution or revolution? How MLS technology is changing the way road corridors are surveyed adopting innovate methods to convert data into information
Paul Digney, Jacobs

Legal traceability for surveying and geodesy: the case for and against from Australia & New Zealand
Associate Professor Don Grant, School of Mathematical & geospatial Sciences, RMIT University
Dr John Dawson, Geodesy and Seismic Monitoring Group, Geoscience Australia
Mark Dyer, Surveyor-General, Land Information New Zealand

The Future of Geocoded Addressing in Australia
Maurits van der Vlugt, Mercury Project Solutions

The Power of Where: Allocated Address Management at Land Information New Zealand
Roger Carman & Bill Nelson, Land Information New Zealand

A Remote Sensing and GIS approach to Trace the densification in Residential Areas: Case Study: Kalidas Road, Dehradun, India
Valliappan AL, School of Planning and Architecture Vijayawada (SPAV), Planning

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EXHIBITION OPEN DAY
10 MARCH 2015

2015 NATIONAL AWARD FINALISTS ANNOUNCED

Judging for the 2015 REIA National Awards is now completed and the finalists have been announced. This year, a total of 106 entrants will compete for 16 awards. Judges have commented on the high standard of applicants – so competition will be tight.

The awards will be held on 12 March in Perth at the Crown Metropol in Burswood in what promising to be a spectacular black tie event with some fabulous entertainment. A limited number of tickets are still available but those wishing to attend should purchase their tickets now to avoid disappointment as last year's event sold out.

A full list of finalists by category and state has been supplied below. Good luck to all entrants.

For further information or to buy tickets, go to www.reia.com.au

Business Broker of the Year	
Gautam Jain	LJ Hooker Business Broking Sydney Central, Ultimo NSW
Simon Winter	Raine & Horne Corporate Business Sales, Kent Town SA
Ian Salter	Benchmark Business & Commercial Sales, Varisty Lakes Qld
Candice Gillies	Nai Harcourts North, Launceston Tas
Natalie Sirianni	Attain Business Brokers, Melbourne Vic

Buyers Agent of the Year	
Janet Spencer	Buyer Solutions Australia, Kew Vic
Karen Young	Property Zest, Chermside West Qld
Kent Cliffe	Momentum Wealth, East Perth WA

Corporate Support Person of the Year	
Kerry Johnston	First National Manly Vale, Manly Vale NSW
Josephine Jankovic	Independent Property Management, Turner ACT
Amy Wolter	Place Estate Agents, Brisbane East Qld
Matthew Pullman	Elders Real Estate Darwin, Palmerston and Virginia, Darwin NT
Gemma Stone	Harris Real Esate, Rose Park SA
Daisy Richardson	One Agency Launceston, Launceston Tas
Fiona Nicholson	Barry Plant Manningham, Doncaster East Vic
Gaynor Head	Bourkes Real Estate, Como WA

Commercial Property Manager of the Year	
John Moufarrege	First national Iskandar, Marrickville NSW
Donna Sciacca	CBRE, Canberra City ACT
Julie Magennis	CBRE, Brisbane Qld
Craig Inkster	Colliers Int. NT, Winnellie NT
Ian Lambert	Ray White Commercial - Adelaide Asset Management, Adelaide SA
Michael Cooper	CBRE, Melbourne VIC
Steven Jersky	CBRE, Perth WA

Residential Property Manager of the Year	
Justin Spencer	LJ Hooker Paramatta, Paramatta NSW
Hannah Gill	Independent Property Management, Turner ACT
Loretta Morgan	Jam Property, Caloundra Qld
Sally Paynter	Knight Frank NT, Darwin NT
Stephen Taylor	Turner Real Estate, Adelaide SA
Dylan Emmett	Lucas Real Estate, Docklands Vic
Kylie Harbo	Davey Real Estate, Greenwood WA

Communications Award
Wiseberry Heritage, Charmhaven and Wyong, Charmhaven NSW
Independent Property Management, Turner ACT
Toop & Toop, Norwood SA
4one4 Real Estate, Glenorchy Tas
Hocking Stuart, South Melbourne Vic
Peard Real Estate, Subiaco WA

Innovation Award
LJ Hooker Cessnock, Cessnock NSW
Distinct Property Management, Fyshwick ACT
Kis Property Group, Darwin NT
Toop & Toop, Norwood SA
4one4 Real Estate, Glenorchy Tas
Gary Peer & Associates, Caufield Vic
Peard Real Estate, Subiaco WA

Achievement Award	
Renee Bink	Independent Property Management, Turner ACT
Lisa Hewlett	O'Donoghues First National, Darwin NT
Rachel Lawrie	LJ Hooker Walkerville, Colinswood SA
Josh Benjamin Hart	One Agency Launceston, Launceston Tas
Adam Davy	Colliers Int, Melbourne Vic
Chadi Damouni	Bourkes Real Estate, Como WA

2015 NATIONAL AWARD FINALISTS ANNOUNCED

» *continued*

Commercial Sales Person of the Year	
Viktor Desovski	Colliers Int Wollongong, Wollongong NSW
Peter Court	CBRE, Brisbane Qld
Mark Nicholls	CBRE, Canberra City ACT
Nigel Sharp	Colliers Int. NT, Darwin NT
Andrew Turner	Commercial SA, Adelaide SA
Brett Diston	Ray White Commercial, Doncaster East Vic
Ryan McGinnity	CBRE, Perth WA

Residential Sales Person of the Year	
Benjamin Mulae	First National Gladesville, Gladesville NSW
Jonathan Charles	Independent Property Group Woden, Phillip ACT
Brett Andreassen	Doug Disher Real Estate, Toowong Qld
Paul Heron	Belle Property Darwin, NT
Matt Smith	Klemich Real Estate, Kent Town SA
Jake Towns	Petrusma Property, Howrah Tas
Mark Di Giulio	Barry Plant Manningham, Doncaster East Vic
Glen Newland	Professionals Stirling Clark, Foreestfield WA

Commercial Agency of the Year
LJ Hooker Commercial Silverwater, Silverwater NSW
CBRE, Canberra City ACT
Knight Frank NT, Darwin NT
CBRE, Brisbane Qld
LJ Hooker Commercial Adelaide, Payneham SA
Shepherd and Heap Pty Ltd, Launceston TAS
CBRE, Sydney NSW
CBRE, Perth WA

Community Service Award
LJ Hooker Cessnock, Cessnock NSW
CBRE, Canberra City ACT
Lj Hooker Ormeau, Ormeau Qld
Real Estate Central, Darwin NT
Elders Real Estate, Adelaide SA
First National Real Estate McGregor, Moonah Tas
Nelson Alexander, Fitzroy Vic
Summit Realty South West, Bunbury WA

Small Residentail Agency of the Year
Jordans Crossing Real Estate, Bundanoon NSW
Cream Residential, Hughes ACT
East Arnhem Real Estate, Nhulinbuy NT
Gary J Smith - Glenelg, Glenelg SA
Sims for Property, Launceston Tas
Urban Property Agents, Paddington Qld
Noel Jones Mitcham, Mitcham Vic

Medium Residential Agency of the Year
LJ Hooker Concord, Concord NSW
McGrath Dickson, Dickson ACT
Timms Real Estate, Somerton Park SA
Charlotte Peterwald for Property, Battery Point Tas
Explore Property, Railway Estate Qld
Melbourne Real Estate, South Yarra Vic
Real Estate 88, East Perth WA

Large Residential Agency of the Year
Wiseberry Heritage, Charmhaven and Wyong, Charmhaven NSW
Independent Property Management, Turner ACT
Elders Real Estate Darwin, Palmerston and Virginia, Darwin NT
Toop & Toop, Norwood SA
Bushby Property Group, Launceston Tas
Nelson Alexander, Fitzroy Vic
Place Estate Agents, East Brisbane Qld
Momentum Wealth, East Perth WA

President's Award	
Oren Klemich	Klemich Real Estate, Kent Town SA
Phillip Bushby	Bushby Property Group, Launceston Tas
Rob Druitt	First National Real Estate Druitt & Shead, Doubleview WA

INDUSTRY UPDATE

Industry news from around Australia

Former financial adviser jailed for $5.9 million fraud

A former financial adviser was jailed for six years and three months in February for defrauding more than 150 clients of over $5.9 million over a period of 20 years. Appearing before the NSW District Court, Ms Melinda Scott will serve three years and ten months in jail before being eligible for parole. The non-parole period takes into account a discount for pleading guilty to the offences. In December 2013, Ms Scott pleaded guilty to three dishonest conduct charges and four charges relating to the making and use of false documents involving $5.9 million of her clients' money. Ms Scott's misconduct continued over 20 years and largely involved superannuation and annuities products that were invested for the longer term. In several cases, Ms Scott also made regular payments to some clients who were expecting an allocated pension payment, but from whom she had fraudulently obtained their money. Taking into account these regular payments made by Ms Scott, the net benefit derived by Ms Scott from her fraudulent conduct was approximately $2.9 million. The Commonwealth Director of Public Prosecutions prosecuted this matter.

Unlicensed real estate agent caught out

A Brisbane real estate agent has been ordered to pay $12,687 in fines and compensation by the Queensland Civil and Administrative Tribunal for operating without a real estate agent licence and the improper use of a trust account. Mr Damien Grimsey was fined $5,000 for trading unlicensed and disqualified from holding any form of real estate licence or certificate for seven years.

Mr Grimsey was also ordered to pay $7,687 compensation to a client for failing to pass on an insurance claim payment. The tribunal heard Mr Grimsey stepped in to take over his father's real estate business, State Invest Property Services, while his father was hospitalised.

Mr Grimsey operated without a licence from July 2008 to November 2008 and May 2011 to January 2012. After a receiver was placed in charge of State Invest Property Services, Mr Grimsey opened another trust account under a similar name and sent notices to clients falsely stating that normal trading would shortly resume under the new trust account.

By law, even in unfortunate circumstances, family members could not simply take over a licensed business. The law however does allow a principal licensee to appoint a substitute licensee for a period of not more than 30 days providing certain conditions are satisfied under the *Property Occupations Act 2014*. More information on the obligations of property agents is available from www.qld.gov.au/fairtrading or by calling 13 74 68.

Crack down on rogue training brokers

New standards to combat rogue training brokers and protect prospective students from unscrupulous marketing practices came into force on 1 January 2015. Under the new standards, training providers and their brokers must be upfront with students and provide clear information about any VET-FEE HELP loans, state entitlements and subsidy arrangements that they sign up to. The standards also stipulate that training providers are ultimately responsible for services delivered by brokers on their behalf, ensuring that the responsibility stops with training providers. The Commonwealth Government has committed $68 million over four years to bolster the capacity of the Australian Quality Skills Authority (ASQA) to enforce these strong standards. Training providers have until 1 April to comply with the new standards, however new organisations applying to enter the training market must comply from today. Further details on the standards can be found at www.vetreform.industry.gov.au

New National Training Complaints Hotline – 13 38 73

Vocational education and training (VET) students and employers now have a simple new complaints hotline to report rogue training providers. This new one-stop-shop hotline, a joint initiative with state and territory governments, will make it easier to stop the exploitation of students, businesses and taxpayer funding. Anyone with a complaint or query about the VET training sector now has one number to call. The hotline directs complaints to the appropriate Commonwealth, state or territory organisation for help. The hotline also allows the Department of Education and Training to analyse complaint trends in order to quickly identify what further action and improvements are needed. The National Training Complaints Hotline is accessible on 13 38 73 (Monday to Friday from 8am to 6pm nationally) or via email at skilling@education.gov.au.

MAKING NEWS

General national news

Retail performed well in 2014

The retail sector is on track to achieve one of its best years since the GFC, according to analysis from the Australian National Retailers' Association (ANRA) following the release by the Australian Bureau of Statistics (ABS) of retail figures showing an increase of 0.1 per cent in spending over November compared to October. Throughout the year to November retail turnover rose five per cent.

Retail sales have now almost returned to long-term average growth levels not seen since 2008. Consumers took to entertaining in the home and dining out in November with cafes and restaurants up 0.8 per cent and food retailing increasing 0.6 per cent for the month. In the year to November food retailers (up 6.4%) have continued to outperform the growth seen by discretionary retailers (up 3.3%).

The strength of the property market has continued to spur growth in the household goods category, up 0.6 per cent for the month. The category is now up 11 per cent since November last year. Other discretionary categories found November challenging as consumers seemed to wind back spending ahead of the spending expectations in December. Department stores growth was flat in November, (0.0%) but on the back of strong performance in September and October. Consumers continued to place lower priority on clothing, footwear and personal accessories (down 0.7%) and other retailing (down 2.1%) both recording falls.

Among the states and territories, the Northern Territory delivered the strongest growth in November (up 1.6%) after falling 0.8 per cent in the previous month. The Northern Territory's result can be partly attributed to solid rises in electronics (up 8%) and recreational goods (up 8%). Retail sales growth in the ACT (up 1.3%) was assisted by consumers purchasing clothing, footwear and personal accessories (up 5%) and dining out (up 5%) and New South Wales continued to be the strongest performer through the year to November – up 8.8%.

Applications open for new $476 million skills fund

Australian businesses can now apply for support to boost the skills of their workforce under a new $476 million Industry Skills Fund. The fund, announced in late January, aims to provide up to 200,000 training places and skills advice for businesses over the next four years.

Priority will be given to small and medium-sized businesses, including micro businesses, as well as to businesses looking to grow in the sectors in which Australia enjoys a competitive advantage, such as advanced manufacturing, food and agribusiness, medical technology, mining equipment, and oil, gas and energy resources.

Businesses wanting support to train workers will be required to make a contribution between 25 and 75 per cent to the cost of training. The co-contribution rate depends on the number of employees, with smaller businesses receiving higher levels of support. Applications are accepted on an ongoing basis, throughout the year. Guidelines and more information are available at www.business.gov.au

ACT agent's Cobra stolen

ACT real estate agent, Darren McKittrick's garage was broken into in late January and his red AC Cobra motor vehicle was stolen. Police are investigating and Darren has launched a public appeal for the thieves to abandon the car so that it can be returned to him. He believes it will be to hard for the thieves to sell the car or strip it of parts. If you happen to be in Canberra, please keep a look out for the red Cobra.

ACCC issues an invoice email scam warning

The ACCC is warning Australian businesses to beware of an invoice email scam. The scam involves scammers pretending to be legitimate suppliers advising changes to payment arrangements. Scammers hack into vendor and/or supplier email accounts and obtain information such as customer lists, bank details and previous invoices. Your business then receives an email, supposedly from a vendor, requesting a wire transfer to a new or different bank account. The email may look to be from a genuine supplier and often copies a business's logo and message format. It may also contain links to websites that are convincing fakes of the real company's homepage or links to the real homepage itself. For tips on how to protect your business, visit the SCAMwatch website and read the SCAMwatch radar.

POLITICAL WATCH

Information and news from government

Single Touch Payroll

The Federal Government recently announced a simplification of the tax and superannuation reporting obligations through Single Touch Payroll. Under Single Touch Payroll, employers' accounting software will automatically report payroll information to the Australian Taxation Office (ATO) when employees are paid. This will eliminate the need for employers to report employee-related Pay As You Go Withholding (PAYGW) in their activity statements throughout the year and employee payment summaries at the end of the year. The Government will also streamline Tax File Number declarations and Super Choice forms by providing digital services to simplify the process of bringing on new employees.

Single Touch Payroll will be available from July 2016 and transition arrangements will be the subject of consultation with the business community early in 2015. The ATO and the Treasury will consult with the community on the phasing of the start date for different sized employers and the arrangements to support the move to Single Touch Payroll. This will include how the new arrangements will build on the SuperStream changes currently being implemented.

In addition, consultation will examine the potential for employers to remit PAYGW and the Superannuation Guarantee at the same time employees are paid their salary and wages, and what support businesses may require to enable such a transformation in payments to government and superannuation funds.

Cash incentives to hire over 50s

The Commonwealth Government offers support to employers who employ and retain eligible job seekers who are 50 years of age or older, and who have been unemployed and on income support for six months or more. An employer will receive up to $10 000 (GST inclusive) in assistance for a full-time employee over two years.

The Restart wage subsidy is paid in four six-monthly payments:

- $3000 after 6 months employment;
- $3000 after 12 months employment;
- $2000 after 18 months employment; and
- $2000 after 24 months employment.

Mature age job seekers employed for at least 30 hours per week will attract the full rate of the Restart wage subsidy. Eligible job seekers employed between 15-29 hours per week will attract a pro-rata Restart subsidy. For further information about the program, go to www.employment.gov.au/restart-wage-subsidy

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Small Business Support Line – open longer hours

The Single Business Service provides businesses – including small business owners – with a first point of contact to access information and referral services to improve their business sustainability and help better manage their business.

The support line puts business in touch with specialist agents who will tailor their advice to the needs of your small business. There is a diversity of knowledge among the agents including business start-up information, banking, finance, accounting and marketing, advertising, small business counselling and information technology.

The service links into existing small business support mechanisms including:

- Business licensing information and referrals
- Business Enterprise Centres
- State and Territory government small business programs and services.

For more information, call 1800 77 7275, email sbsl@innovation.gov.au or go to www.business.gov.au

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Australians losing thousands in super fees annually

Australians with multiple superannuation accounts could be paying thousands in unnecessary fees every year. According to new figures released today by the Australian Taxation Office (ATO), 45 per cent of working Australians have more than one super account.

The ATO is encouraging those with multiple accounts to consider consolidating their super into one preferred account. Australian Prudential and Regulation Authority (APRA) figures show the median figure for fees and charges paid by Australians for a low cost superannuation account is $532 per year. Before people consolidate they should look at any insurance cover with each fund, as it will be cancelled once they close their account. People should also make sure their super fund has their tax file number. They'll pay less tax on their super and it will help us to make sure all their super accounts are displayed online. Visit here for more information, or here for lost super data.

THE WORLD

Property news from around the world

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%.

USA to increase home ownership

President Obama has announced plans to help increase homeownership in America, and target first time home buyers by lowing the annual cost of the mortgage insurance premiums by 50 basis points. The announcement has been welcomed by many US real estate professionals and organisations.

The California Association of Realtors said "Reducing mortgage insurance premiums will make it easier for hundreds of thousands of home buyers to get a mortgage and provide greater access to homeownership for historically underserved groups and credit worthy families.

Commercial real estate in Italy records good growth

Global real estate consultant Cushman & Wakefield reports commercial real estate investment volume in Italy during 2014 is expected to be in the range of 5 billion euros ($6.1 billion USD), including single asset and portfolio transactions for all commercial market sectors (office, retail, logistics and hospitality).

The provisional figures show more than 20% growth in comparison with the previous year and the trend is expected to continue in 2015, which is in line with the EMEA market, where volumes are forecast to increase 20% next year to circa 250 billion euro. Foreign investors are the most active players and continue to show increasing interest in the Italian market, being focused either on core assets or added value opportunities. The retail market continues to represent the dominant sector of activity, covering approximately 45% of the overall investment volume, followed by the office and the hospitality sectors.

Vietnam to entice foreign investment

In late November, Vietnam's National Assembly passed the long-awaited amended Housing Law that addresses a number of issues including regulations on foreign ownership of properties in Vietnam, replacing the pilot scheme that expired in December 2013.

The Vietnam residential market has seen slow growth in recent years due to a number of factors including the previous restrictions on foreign ownership; the lack of quality developers; a speculative bubble from 2006 to 2008; the small size of the leasing market and more attractive and transparent investment opportunities elsewhere in the region.

The new law is expected to play a major role in addressing many of these issues and will help create a more balanced, transparent and sustainable residential property market in Vietnam. Removing many of the conditions on the foreign ownership of property will boost demand and help improve market liquidity, especially for mid-to-high end residential housing as well as vacation and/or second homes. It will make the residential market more attractive to locally-based expatriates looking to invest in property and also stimulate demand from Vietnamese residing overseas.

The new law, to take effect from 1 July 2015, removes many of the previous restrictions on foreign individual buyers.

Small unit demand in HK

The new build residential real estate market in Hong Kong remained robust in December with small to medium sized units continuing to be sought after, the latest property market report shows. Overall during 2014 some 63,807 residential sales were recorded according to the Land Registry, an increase of 25.9% from 2013 and the first rebound since 2011 after cooling measures were implemented. The report from international real estate firm Knight Frank also shows that luxury residential sales over HK$10 million or above rebounded by almost 50% year on year, to reach a total of 7,778 sales in 2014. The firm points out that this robust trend has extended into 2015 when developers remained active in launching new projects, particularly small to medium sized units. The report also says that in order to tackle Hong Kong's housing shortage, the government has proposed to increase private home supply to 19,000 units per year in the coming decade.

REIANEWS

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