REIANEWS

ISSUE 61: OCTOBER 2016

UNFAIR FAIR TRADING COMPLAINTS REGISTER

ALSO IN THIS ISSUE

Mr Neville Sanders
REIA President

PRESIDENT'S REPORT

WELCOME
FROM REIA'S PRESIDENT

Welcome to the October edition of REIA News.

The lead article in this month's REIA News looks at the NSW Office of Fair Trading's Complaints Register and how it unfairly treats the major real estate franchise groups.

This month we also have a story covering the major review of the Victorian Residential Tenancy Act.

Changes to the ABS first home buyers statistics are also explained in this edition. It is disappointing to see that the revised figures show fewer first home buyers since 2012 than previously reported. On the back of this, next month REIA News will feature an article by First Home Buyers Australia on what it sees as the approach to be taken to improving home ownership for aspiring first home buyers.

Mr Neville Sanders

REIA PRESIDENT

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UNFAIR FAIR TRADING COMPLAINTS REGISTER

This article is brought to you by REIA Chief Executive Officer Jock Kreitals
Jock can be contacted at jock.kreitals@reia.com.au

The NSW Fair Trading (NSWFT) commenced the publication of a Complaints Register in August this year which lists businesses that are the subject of 10 or more complaints to NSW Fair Trading in a calendar month.

The intent of NSWFT was that publicising businesses with high levels of complaints would provide consumers with information so that they can make informed decisions about where to buy goods and services. It would also provide businesses with an incentive to improve their service.

As a measure for a single business the threshold of 10 complaints per month is probably a threshold that is justifiable in identifying a business that a consumer should be wary of.

Regrettably and totally unfairly NSWFT have chosen to publicly list businesses under their 'trading' or 'brand' name which means that franchises are grouped together instead of as the individual businesses they are.

It is not inconceivable that due to their sheer size and geographical coverage large franchise groups will always have 10 consumer complaints per month.

As a consequence of this in the first two months of the Register four of the largest real estate franchise groups have been listed.

One of these groups has nearly 300 offices across New South Wales of which 90 per cent had no complaints at all, and of the ones that did, 80 per cent had just one complaint with the most from any one office being two complaints.

Because of the approach taken by NSWFT large franchise groups, such as real estate agencies, are being unfairly treated compared to single businesses. Indeed the larger the franchise group the greater is the inequity.

NSWFT has in its implementation and execution of the Complaints Register unfairly tarnished the good repute of a number of Australia's leading brands, including initially the four largest real estate franchises.

This implementation will not provide the clarity required by consumers to make informed decisions in choosing a reputable real estate agent.

Further, the register gives the impression that all services have been subject to complaint when the reality is that the predominant subject of complaint is rental agreements.

It is almost ironic that one of the franchise groups on the Complaints Register has just recently been judged by customer satisfaction research and ratings agency, Canstar Blue, as the winner of its 2016 'Most Satisfied Customers' award, following customer research about the experience of homeowners, tenants and landlords with Australia's largest real estate brands.

For consumers it will be impossible to distinguish those small businesses, operating under franchise or co-operative brands, with exemplary records from those who have been identified as poor traders. The approach taken leads to misleading information which discredits businesses who demonstrate responsible business practices.

As a consequence, many small business owners will have their financial viability at risk with no improvement in consumer outcomes through reliable information on the businesses to be avoided.

To exacerbate matters consumer groups are calling for other states to follow NSWFT's lead suggesting that NSW has shown national leadership.

The issue could be simply rectified by providing accurate and helpful information to the consumer by treating businesses as separate identities rather than lumping large groups under one name. This would provide consumers with accurate information and achieve the intended aims whilst not treating franchises unfairly.

REIA has written to the NSW Premier requesting amendments to the Complaints Register in the way complaints are reported so that consumers receive accurate information about the incidence of complaints and reputable businesses are not unfairly tarnished. REIA is also taking the matter up at a national level with small business and consumer agencies.

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EARLY BROKER MOVES CAN BENEFIT REAL ESTATE AGENTS

With housing prices at record highs and wages more or less stagnant, first home buyers continue to do it tough. And mortgage brokers are doing something about it.

No longer are brokers waiting for buyers to have a deposit in hand. They're striking up a relationship well before that. And playing a part in arming the first home buyer to hit the market as soon as possible.

For real estate agents who have relationships with mortgage brokers, this is promising news. Why? Because first home seekers with broker support are more likely to be qualified buyers. And educated about what they can and can't afford.

What's more, their mortgage broker will be ready to hit the ground running when that first home buyer finds 'the one'.

Here's a bit of an inside look at how brokers are helping first home buyers get their foot in their own door. Sooner rather than later.

Some brokers are simply checking in on aspiring first homebuyers to see how their deposit is progressing. These brokers are well aware that a first home buyer's friends and family are probably long over hearing about deposit woes. They also recognise that the saver nevertheless needs support, to prevent them from stretching out that deposit deadline.

Other brokers, without giving financial advice, are getting first home buyers to be more open minded about how they raise funds.

One possibility is margin lending i.e. a loan that lets you borrow money to invest and use shares or managed funds as security. While this type of loan comes with risk, it offers the potential to raise a deposit faster than the savings-in-term-deposit route.

Another option is a guarantor loan. This kind of loan can see a first home buyer get keys in their hand pretty fast. But the parents, or whoever else is willing to be a guarantor, need to be well aware of what they're signing up for.

"[A guarantor loan] is a guarantee and all guarantees have risks," said Damian Percy, head of Adelaide Bank. "If it wasn't the transfer of some sort of risk from the bank to the parents, the bank wouldn't guarantee [the loan] in the first place."

And then there's always the stay at home/move back home route. This can really fast-track a deposit. Especially if parents don't require rent during the savings period.

Sophie and Alex, who are both 25 and work full time, live with their respective parents. They bought their first property in June, after saving for just two years.

"While our parents didn't hand over money for our deposit, they definitely helped us raise the money," said a grateful, Sophie. "Alex and I didn't pay rent, or for electricity, water and even most of the time, groceries. Our parents were happy to cover those things as long as we were saving for a deposit. I paid for my rego, car insurance, health insurance and other personal bills but they covered the rest."

Another method brokers are using to help first home seekers is the reality check. If the type of property an aspiring first home buyer targets is way out of their league, a broker can encourage them to move the goal posts. Or more specifically, the suburb. This is where the option of rentvesting usually comes into the conversation.

Brokers who get in early with first home buyers are doing themselves and their clients a big favour. And this latest broker move spells a big positive for real estate agents and their vendors.

This article is brought to you by Geoff White, Chief Executive Officer, Real Estate Institute of Victoria

MAJOR REVIEW OF PROPERTY ACT IN VICTORIA

A review of the Victorian Residential Tenancy Act (RTA) is currently underway, looking at key issues affecting the state's 500,000 rental homes.

The Real Estate Institute of Victoria (REIV) is heavily involved in the review – which is considering a range of key areas within the Act.

One area is the payment of rent, and also bond payments. The REIV has called on Consumer Affairs Victoria – the State Government department overseeing the review – to:

- Reduce the period for falling into rental arrears, from 14 days to seven days; and
- Introduce a pet bond to cover any damage caused by pets in rental homes.

REIV CEO Geoff White said that, at present, property managers and landlords are unable to issue a notice to vacate until tenants fall a fortnight into rent arrears.

"We see it as absolutely essential that the timeframe for non-payment of rent is reduced to seven days. By the time the matter goes before the Victorian Civil and Administrative Tribunal (VCAT), tenants can be more than a month in arrears.

"This causes significant financial distress for landlords, as it often impacts on their ability to pay the mortgage on their investment property."

Sabina Aldouby, a senior property manager and director at Luxe Property in Melbourne, said unpaid rent is one of the most common issues facing landlords.

"More than 35,000 applications were made to VCAT last year for a range of matters relating to rental arrears, bond and possession. While there are many good tenants out there, the reality is rent arrears will affect most landlords at some stage.

"The level of financial impact could be significantly reduced if property managers and landlords were permitted to be proactive in serving the tenant a breach notice earlier to remedy the situation."

Mr White added that bond payments were also a key area in the review, with the REIV seeking the introduction of a pet bond.

"It's important that landlords first consent to a pet being in their rental home," he said, "with the provision of a pet bond providing an additional level of assurance, covering any damage that pets may cause."

Mr White said that the RTA review has been underway over the past year and is hitting a critical stage, with an Options Paper due to be released soon.

REIA

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23 03 2017

This article is brought to you by Mal Smith, Chief Executive of REI Super

DO YOU HAVE WHAT IT TAKES TO JOIN THE REI SUPER BOARD?

REISuper
The Property Industry Fund
An Industry SuperFund

The superannuation fund for the real estate industry, REI Super, will be holding elections for four positions on its board of trustee directors next year. The call for nominations will be made in June 2017 and the elected directors will take office on 1 October 2017.

There are ten directors of REI Super's Trustee company. Eight are elected by members of REI Super and two are Independent Directors, one of which is the Chair of the Fund.

REI Super is unique among super funds, in that most of its directors are elected by members of the Fund, rather than appointed by employer or member organisations.

"Having member elected directors on our Board means that our directors truly represent people in the real estate industry," said REI Super CEO Mal Smith.

"This direct representation of our members helps the Fund to maintain a very close link with, alignment to and understanding of the real estate industry and the needs of people who work in it."

The term of office for member elected directors is four years and elections are held every second year, when half of the current member elected directors retire. They are eligible to stand for reelection if they wish to.

"If you are thinking of nominating to join the Board it's important to be aware that to qualify to serve as director, you need to have been a member of REI Super for at least the 12 months prior to taking office," said Mr Smith.

In order to stand for election to the board, nominated members must also be in active full time employment with an employer engaged in the real estate industry or associated services in Australia.

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Australian Bureau of Statistics

Changes to ABS First Home Buyer Statistics, Australia, 2016

Introduction

The ABS publishes monthly statistics relating to first home buyers in Housing Finance, Australia (cat. no. 5609.0): Table 9a (Australia) and Table 9b (State) on the downloads tab; and in Table 9 in the PDF document. First home buyer and other ABS lending statistics are collected on behalf of the ABS by the Australian Prudential Regulation Authority (APRA).

First home buyers are defined as persons entering the home ownership market for the first time as owner occupiers. First time investors are not included.

This paper provides details on the changes to previously published first home buyer statistics as a result of improved reporting by lenders.

Background

In 2014, it was established that some lenders were reporting only loans extended to first home buyers who had also received a First Home Owner Grant instead of all first home buyers. As this would have resulted in an underestimation of the number of first home buyers, the ABS adjusted the estimates to account for the under-reporting. The methodology used to adjust the estimates to account for the underreporting was published in the Information paper: Changes to the method of estimating loan commitments to first home buyers, 2015 (cat. no. 5609.0.55.003) which was released on 4 February 2015.

Revisions to first home buyer statistics

The ABS and APRA worked successfully with lenders to ensure that, in the future, all loans to first home buyers are reported, regardless of whether or not they received a First Home Owner Grant. As a result, from August 2016, the number of first home buyers will no longer require adjustment as most lenders will be reporting correctly.

In the process of working with lenders, corrected historical data has been reported by some lenders and this improved data has been used to reestimate the first home buyer statistics back to October 2012. This has resulted in revisions to the number of first home buyers for the period October 2012 to July 2016. These revisions impact on estimates for the number of first home buyers, the first home buyer ratio and the average loan size for first home buyers.

While the revised estimates show fewer first home buyers than previously reported over the period October 2012 to July 2016, the month to month movements are broadly consistent with the previously published series (see Graph 1). For the most recent month (i.e. July 2016) the number of first home buyers in Australia has been revised down by 465 from 7,586 to 7,121.

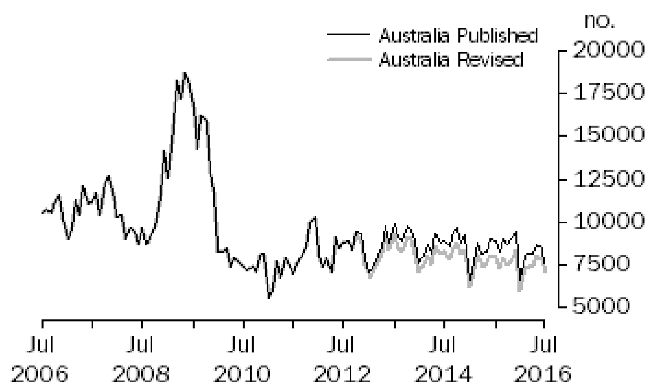
» *article continues*

» *continued*

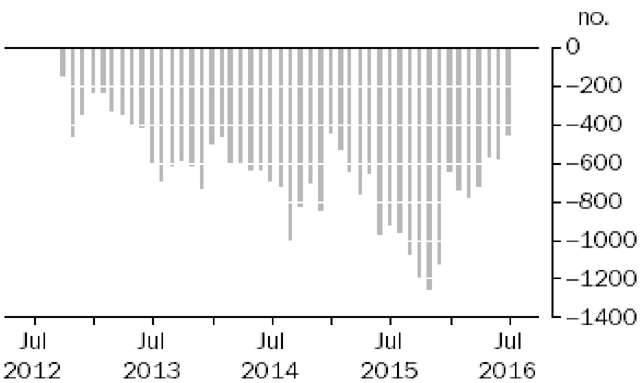
The differences between the published estimates and the revised estimates are shown in Graph 2.

The 11 October 2016 publication of *Housing Finance Australia* (cat. no. 5609.0) reflects these revised estimates.

GRAPH 1 *Number of first home buyers, published and revised, Australia original*



GRAPH 2 *Difference between revised and published first home buyer numbers, Australia original*



DOES YOUR PROFESSIONAL INDEMNITY CARRY NIL EXCESS?

This article is brought to you by shane.karutz@aon.com

In a recent claims matter, a tenant of a residential property alleges that she suffered lacerations to her hand when she was attempting to enter the property. The tenant alleges that the front door (which was open at the time) slammed shut in stormy conditions. As the door was closing, the tenant put out her hand to stop the door and her hand passed through a glass panel on the door. Suddenly the agent found themselves in the midst of a personal Injury claim.

Ordinarily what happens next is your insurer asks you to pay anywhere between $5,000 – $10,000 and that's before a Lawyer has been appointed by the insurer to defend the claim!

However, if you are an agency that exercises best practice in your Property Management division, your Professional Indemnity policy may contain a Nil excess condition for property management related claims. Nil excess is where the insurer has agreed to waive, or not collect, the property management policy excess (also known as a deductible) in the event of a claim.

In the case of the above scenario, had the agent's Professional Indemnity policy included a Nil Excess condition, rather than having to pay up to $10,000 to the insurer, the agent would instead go through a simple series of checks with the insurer.

Some of these checks may include whether:

- The agency has used standard property management agreements
- The agency has systems and processes to adequately document:
  - The inspection of each property prior to a new tenancy commencing
  - Requests for repairs and maintenance
  - That any requests for repairs/maintenance have been acted upon
  - Suitably qualified contractors have carried out repairs

If the agent is found to adhere to best practice in relation to policies and procedures, then a nil excess would have been rewarded.

Aon advise that Bodily Injury (i.e. Slip & Fall) Incidents represent over 50% of claims and claims notifications reported to their offices nationally. It's also important to note that these claims (regardless of merit) cannot be ignored or severe repercussions are incurred.

Aon recognises this poses a risk for the daily duties of an agency and is one of few policies that can offer you this added protection as an automatic inclusion in your Professional Indemnity policy (without any added premium).

To learn more about Nil Excess or find out how Aon can protect you, contact us on 1300 734 274.

FUNDING GRANTS FOR WOMEN'S LEADERSHIP DEVELOPMENT

WOMEN & LEADERSHIP AUSTRALIA

In 2016 Women & Leadership Australia is administering a national initiative to support the development of female leaders across the all industry sectors.

From September 21st 2016 the initiative will provide women in the finance sector with grants for leadership development. More specifically, grant applications are open for women at three levels. Please click on the preferred program link for details. The deadline for expressing your interest for this funding in your sector ends on December 15th.

1. **Senior management and executive level women leaders** can apply for $8,000 part-scholarships to undertake the Advanced Leadership Program
2. **Mid-level female managers** and leaders can apply for $4,000 part-scholarships to undertake the Executive Ready Program
3. **Aspiring talent** and emerging women managers can apply for $3,000 part-scholarships to undertake the Accelerated Leadership Performance Program.

Expressions of Interest
Expression of Interest form can be downloaded here.

Should you wish to discuss the initiative in more detail please contact Ian Johnson at the office of the National Industry Scholarship Program, Women and Leadership Australia on 03 9270 9016 or via ijohnson@wla.edu.au

2016 REALTORS® Conference & Expo - Overview

To register click on the following link:

http://www.realtor.org/convention.nsf/?opendatabase&cid=CE15011

International visitors:

The REALTORS® Conference & Expo is a great opportunity to expand your global learning and make new real estate contacts from all over the world. More than 1,300 international real estate professionals from more than 60 countries, as well as 19,000 U.S. REALTORS® and guests, are expected to attend the real estate event in Orlando, Florida, U.S.A.

Enhance the value of your conference registration with International REALTOR® Membership

Gain access to all the benefits of International REALTOR® Membership along with your conference registration for the same price. Become an International Member today for U.S.$100.00 and you are instantly eligible to register for the conference at the member rate, which is U.S. $450.00.

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- Your contact information is entered into a database, allowing consumers and fellow professionals to easily find you.
- Access thousands of relevant articles, books and research, weekly and monthly newsletters with in-depth articles, case studies and more.
- Get offers and significant savings on products and services you use in your business and personal life, including care rental discounts while at the conference and much more.

Register as a Premier Access International REALTOR® Member, or learn more about International REALTOR® Membership. Contact narglobe@REALTORS.org with questions.

THINKING OUTSIDE THE BOX IN DESIGNING AFFORDABLE HOUSING

Sydney's housing to income ratio makes it one of the most expensive cities in the world, with housing prices on par with New York. Consequently, housing affordability is one of the biggest problems in Australia. A new exhibition at the University of Sydney opening this week will look at housing projects from around the world, which could provide solutions to reducing the cost of housing.

Designing Affordability: Quicker, Smarter, More Efficient Housing Now presents more than 20 case studies of houses and apartments internationally, alongside exemplary housing projects in Sydney, Melbourne and Brisbane.

The exhibition showing at Tin Sheds Gallery in the University's Faculty of Architecture, Design and Planning is curated by New York-based Marc Norman, an urban planner who has been a strong advocate for affordable housing for more than 20 years.

"It has been interesting to learn that Sydneysiders are experiencing many of the same issues as New Yorkers where, simply put, development costs are exceeding what most people's budgets can afford," said Marc Norman.

"A goal of the exhibition is to look at innovative designs for affordable housing, but also look at the broader issue of housing affordability for housing types and populations.

"The best solutions are those projects where design, finance and housing policy are working in unison and creating replicable models for tackling the housing crisis," he added.

Through case studies, the exhibition shows how architects, engineers, planners, policy makers, tenants and homeowners are crafting new ways to reduce project costs by rethinking how to build and maintain houses, in addition to rethinking the way people live.

From reimagining public housing models, leveraging land and building incrementally, to reconsidering the home and deploying technology, the exhibition looks at different approaches to reducing housing costs.

Associate Professor Mathew Aitchison, Director of the Innovation in Applied Design Lab at the University of Sydney said: "The most striking aspect of the projects in the exhibition is the breaking of conventional boundaries of architecture, planning, property development, finance and construction. It shows a brave, optimistic, inclusive and wide-ranging attitude to innovate, experiment and improve housing solutions."

The case studies feature varied solutions for a range of housing types from large, publicly-owned housing projects typical during the 1920s through to the 1970s, to privately-owned multifamily buildings, micro units and row homes.

While the make-up of families is now varied, housing choices have been slow to reflect new trends in the way families now live. Innovative models that integrate sharing, communal facilities and economic development opportunities to create cost savings and build wealth for individuals and communities, are illustrated.

Universally, the competition for land has intensified and acquiring land can be a significant cost in housing construction. Yet the case studies show how major portions of government land are under used, valued and developed, and presents examples where affordability has been developed or preserved in the heart of cities.

New breakthroughs in technology are highlighted that produce hyper-efficient, 'smart' apartments that can make city living more affordable, productive and adaptable to lifestyles. By reconfiguring spaces that are multi-purpose and energy efficient, housing and other public costs can be significantly reduced in the longer term.

A one-day symposium on affordable housing will be held in the University's Faculty of Architecture, Design and Planning on Saturday, 8 October. Guest speakers include Marc Norman, along with architects, local policy makers and architecture and planning experts from the University of Sydney and other universities in Sydney. They will examine building innovations, living situations and progressive partnerships unique to Australia that could address housing costs and the affordability issue.

Event details:

What: Designing Affordability: Quicker, Smarter, More Efficient Housing Now
When: 6 October - 18 November 2016
Where: Tin Sheds Gallery, Faculty of Architecture, Design and Planning, 148 City Road, University of Sydney
Hours: Tue-Fri, 11am-5pm

Media enquiries:
Mandy Campbell, 0481 012 742 or mandy.campbell@sydney.edu.au

DO YOU KNOW THE INDICATING SIGNS OF A CLANDESTINE DRUG LAB AT YOUR PROPERTY?

This article is brought to you by ASB Environmental

- Is there evidence of pre-paid cash long-term rental agreements?
- Are the windows blacked out?
- Is there evidence of chemical containers lying around?
- Is there a toxic smell?
- Are there always issues upon site inspection times?
- Are there areas you are excluded from inspecting?
- Tennants departed from site leaving a trail of rubbish?

These indicators may point to the presence of a clandestine drug lab or 'cook house'.

You may be exposed to the harmful residual bio film left behind after a 'cook up' and it can be a serious health issue if you make contact with it.

If you are unsure, please call us at ASB Environmental Pty Ltd, as we can offer, testing, training and decontamination Australia wide.

INDUSTRY UPDATE

Industry news from around Australia

Real Estate Institute of New Zealand Appoints New CEO

The Real Estate Institute of New Zealand (REINZ) announced in early October, the appointment of Bindi Norwell as its new Chief Executive.

In making the announcement Chairman Dame Rosanne Meo commented that Bindi brings a strong commercial perspective to the organisation. "Bindi is an experienced business leader and strategist who has worked in New Zealand, Australia and the UK.

She has a strong background in digital media and technology and most recently, Executive Director of TNS Global, a customer and marketing insights based consultancy working with a diverse network of New Zealand Companies."

Previous positions in the UK include British Telecom and Australia Melbourne Airport and CSR. In accepting the position, Bindi commented on her excitement in joining the REINZ team and working within the real estate industry. "REINZ is noted for what it has achieved to date, as a strong and vibrant membership organisation and I feel excited to be involved and leading the organisation to its next stage."

Bindi lives in Auckland and enjoys spending time outdoors with her husband and two children, aged nine and seven. Bindi will join REINZ in early December.

Notifying NSW Fair Trading about Change of Employment

Do you know what your obligations are when it comes to notifying NSW Fair Trading about an employee joining or leaving your agency?

Interestingly, and somewhat surprisingly, NSW Fair Trading advised that the obligation to inform Fair Trading of a change of employment rests with the employee and not the employer.

To assist with this, Fair Trading have provided a specific form on their website that an employee must complete each time they commence with a new employer. The form, which is essentially a change of address notification, differs depending on whether the employee holds a Certificate of Registration or is a Licensed agent.

The form enables Fair Trading to ensure that renewal notices for certificates and licences find their way to the employee at their place of work. Members will possibly be aware that renewal notices are regularly being sent to their employees care of the business address.

The certificate or licence holder needs to complete and sign the form. The employer's address needs to be listed, but not necessarily the agency name.

The employer is not required to sign the form.

Message for employers

- When a new employee commences employment with your agency, you request a copy of the form they have sent to Fair Trading so it can be retained in their personnel file or uploaded to the People Management System.
- You keep a record of all your employees' certificates and licences, and monitor the renewal dates. You have a duty under the *Property, Stock and Business Agents Act 2002* Supervision Guidelines to ensure that all of your employees hold a current Certificate of Registration or Licence.
- You maintain a current CPD register. The register should contain copies of all CPD certificates issued to employees with your agency as evidence that they have met the mandatory training requirements. While the responsibility and cost to meet CPD requirements lies with the employee, you should be satisfied that each of your employees is complying with the Act.

MAKING NEWS

General national news

Continued strength in dwelling approvals

The number of dwellings approved, in trend terms, rose 0.6 per cent in August 2016 and has risen for nine months, according to data released by the Australian Bureau of Statistics (ABS) on 5 October 2016.

Dwelling approvals, in trend terms, increased in New South Wales (1.9 per cent), Victoria (1.2 per cent) and Queensland (0.3 per cent). They decreased in the Northern Territory (14.9 per cent), South Australia (4.3 per cent), Tasmania (4.1 per cent) and Western Australia (1.2 per cent), and were flat in the Australian Capital Territory.

In trend terms, approvals for private sector houses fell 1.0 per cent in August. Private sector house approvals fell in South Australia (3.0 per cent), New South Wales (1.4 per cent), Western Australia (1.2 per cent), Queensland (1.1 per cent) and Victoria (0.4 per cent).

In seasonally adjusted terms, dwelling approvals decreased 1.8 per cent in August, driven by a fall in total other residential dwellings (2.5 per cent). Total house approvals fell 0.9 per cent.

The value of total building approved fell 0.1 per cent in August, in trend terms, after rising for eight months. The value of residential building rose 0.7 per cent while nonresidential building fell 1.8 per cent.

New global residential building measurement method released

A new global measurement standard aims to remove risk and uncertainty and improve transparency in measuring residential buildings. With evidence of at least four different methods of measuring residential buildings existing in Australia, delivering variance of up to 20 per cent, the new International Property Measurement Standard (IPMS) – Residential provides home owners, investors, developers and lenders greater certainty that a space measured to IPMS is measured accurately.

The IPMS-Residential standard, the second of the IPMS series, will establish the world's first-ever globally consistent measurement standard for residential buildings. It has been developed by a panel of 18 experts representing a coalition of 80 organisations from 11 countries.

"This new standard will enable investors, estate agents, developers, consumers and other users of professional property services, to make more informed decisions. IPMS-Residential is ultimately about protecting the investments we make as individuals, investors or industry leaders." Alexander Aronsohn, RICS Director Technical International Standards, said.

"In Australia, many banks set minimum thresholds on the size of an apartment they will secure via mortgage. In one example, as a direct result of inconsistencies and misrepresentation of measurements, one bank refused to supply a mortgage to an investor because the size of the built apartment varied so greatly from that advertised 'off the plan' at the time of sale", Robert Hardie, RICS Oceania Corporate Affairs Manager, said.

IPMS-Residential can overcome this by providing one, consistent and accurate measurement of the space from the design phase, through construction, sale and occupancy.

POLITICAL WATCH

Information and news from government

Interest rates lowered to assist Indigenous first home buyers

Indigenous Business Australia (IBA) has lowered its home loan interest rates to further assist eligible Aboriginal and Torres Strait Islander peoples into home ownership.

First home buyers may be eligible for a standard introductory rate starting from as low as 1.5 per cent, for low income earners, and capped for a minimum introductory period of at least 24 months.

In addition to its affordable interest rates, IBA home loans have low deposit requirements, no mortgage insurance and a supportive application process.

In 2015–16, IBA financed 489 new home loans with a total value of $161.9 million of which 77 per cent were in regional or remote Australia.

This new lending enabled almost 1,200 Indigenous Australians to enjoy the social and economic benefits of home ownership.

Since its inception in 1975, IBA's Indigenous Home Ownership Program has provided more than 17,000 home loans to Indigenous families.

NT subdivision policy put on hold

Territorians looking to subdivide their homes may soon find it a lot more difficult following the launch of an NT Government review.

The Government yesterday put a hold on a policy which allowed subdividing land of single dwellings.

Approved under the former CLP government, houses on 1000sq m or larger were able to apply to subdivide the land to allow for two houses. Planning Minister Nicole Manison said the Interim Development Consent Order was actioned to review the policy and garner public feedback.

"It is potentially a very big change to the Northern Territory, to the faces of our suburbs with dual occupancy on single dwelling lots," she said.

Only one application has been submitted and was done so on Friday.

"Granted that application came through before these changes I have announced, that application will be able to go through the development application process as per normal," she said.

Real Estate Institute of Northern Territory chief executive Quentin Kilian said they support the policy as long as it was planned correctly.

"We've always stated that it is important that when looking at dual occupancy of larger blocks that it meets the criteria and that it fits with the general make-up with the area," he said.

He said it was important that the review didn't take too long.

"There is a certain point at which you can spend too much time planning and consulting," he said.

"If changes are to be made, we hope that it is for the right reasons."

Opposition leader Gary Higgins said the CLP had made important inroads into making house prices more affordable during government.

"Urban infill and dual occupancy were policies the Country Liberals government inherited from Labor and we believe they both had merit in contributing to housing affordability while adding to and improving the Top End's housing mix," he said.

The Planning Action Network convener, Margaret Clinch, said the review was welcomed by some locals, who had protested against amendments to the scheme.

Residential Tenancies Amendment Regulations 2016 and Residential Tenancies Further Amendment Regulations 2016 – Legislation update from Consumer Affairs Victoria

The Residential Tenancies Amendment Regulations 2016 and the Residential Tenancies Further Amendment Regulations 2016 commenced 30 September 2016.

Under these regulations, landlords and property managers must use the updated residential tenancy agreement form and notices.

The residential tenancy agreement form now includes a section that allows tenants and landlords to give permission to be served notices electronically.

The updated notices include information that they may be sent electronically if consent has been given in the agreement.

Consent must be voluntary and should be in writing.

THE WORLD

Property news from around the world

Over half of UK landlords set to raise rents due to tax changes

Many landlords in the UK plan to raise rents to cope with recent tax increases in the private rented sector and do not plan on expanding their portfolios, a new survey has found.

Nearly a third of landlords are considering leaving the market altogether despite predictions that one million new homes to rent will be needed by 2021 and evidence showing that institutional investors in the rental market are not delivering the homes needed.

Some 56% of landlords are planning to increase rents in the next 12 months to offset the impact of changes to mortgage interest relief, the survey from the Residential Landlords Association shows.

This is likely to most negatively impact families as 63% of landlords are letting to tenants with at least one child and there are also likely to be cutbacks in raising the standard of existing properties with 58% saying the tax rises will hit their plans for investment in their properties.

Recent and forthcoming tax changes have included restricting the payment of mortgage interest relief to the basic rate of income tax, a 3% stamp duty on the purchase of additional properties and taxing landlords' income and not their profit.

Indeed, the survey also found that 54% of landlords do not have confidence in the future of the sector with 70% anticipating further government policies aimed at landlords in the near future.

'These results show how perverse recent tax changes have been. By implementing policy that will increase rents and choke off the supply of homes to rent, the Government is making it more difficult for tenants to save for a home of their own,' said RLA policy director David Smith.

Property sales surge by almost 40% in Hong Kong month on month

Residential property sales in Hong Kong increased by almost 40% in August with the market seeing particularly strong activity in the new homes market.

The latest data from the Land Registry recorded a rise in sales of 37% month on month while prices also continued to increase. But prices are still down 8% from their peak in September 2015.

Knight Frank says that developers are expected to offer more small flats to meet market demand in the coming months. This will be boosted by land prices stabilising and major developers returning to the market amid satisfactory home sales performance.

According to the Lands Department, the number of homes pending pre-sale consent reached 14,757 recently, the highest level in 10 months.

'We expect growth in home prices to remain suppressed despite the recent pickup in sales momentum, given the increase in supply and a potential US interest rate hike,' the report says.

Prime property rents up by 0.5% year on year globally, latest index shows

Prime global property rents increased by 0.5% in the year to June 2016, the first indication of a recovery in this real estate sector for 12 months, the latest index data shows.

Growth was led by Moscow with prime rents rising by 11.1% on an annual basis while North America is the strongest performing world region for the third consecutive quarter, with prime rents rising by 4.4%.

Of the 17 cities tracked by the Knight Frank index, 10 saw prime rents rise in the 12 months to June 2016 but the worst performing was Nairobi with rents down by 9.2% year on year.

The second highest growth was in Tokyo where rents were up 9% year on year, then Guangzhou in China with annual growth of 4.8% followed closely by New York with growth of 4.7% and Toronto up 4.1%.

After Nairobi the next biggest slowdown was in Zurich with rents down 7.7% year on year, then Hong Kong down by 7.3% and London down 3%. The only other cities to see prime rents fall were Singapore with a drop of 2.3% and Geneva down 1.5%.

Prime property rents were static in Taipei and increased by 0.7% in Beijing and Tel Aviv, by 1.5% in Cape Town, by 1.6% in Shanghai and by 2.5% in Vienna.

The index confirms the slowdown in the prime central London rental market with rents falling by 3% in the 12 months to June 2016 with higher stock levels and uncertainty in financial markets contributing to the fall. The index report points out that data for London largely covers the period leading up to the UK's European Union referendum.

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