

# REIANEWS

ISSUE 74: DECEMBER 2017



MERRY CHRISTMAS AND A HAPPY NEW YEAR  
FROM ALL AT THE REAL ESTATE INSTITUTE  
OF AUSTRALIA.

REIA NEWS WILL BE BACK IN FEBRUARY 2018.

## ALSO IN THIS ISSUE

MARKET SNAPSHOT

NEW DIRECTORS REIA  
BOARD IN 2018

WOMEN IN REAL ESTATE  
CONFERENCE

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

**MORE**

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



# PRESIDENT'S REPORT

Mr Malcolm Gunning  
REIA President



## WELCOME FROM REIA'S PRESIDENT

Welcome to the last edition of REIA News for 2017. The past year has been a very busy one for the REIA.

Without doubt the major focus of 2017 was the REIA's Strategic Plan. This saw a Planning Day in February, the consideration of a Draft Strategic Plan at the March Board Meeting, and the finalization and approval of the Plan plus an Implementation Strategy at the June Board meeting. Since then initiating the implementation strategy has been a priority with reporting occurring at each Board meeting.

Training and improving the professionalism of agents is a high priority issue and is why REIA is working towards membership of the Professional Standards Council through the Chairmanship of John Cunningham of REIA's newly formed Professionalism Committee. John has been a contributor to a number of issues of REIA News on this

subject during the year and will continue to do so during 2018.

The May 2017 Budget has been another area of significant focus. The lead up involved considerable liaison with the Assistant Treasurer's office. Whilst it was heartening to see that the Government delivered a comprehensive package aimed at housing affordability and first home buyers which was at the core of REIA's Pre Budget Submission, there were three measures that were of concern to the REIA – whilst these were said to be aimed at "improving housing affordability" many were more to do with the integrity of the tax system and excessive claims and tax avoidance. Consultation with Treasury and responding to exposure draft legislation and explanatory material related to a number of Federal Budget measures have been at the forefront of REIA's policy work since

then. The associated activities have involved advocacy with Government and other industry bodies.

One of the articles in this month's REIA News is from the ATO on the recently legislated changes relating to deductions for investment property.

Taxation policy will continue to be a number one issue for REIA going into 2018 and the rest of this electoral cycle.

This month we also have an article from the Australian Small Business and Family Ombudsman on a study into the factors impacting small to medium enterprise investment. The study points out that small business owners who have equity in property are finding it easier than others to secure funding for their business.

From the REIA we wish all readers and their families a safe and happy festive season.

**Mr Malcolm Gunning**

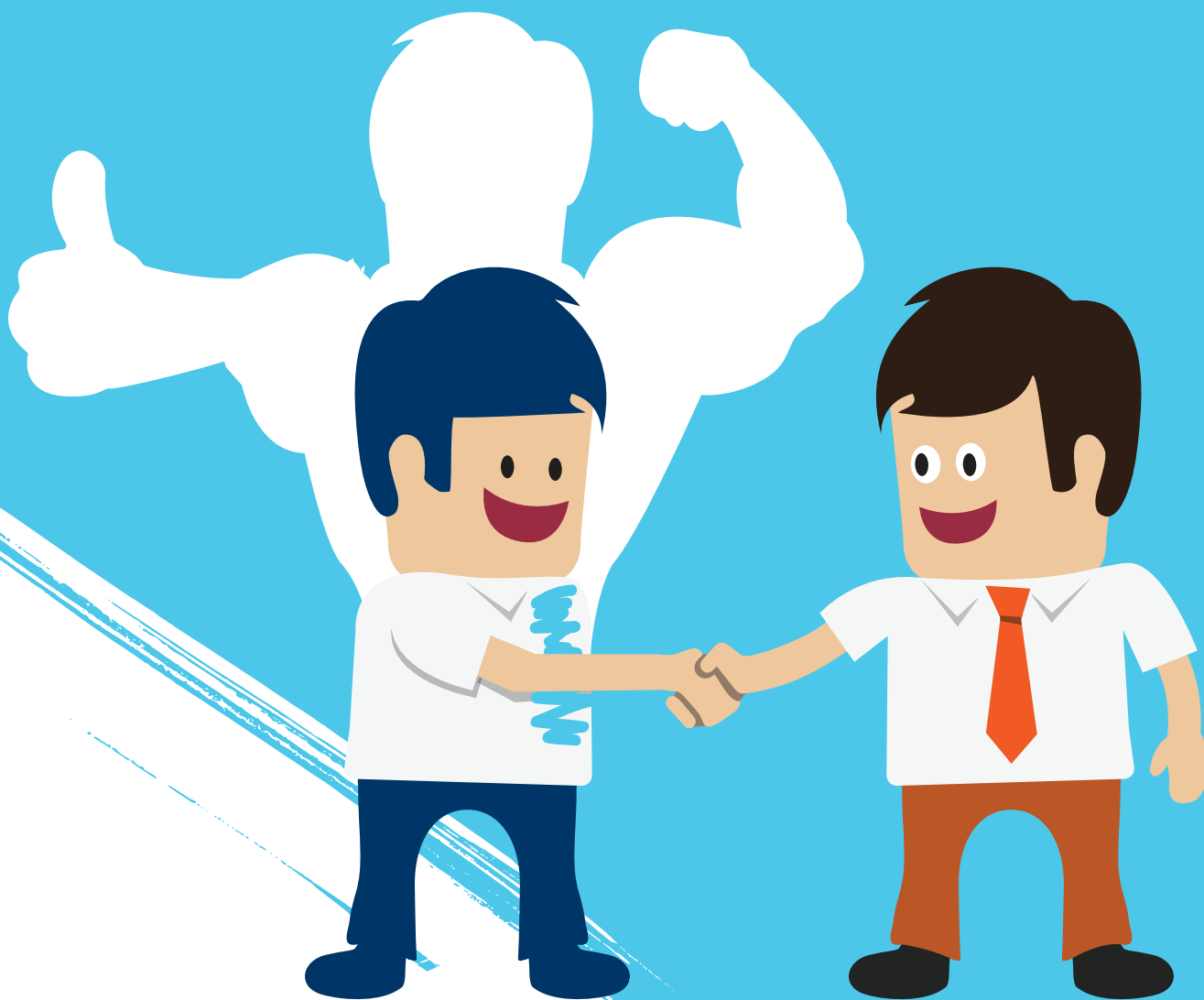
REIA PRESIDENT



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## REIA BIDS FARWELL TO RETIRING BOARD DIRECTORS AND WELCOMES THREE NEW BOARD DIRECTORS



*REIA President, Malcolm Gunning with departing REIV Director, Joseph Walton*



*REIA President, Malcolm Gunning with departing REISA Director, Greg Moulton*



*REIA President, Malcolm Gunning with departing REINSW Director, John Cunningham*

The REIA Board, during their meeting on 14 December 2017 bid farewell to three Board Directors standing down at the end of their term – Greg Moulton (REISA), John Cunningham (REINSW) and Joseph Walton (REIV).

Malcolm Gunning paid tribute to the departing Board Directors and thanked them for their support during his first term as REIA President, their time and their dedication to the profession. Malcolm Gunning also welcomed the incoming Board Directors – Brett Roenfeldt (REISA), Leanne Pilkington (REINSW) and Robyn Waters (REIV).

Malcolm Gunning was re-elected for another term as the REIA President with Hayden Groves of REIWA re-elected for another term as REIA Deputy President.

### REIA BOARD OF DIRECTORS FOR 2018

Elected during the REIA Annual General Meeting on 14 December 2017, REIA Board Directors representing state and territory members Real Estate Institutes are:

**Craig Bright**

Real Estate Institute of the Australian Capital Territory

**Leanne Pilkington**

Real Estate Institute of New South Wales

**Diane Davis**

Real Estate Institute of Northern Territory

**Brett Roenfeldt**

Real Estate Institute of South Australia

**Adrian Kelly**

Real Estate Institute of Tasmania

**Robyn Waters**

Real Estate Institute of Victoria

**Hayden Groves**

Real Estate Institute of Western Australia

**Chris Mourd**

Independent Director



# Trustbond

## WORLD-FIRST TECHNOLOGY TO END RENTAL CASH BONDS

### A world-first technology will make renting more accessible to trustworthy Australians.

Fintech company Traity has launched Trustbond, powered by leading landlord insurance specialist Terri Scheer.

Trustbond helps tenants to rent a home and provide security to their landlord without freezing their savings in a rental bond.

It helps landlords to determine a person's suitability as a tenant whilst providing landlords with the same level of protection as a traditional cash bond.

Traity measures trustworthiness using online data including networks, ratings and reviews from Facebook, Twitter, LinkedIn, Airbnb, eBay and Uber to determine a tenant's TrustScore.

Once eligibility has been established, the tenant pays an upfront fee that is a percentage of what a conventional rental bond would cost.

For example, a traditional cash bond might require a tenant to pay \$2000. With Trustbond, the tenant might pay a much smaller fee of around \$250 for the term of the lease that still covers their landlord for \$2000, freeing up \$1750 for the tenant.

The inspiration for Trustbond came from Traity CEO Juan Cartagena and his own experience of renting property.

As a new resident of the United States with no local rental or employment history, landlords were requesting rental cash bonds of up to \$14,000.

"Trustbond recognises a person's digital profile as an asset, putting money back in tenants' pockets to spend on the things that matter to them," Traity Country Manager, Will Soutar, said.

"It allows people who may have an unconventional working life, such as freelancing, or who have no rental history, greater access to the property rental market.

"A traditional bond is a large sum that is tied up for the duration of the lease. Trustbond allows tenants to pay a relatively small fee upfront to cover the protection their landlord requires.

"In addition to the financial incentives, Trustbond is a better way for tenants to show who they really are. It's a way to build stronger relationships between tenants, landlords and property managers based on trust."

Terri Scheer Insurance Executive Manager, Ms Carolyn Parrella, said there were key incentives for landlords to choose tenants who are eligible for Trustbond.

"Trustbond is based on the premise that good online citizens will also be good tenants. Only tenants with a high TrustScore are eligible," Ms Parrella said.

"Trustbond gives landlords and property managers the ability to rate and review tenants. This encourages tenants to be responsible and motivates them to take care of their landlord's property, in order to keep their TrustScore high.

"These benefits can be achieved with the same level of protection as a conventional cash bond.

"Trustbond covers the same breaches of a tenancy agreement including unpaid rent, damage, broken leases and associated costs, without the need to go to a tribunal.

"Owning a rental property is a significant investment. We want to take the stress out of investing for landlords, support tenants to feel trusted and remove barriers to entry for renting. Trustbond will do just that."

Trustbond is being launched in South Australia and will roll out to other states in the coming months.

In time, Traity plans to donate one in 30 products to people who have experienced domestic abuse, to help them move into safer accommodation.

To start a Trustbond:

- Go to [www.trustbond.com](http://www.trustbond.com)
- Prove you are a trustworthy tenant by building your reputation profile
- Replace the cash bond with a Trustbond
- Share the Trustbond with your real estate agent or landlord for their agreement
- Use your cash for when you need it most.

Visit [www.trustbond.com](http://www.trustbond.com) to check your TrustScore and Trustbond eligibility. For further information, contact Traity Country Manager, Will Soutar, on [will@trustbond.com](mailto:will@trustbond.com) or 0423 781 633.

» Terri Scheer Insurance Pty Ltd is the promoter of Trustbond. Trustbond is issued by AAI Limited and distributed by Traitperception Australia Pty Ltd (Traity).

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## WIRE INSPIRES AND MOTIVATES WOMEN AGENTS

Agents from across NSW gathered in Sydney for a day of professional motivation at REINSW's 11th annual Women in Real Estate (WIRE) Conference.



*Above left: Lisa Claes, Chief Executive Officer for CoreLogic International*



*Above right: Amanda Farmer, Director of Lawyers Chambers on Riley*

A host of inspiring speakers shared their wisdom and stories of encouragement to a captivated audience at the Australian Technology Park in Eveleigh on Tuesday 14 November 2017.

Attendees heard from: Alexandra Haggarty, Amanda Farmer, Em Rusciano, Leah Jay, Leanne Pilkington, Lisa Claes, Robyn Hobbs, Susanne King, Tracey Fellows and Tracy Bevan.

REINSW Board Member Kylie Walsh also hosted an industry panel with Louise Snowden, Marnie Seinor and Monika Tu.

Former REINSW President, Cristine Castle, who started WIRE in 2007, perfectly summed up the event when

she said: "When WIRE was just an idea, there were some fundamentals of what we wanted to achieve.

"The purpose was to motivate, educate, communicate with our members, create a networking opportunity, provide and create mentors, inspire, and encourage passion in real estate.

"We wanted women to invest in themselves, share the experience of others and look ahead at facing the challenge of change.

"Today all of those fundamental foundations are still in place which is so satisfying. Each of the presenters today has reiterated and reconfirmed the fundamentals of WIRE.

"One of my main takeaways today is that it is all about love. I heard it in every speaker.

"When you have a career in real estate, you can't be perfect at everything because it is a very demanding industry. Be the best you can be, do the best you can do, but it is all about love."

*Source: The Real Estate Institute of New South Wales*

*Celebrating excellence  
in the real estate profession*



# REIA

REAL ESTATE INSTITUTE  
OF AUSTRALIA

## 2018 NATIONAL AWARDS FOR EXCELLENCE

DOLTONE HOUSE, JONES BAY WHARF, SYDNEY

**ENTRIES ARE  
NOW OPEN  
FOR THE  
2018  
REIA NATIONAL  
AWARDS FOR  
EXCELLENCE**

**SAVE THE DATE  
THURSDAY  
22 MARCH 2018**

The REIA National Awards for Excellence encourage, promote and recognise excellence in the real estate profession.

In 2018, state and territory member Real Estate Institute entrants in 16 categories will be celebrated for their knowledge, skill and innovation.

### **Agency Categories**

Commercial Agency of the Year  
Communications Award  
Innovation Award  
Large Residential Agency of the Year  
Medium Residential Agency of the Year  
Small Residential Agency of the Year

### **Individual Categories**

Achievement Award  
Buyer's Agent of the Year  
Business Broker of the Year  
Commercial Property Manager of the Year  
Commercial Salesperson of the Year  
Corporate Support  
Community Service  
Residential Property Manager of the Year  
Residential Salesperson of the Year  
President's Award

### **Agency categories**

To be eligible to enter any agency category in the REIA National Awards for Excellence 2018, the agency must have won the agency category at the state or territory member REI awards in 2017 and be a financial member of their state or territory Real Estate Institute.

### **Individual categories**

To be eligible to enter any individual category in the REIA National Awards for Excellence 2018, the individual must have won the individual category at the state or territory member REI awards in 2017 and be a financial member (or the agency they are employed by) of their state or territory Real Estate Institute.

### **Entries**

Entries must be submitted online via the Awards Force Platform [www.reia.awardsplatform.com](http://www.reia.awardsplatform.com) opening 11 December 2017 and closing 5:00pm (AEST) 1 February 2018. Hard copy submissions will not be accepted.

### **Tickets and accommodation**

Go to [www.reia-awards.com.au](http://www.reia-awards.com.au) to purchase tickets to the REIA National Awards for Excellence 2018 event and see details of accommodation available.

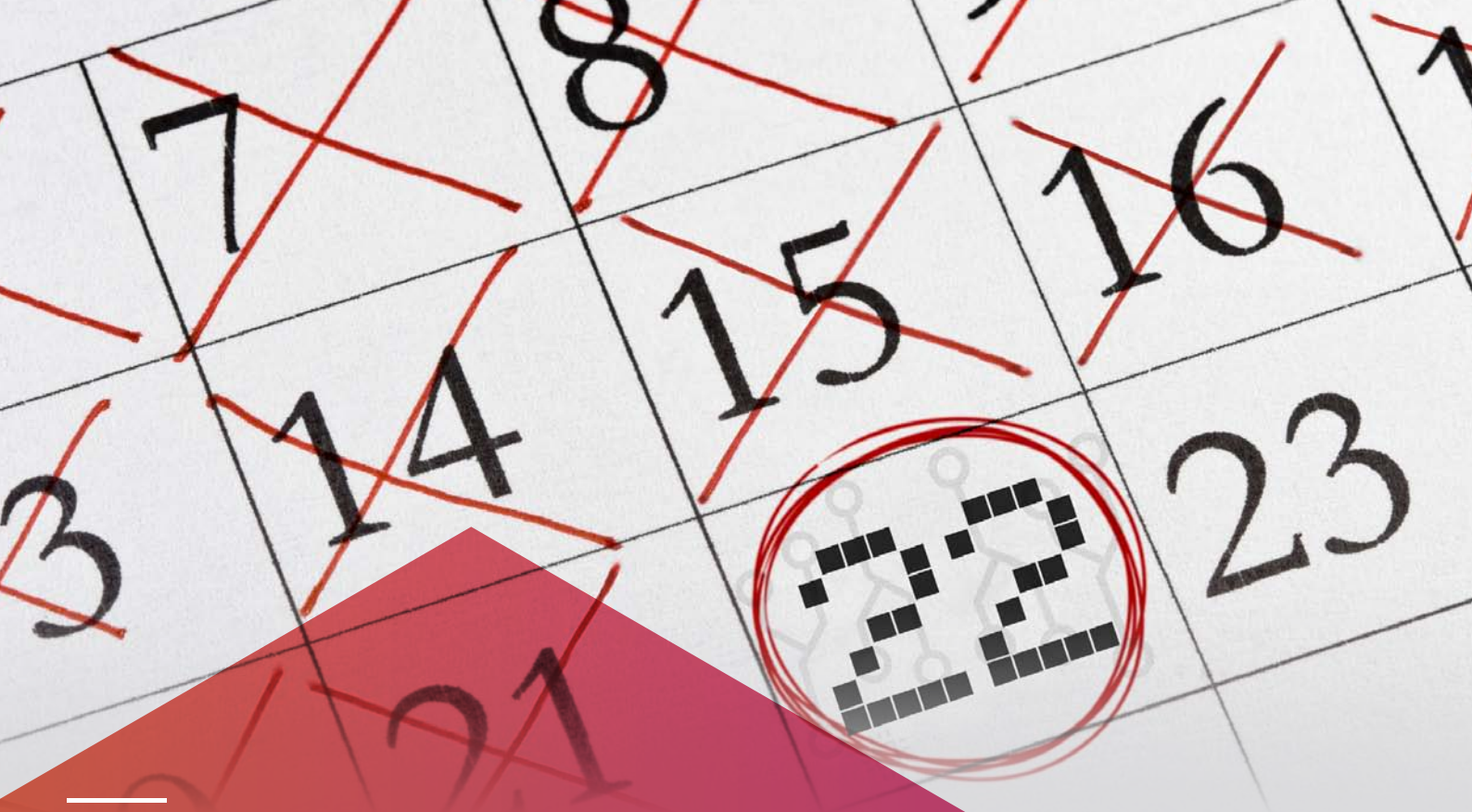


*Celebrating excellence  
in the real estate profession*

**2018  
NATIONAL AWARDS  
FOR EXCELLENCE**

DOLTONE HOUSE, JONES BAY WHARF, SYDNEY

**SAVE THE DATE**  
THURSDAY 22 MARCH 2018



# NEW DATA PRIVACY LAWS ARE COMING.

Are you ready?

New data privacy legislation will come into effect on the 22nd February 2018. If your agency collects and stores personal information about your clients you need to ensure you have the right processes and protection in place.

What would you do if your agency fell victim to a cyber-breach and are you adequately insured?

How do the data privacy laws affect you?

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## NEW DATA PRIVACY LEGISLATION

**A collective chill scuttled across the nation in late 2017 when the Australian Cyber Security Centre's latest Threat Report<sup>1</sup> assessed the risk of cyber compromise as “high” for local organisations.**

It had already recorded a 15 per cent increase in cyber incidents in the previous 12 months – rising to 47,000 – with 56 per cent of the incidents affecting industry rather than the public sector. But only 58 per cent of those incidents were self-reported; the ACSC identified the remainder itself.

This apparently relaxed approach to cyber compromise is about to face its biggest challenge ever with the introduction of mandatory data breach notification for companies when they endure a serious compromise. And companies will have just 30 days to alert the authorities. Under the Privacy Act, there is some leeway for organisations that turn over less than \$3 million per year; however any organisation that holds potentially harmful information is not exempt.

Having a current, tested cyber incident identification and response plan which allocates responsibilities, expedites notification and remediation, and leverages appropriate cyber insurance coverage is essential in this emerging era of mandated notification.

Certainly the threat of data breach is not declining; attacks on personal identifiable information and the use of credential harvesting malware are on the rise according to the ACSC's threat report.

The ACSC report also noted that managed service providers – which might deliver cloud computing services or outsourced information systems – are also being targeted as a way to access customer data. Companies cannot outsource their breach notification obligations, but instead need to ensure that they are aware of where their data reserves are held, and have systems in place to expedite breach notification and systems remediation regardless of the location of data.

With the clock ticking for the Australian data breach notification, businesses both large and small need to immediately assess their exposure, risk mitigation opportunities, processes and procedures to ensure they can respond to the notification schedules in Australia.

### **Six steps to preparing your agency for breach notification**

- 1 Get across the detail of the legislation and implications for your business.<sup>2</sup>
- 2 Understand what data you have, where and how it is stored – review and test your existing systems for managing and storing data and ensure they are compliant/robust.
- 3 Ensure you have a plan on how to address the legislation. This plan should be integrated with your cyber

risk plan, cyber incident response plan and overall crisis management and business continuity plan.<sup>3</sup>

- 4 Consider implementing the Australian Signals Directorate's Essential Eight<sup>4</sup> guidelines for cyber-attack mitigation and incident management.
- 5 Communicate the plan with key leaders across the organisation and get their buy in and educate employees.
- 6 Do any work required to prepare for legislation and review your current insurance arrangements with your broker to ensure you have adequate insurance and a response team at the ready.

To find out more on the new privacy legislation or to learn more about Cyber Liability Insurance contact visit [aon.com.au/cyberagent](http://aon.com.au/cyberagent), email [au.realestate@aon.com](mailto:au.realestate@aon.com) or call us on 1300 734 274.

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#### REFERENCES

- 1 [https://www.acsc.gov.au/publications/ACSC\\_Threat\\_Report\\_2017.pdf](https://www.acsc.gov.au/publications/ACSC_Threat_Report_2017.pdf)
- 2 <http://www.aon.com.au/australia/insights/are-you-ready-for-the-new-australian-data-protection-regulations.jsp>
- 3 <http://www.aon.com.au/australia/aon-global-risk-consulting/business-continuity-management.jsp>
- 4 <https://www.asd.gov.au/publications/protect/essential-eight-explained.htm>



## CHANGES TO LEGISLATION WILL AFFECT RESIDENTIAL RENTAL PROPERTY OWNERS

**New legislation has just passed, which will affect travel and depreciation claims for residential rental property owners.**

*This change is effective from 1 July 2017 and will impact property investors in their 2017-18 tax return and future years.*

*Any tax returns for 2016-17 and prior years will be unaffected by these changes.*

### WHAT ARE THE CHANGES TO TRAVEL?

Under the new law, residential rental property owners will no longer be able to claim travel expenses when visiting their rental property.

#### EXAMPLE

Michael lives in Melbourne and owns a residential rental property in Brisbane. In August 2017 Michael flew up to Brisbane to visit his rental property.

Because Michael visited his rental property after the new legislation took effect, he can't claim any expenses for his travel.

### WHAT ARE THE CHANGES TO DEPRECIATION?

Under the new law, you are no longer able to claim depreciation deductions for any used or second hand assets you have acquired since 7.30pm on 9 May 2017. You can continue to claim depreciation deductions for brand new assets.

#### EXAMPLE

Sharon owns a residential property that she has been renting out since September 2015. In March 2017, Sharon bought a second-hand fridge to replace the previous fridge that had broken down.

Because Sharon bought the second-hand fridge for her rental property before 7.30pm on 9 May 2017, she can still claim depreciation deductions for any remaining life of the asset.

However, if Sharon had bought the second-hand fridge in September 2017, she wouldn't be able to claim a depreciation deduction for the fridge.

### FIND OUT MORE:

[ato.gov.au/rentaldepreciation](https://ato.gov.au/rentaldepreciation)

[ato.gov.au/rentaltravel](https://ato.gov.au/rentaltravel)

# Your life your fund



Braden Walters, REI Super member

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# Real Estate Market Facts

A QUARTERLY REVIEW OF MAJOR PROPERTY MARKETS IN AUSTRALIA  
SEPTEMBER QUARTER 2017

## HOUSE PRICES STABILISE OVER THE SEPTEMBER QUARTER

In the September quarter 2017, median prices decreased in five of the eight capital cities in the Australian residential property market. The weighted average capital city median price decreased by 0.9% for houses and 2.3% for other dwellings.

Over the September quarter, the median rent for three-bedroom houses increased in Sydney, Melbourne, Hobart and Canberra, remained steady in Brisbane and Adelaide but decreased in Perth and Darwin. In the 12 months to the September quarter, the median rent increased in Sydney, Melbourne, Hobart and Canberra, remained steady in Brisbane and Adelaide and decreased in Perth and Darwin.

**Fast facts**

September quarter 2017

**\$761,955**

Quarterly Australian weighted median house price

**\$588,539**

Quarterly Australian weighted median other dwellings price

The weighted average median house price for the eight capital cities is now \$761,955. Over the quarter, the median house price increased in Melbourne, Hobart and Canberra, remained steady in Sydney, Brisbane and Adelaide, and decreased in Perth and Darwin.

# Housing Affordability Report

AdelaideBank  
it's personal

September quarter 2017

## Access to the housing market improved for first home buyers across Australia

### State of the nation

The September quarter 2017 showed an improvement in housing affordability nationally with the proportion of income required to meet loan repayments decreasing to 30.3%, a decrease of 1.2 percentage points over the quarter and a decrease of 0.6 percentage points compared to the corresponding quarter of 2016.

Over the quarter, housing affordability improved in all states and territories. Compared to the September quarter 2016, housing affordability also improved in all states and territories.

### Lending trends

The total number of loans (excluding refinancing) increased to 116,112, an increase of 4.2% over the September quarter and 12.5% over the same quarter last year.

Over the quarter, the total number of loans (excluding refinancing) increased in all states and territories except for South Australia (-4.7%), Tasmania (-2.7%) and Western Australia (remained steady). Compared to the corresponding quarter 2016, the number of loans increased in all states and territories except for South Australia.



## NATIONAL MARKET SNAPSHOT

EXTRACTED FROM REAL ESTATE MARKET FACTS  
SEPTEMBER QUARTER 2017

- ▶ **Quarterly Australian weighted median house price is \$761,955**
- ▶ **Quarterly Australian weighted median other dwellings price is \$588,539**

### Median house prices up:

Hobart 1.5% to \$436,250  
Melbourne 0.7% to \$817,000  
Brisbane 0.4% to \$516,900

### Median house prices down:

Perth 1.1% to \$504,320  
Canberra 1.5% to \$640,000  
Sydney 2.0% to \$1,176,567  
Adelaide 2.1% to \$450,000  
Darwin 8.3% to \$495,000

### Median other dwelling prices up:

Hobart 3.7% to \$326,800  
Brisbane 0.2% to \$410,000

### Median other dwelling prices stable

Canberra 0.0% at \$430,000

### Median other dwelling prices down:

Adelaide 2.2% to \$349,000  
Melbourne 2.5% to \$587,000  
Sydney 2.5% to \$741,472  
Perth 2.6% to \$399,500  
Darwin 13.8% to \$405,000



## NATIONAL AFFORDABILITY SNAPSHOT

EXTRACTED FROM ADELAIDE BANK/REIA HOUSING  
AFFORDABILITY REPORT, SEPTEMBER QUARTER 2017

	Sep 2017	Jun 2017	Sep 2016
Proportion of family income to meet:			
Home loan repayments	30.3%	31.5%	30.9%
Rent payments	24.6%	24.3%	24.2%

- NSW** New South Wales had the largest percentage increase in first home buyers (57.7%)
- VIC** Victoria has had the largest annual increase in average loan amount
- QLD** Queensland was the only state to have a quarterly increase in average loan amount
- SA** South Australia had the largest decrease in the number of new housing loans
- WA** Western Australia has the most affordable rents
- TAS** Tasmania had the lowest increase in the number of first home buyers
- NT** Northern Territory had the largest decrease in average loan size for first home buyers
- ACT** Australian Capital Territory had the largest decrease in average loan size (-4.8%)



## SMALL BUSINESS INVESTMENT BARRIERS IDENTIFIED

**The Australian Small Business and Family Enterprise Ombudsman recently released a study into factors impacting small to medium enterprise investment.**

Speaking at the Institute of Public Accountants national conference on the Gold Coast, Ombudsman Kate Carnell said barriers to investment included access to capital, red tape and energy prices.

Ms Carnell said removing barriers to investment would give small businesses confidence to grow and boost jobs.

Despite recent claims by bank executives that lending to small firms is booming, Ms Carnell said this wasn't the case for borrowers who don't have equity in property.

"Traditional bank loans are backed by real property mortgages and although alternatives are emerging, they are not currently mature and affordable," she said.

"Young aspiring small business operators are particularly disadvantaged and increasingly rely on their parents to provide seed finance."

Ms Carnell said this meant the "Bank of Mum and Dad" was often called on to help young entrepreneurs.

"This offers convenience and flexibility, but it puts people's retirement savings at risk," she said.

"It also raises social equity issues in that the children of affluent parents have greater opportunities to buy and grow businesses."

Ms Carnell said a government-backed guarantee scheme could be the answer, similar to the British Business Bank.

The Ombudsman's study also takes aim at red tape, saying past reduction efforts have largely been "window dressing".

Ms Carnell said a successful pilot in Parramatta to make compliance requirements seamless should be extended to other areas.

"It was found there were more than 50 pieces of regulation which applied to setting up a hospitality business in Parramatta and the regulation meant it took up to 18 months to commence trading," she said.

"Regulation wasn't removed, but was instead sped up and made invisible. Information provided once was used to automatically complete forms in other areas of bureaucracy.

"This is a smart way of using systems and technology to relieve regulatory burdens on business."

The ASBFEO paper is available for download:

<http://asbfeo.gov.au/investment-study>

*Source: Australian Small Business and Family Enterprise Ombudsman*



## BEWARE OF SCAMMERS TARGETING ASIC CUSTOMERS

### The ACCC and ASIC are warning small businesses to watch out for scam emails pretending to be from ASIC.

Scammers are emailing ASIC's public register customers, many of which are small businesses, asking them to pay fees and give personal information to renew their business name or company name. These emails often have a link that provides an invoice with fake payment details, or will infect your computer with malware if the links are clicked. You can find an [example of the scam email](#) on ASIC's website.

To help protect your business against scams:

- keep your anti-virus software up to date
- be wary of emails that don't address you by name or misspell your details and have unknown attachments
- don't click any links on a suspicious email.

If you think you have been sent an email pretending to be from ASIC, we encourage you to visit the [scams targeting ASIC customers page](#) which provides more useful information on what to look out for.

To stay on top of the latest scams, you can visit [Scamwatch](#), follow [@scamwatch\\_gov](#) on Twitter and subscribe to [Scamwatch radar alerts](#).

Small Business team  
Australian Competition and  
Consumer Commission (ACCC)

*Source: Australian Competition  
& Consumer Commission*

# INDUSTRY UPDATE

Industry news from around Australia



## REINSW elects Leanne Pilkington President



REINSW has elected Leanne Pilkington as President, effective immediately for a two year term.

REINSW CEO Tim McKibbin said Ms Pilkington's major strength was her ability to connect with people right across the industry.

"A strong advocate for women in the profession, Leanne is the second female President since the establishment of REINSW in 1910 and was a founder of the Real Women in Real Estate group," Mr McKibbin said.

Leanne is currently the Managing Director of real estate group Laing+Simmons having joined the franchise in 1995. She was elected to the REINSW Board of Directors in 2009.

"I first became involved in the REINSW Board because I was concerned about declining education standards across the industry.

"My lobbying efforts will be focused on improving education and training. I will also look at the level of service that agents provide consumers and am very encouraging of women stepping out from administration roles, where they currently dominate, and into sales and property management."

Leanne replaces outgoing President John Cunningham who will continue to champion professionalism through his appointment as the chair of the Real Estate Institute of Australia's Professionalism Committee.

Mr McKibbin paid tribute to John's two year term as President.

"John has been the driving force in regard to professionalism and will carry on his work through the newly created role at REIA," Mr McKibbin said.

"The profile of REINSW has grown and prospered under his leadership and we find ourselves in an incredibly strong position."

*Source: The Real Estate Institute of New South Wales*

## Hobart leads the way but Launceston and the North-West moving upward, too

THE REIT's September Quarter results showed winter into spring was another excellent period for Tasmanian property value growth.

While the Hobart market has been recording eye-watering prices and pace this year, Tasmania's other major centres are also on the way up, according to the latest REIT statistics.

In its September Quarterly Report, the Real Estate Institute of Tasmania revealed that Launceston's September median had grown by \$35,000 compared with results from the same quarter last year.

The North-West centres were also up by \$20,000 over the same periods.

Hobart, which has many suburbs notching their highest median prices on record, also grew from a median of \$385,000 last September to \$436,250 this September. This was a growth of more than \$51,000.

REIT president Tony Collidge described Launceston's house sales figures as a "shining light" after the northern capital achieving 319 sales for the quarter, up 21.3 per cent on last year.

He said the North-West centres also experienced an increase, up 14.3 per cent for 176 sales.

"Overall, house sales across the state were up 7.4 per cent," Mr Collidge said.

"Unit sales were up a whopping 24.9 per cent over last year. The median unit price has increased from \$250,000 in 2016 to \$277,750 in 2017."

Launceston was the highest-selling municipality (350 sales), followed by Clarence (286), Glenorchy (225) and Hobart (198).

For those looking to build, the report noted 143 blocks of land were sold over the quarter, bringing the year-to-date number to 1314 at a median sale price of \$128,000.

Mr Collidge said Hobart recorded 93 land sales for the quarter, with more than half its blocks selling for more than \$200,000.

By comparison, Launceston recorded 21 sales, while the North-West centres recorded 29 (each area having land priced between \$100,000 and \$200,000).

While Battery Point automatically springs to mind when thinking about the most expensive, premium suburbs in

» article continues

# INDUSTRY UPDATE

## Industry news from around Australia



» continued

Tasmania, it was actually neighbouring Sandy Bay that was the state's most expensive suburb in the quarter, with 18 sales at a median price of \$842,500.

Mr Collidge said North, South and West Hobart, Sandford, Mount Stuart, Tranmere, New Town and Seven Mile Beach all followed with median prices in the \$600,000s.

Queenstown, Rosebery and Zeehan remained our most affordable destinations, with median prices below \$88,000.

Originally published as [Home values grow statewide](#)

Source: [news.com.au](#)

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### First home buyers lead charge as Darwin market bottoms

Surging October buyer numbers in Darwin were repeated in the penultimate month of 2017, according to leading local real estate firm, Raine & Horne Darwin.

"In October there was a massive increase in buyers at open homes, and this trend has continued this month, with group numbers more than double those of November 2017, said Glenn Grantham, General Manager, Raine & Horne Darwin.

Almost 50% of attendees at open homes are first time buyers, with upgraders and investors making up the balance, said Mr Grantham.

"First home buyers are leading the charge rather than investors. They're cashed up and they've been following the property market commentary

in the NT media, which is suggesting the market has bottomed."

The Darwin satellite city of Palmerston is attracting the majority of first home buyer attention, noted Mr Grantham.

"Three and four-bedroom houses priced between \$450,000 and \$550,000 represent the price sweet spot for first-time buyers," said Mr Grantham.

### Government spending drives real estate outlook

Mr Grantham noted government infrastructure spending was helping business and consumer confidence in Darwin, and consequently the outlook for city's real estate market.

A Federal Government grant of \$5 million with an additional \$2.5 million from Darwin Council and the Northern Territory Government will result in upgrades to street lighting, improved car parking, more security cameras and expanded public Wi-Fi networks in Darwin.

"These initiatives will improve Darwin's streetscape, reduce traffic congestion, while extending the public Wi-Fi will be well-received by the growing number of tourists who visit the city annually," said Mr Grantham.

"Smart infrastructure spending is good business that underpins jobs and economic growth, which are critical drivers of Darwin's real estate markets."

Source: [Raine & Horne Darwin](#)

### Online petition to give landlords a voice

The REIV has launched an online petition calling on the Andrews' Government to amend proposed changes to Victoria's rental laws.

The '[Rentfair is Unfair](#)' petition will highlight the level of concern in the marketplace with reform of the Residential Tenancies Act set to remove important landlord rights, including the ability to consent to pets and to minor property modifications. Landlords will also find their right to end a tenancy further restricted.

The changes would also reduce a property owners' security with bonds capped at the equivalent of four weeks' rent for all homes rented for less than \$760 a week.

REIV President Richard Simpson said the views and rights of the supply side had been ignored with landlords left without a voice.

"Landlords have a significant financial asset at stake and it's important that they retain the right to choose whether they accept pets or if the tenant is allowed to make modifications to the property, particularly as these factors can impact on the value of their investment."

"Balanced legislation is crucial in ensuring the private rental market is sustainable, now and into the future, especially given enforcement of the legislation through VCAT overwhelmingly favours tenants."

"The Government is trying to provide tenants with better protections but by reducing landlord rights and their security, it's going to result in greater screening of applicants and increased rents. Some landlords have indicated that they will

» article continues

# INDUSTRY UPDATE

Industry news from around Australia



remove their investment property from the private rental market if these reforms are passed.”

The petition will later be received and raised in Parliament by Heidi Victoria, Shadow Minister for Consumer Affairs. “The REIV has been encouraged by support from both the Opposition and a number of upper house crossbenchers in challenging the proposed reforms.”

*Source: The Real Estate Institute of Victoria*

## Perth rental market starting to recover

Perth’s rental market appears to be recovering, with new reiwa.com data revealing improvements in leasing activity and listing levels during the September quarter.

REIWA President Hayden Groves said leasing activity increased 4.7 per cent over the quarter, while listings for rent declined 9.5 per cent.

“The Perth rental market has improved over the last year. Where we were previously experiencing low leasing levels and high listings, that trend has now reversed. Properties for rent are declining and leasing activity is strong,” Mr Groves said.

reiwa.com data shows leasing activity increased in all five sub-regions over the quarter.

“The North-West sub-region was the stand-out, with activity up 9.8 per cent, followed by the North East sub-region with a 4.4 per cent increase. At

a suburb level, Hillarys, Ridgewood, Attadale and Bibra Lake were the biggest improvers,” Mr Groves said.

Perth’s overall median rent price remained at \$350 per week in the September quarter.

“After a sustained period of declining rent prices, it’s encouraging to see Perth’s median rent remain stable over the last two quarters,” Mr Groves said.

“With three key indicators of Perth’s rental market improving or stabilising, landlords and property investors can be confident the market has turned a corner. We expect these positive trends will continue as demand for rentals exceeds the number of properties available for lease.”

*Source: The Real Estate Institute of Western Australia*

## FIABCI NEWS



### EVENT

#### FIABCI World Congress 2018

FIABCI-Dubai is the host for the 69th FIABCI World Congress, in partnership with the Dubai Real Estate Institute. The event is expected to attract 1,000+ real estate professionals from 60 countries to exchange views and explore the theme of “Happy Cities.”

To accommodate the best time to be in Dubai, the event has been moved earlier in the year to 27 April to 2 May 2018. Be sure to keep these dates open and plan to travel to Dubai – one of the world’s most exciting global destinations.

# MAKING NEWS

## General national news



### Could this be one of the first properties sold for bitcoin?

The vendor of a Melbourne property will accept payment in bitcoin, says agent John Garnett of Harcourts Boronia.

The vendor of a four-bedroom home in Melbourne's The Basin will accept payment in bitcoin, in possibly one of the world's first real estate transactions using the global cryptocurrency.

"I've known the vendor for over 15 years," the selling agent, John Garnett of Harcourts Boronia told SchwartzWilliams.

"He's a real thinker outside the box," said Garnett, adding that over the years the vendor has bought and sold a number of properties in creative and unusual ways.

So when the vendor said he would accept payment in bitcoin, Garnett said he wasn't altogether surprised.

Garnett said there are a few additional matters to consider for a bitcoin sale, and said it's most likely just the deposit will be paid using the digital payment system.

Rather than payment being held for a time by the agent, it will be transferred directly from the buyer to the seller, said Garnett.

So long as the full payment price is disclosed for stamp duty purposes, it is straightforward, said Garnett.

Lawyers and conveyancers said the paperless method was actually highly desirable, he said.

*Source: The Real Estate Conversation*

### Hugh Bateman releases children's book

REINSW Member Hugh Bateman has released a children's book to support McGrath Breast Care Nurses and families experiencing breast cancer.

Hugh, Director of the Property Shop in Mudgee, has raised more than \$500,000 for the McGrath Foundation since 2015.

It began when he embarked on a 3,000km charity tractor trek around NSW visiting real estate agencies in the Real Estate Results Network, as well as Parliament House, REINSW HQ, and the McGrath Foundation in Sydney.

Hugh also started Pink Up Mudgee, where nearly 300 businesses turned pink to support the McGrath Foundation in 2016. By 2017, towns all across NSW were also pinking up throughout Breast Cancer Awareness Month.

#### The Little Pink Tractor

Hugh's children's book is called, The Little Pink Tractor, which reflects his tractor trek journey in 2015.

It follows the adventures of a little pink tractor as it travels around the country, making friends along the way who also decide to turn pink, and support his cause.

It costs \$19.95 plus postage, and all of the net proceeds will be donated to the McGrath Foundation.

You can purchase The Little Pink Tractor [here](#), before it goes on sale on [Shop Pink](#).

*Source: The Real Estate Institute of New South Wales*

# POLITICAL WATCH

Information and news from government



## Online system streamlines business for estate agents and rooming house operators

Consumer Affairs Victoria have expanded their online licensing and registration system, 'myCAV', to include estate agents and rooming house operators licensing schemes.

myCAV allows estate agents and rooming house operators to:

- manage licence and business details
- renew their licence
- update details
- check the status of a transaction
- manage trust accounts and lodge audit reports online.

myCAV also allows users to receive and respond to communications in a secure environment.

Details on how to create a myCAV account were being sent to all licensed estate agents and rooming house operators in November.

Note: If you are an estate agent and had an existing account with Consumer Affairs Victoria, you must create a myCAV account, as your existing user identification and password will no longer be valid.

For more information on using myCAV and to view our video, How to create a myCAV account, visit our myCAV for estate agents or myCAV for rooming house operators pages.

*Source: Consumer Affairs Victoria*

## Renewed warning after another loss from WA property sale scam

Another loss from a cyber-attack that intercepted a property sale transaction has

triggered Consumer Protection to issue a renewed warning to buyers, sellers, tenants and agents in WA to be extra vigilant.

In the latest case, the buyer of a Karrinyup property lost \$20,000 after cyber criminals sent an email purporting to be from his real estate agent requesting the deposit be paid into a bank account that was controlled by the scammers.

This latest alert follows a warning issued in September 2017 after three cyber-attacks resulted in almost \$590,000 being stolen in property-related scams. In one case, an 83 year old property buyer in Perth's western suburbs lost \$557,000 after the fraudsters intercepted email communications between her son, who was acting on her behalf, and their settlement agent.

Commissioner for Consumer Protection David Hillyard fears more money will be lost unless everyone involved in property transactions double checks information before sending money.

"Email accounts are frequently being hacked by scammers and messages are being sent that can look almost identical to the email address of a real estate or settlement agent," Mr Hillyard said.

"So we recommend that, before sending money, buyers or tenants should check the bank account details by calling the agency to verify they are correct. Do not use contact details contained in emails that ask for money to be deposited into a particular account as the calls could be diverted to the scammers.

"Agents should also inform their clients, including potential buyers or tenants, to phone them if they get an email requesting money be sent to a particular account in order to verify its authenticity.

"As the amount of money being transferred in property transactions can be substantial, the risks are also substantial, so a few minutes checking the validity of emails and bank account details, or reverting to arranging to make the payment through a bank cheque or arranging for the bank to make the payment, is a quick and simple way to ensuring the funds are going to the intended recipient rather than reward cyber criminals for their illegal activities."

*Source: Department of Mines, Industry Regulation and Safety*

## Bouris taskforce to help digitise small business

The Turnbull Government has established a Small Business Digital Taskforce, to be headed by one of Australia's most successful entrepreneurs, Mark Bouris AM, to ensure more Australian small businesses can thrive in an increasingly digital economy.

The taskforce will talk to small business owners around the country about the benefits of adopting digital technologies to help their businesses operate more efficiently, giving them more time to grow their business.

Joining Mr Bouris on the taskforce will be Mr Spiro Pappas, Ms Pip Marlow, Ms Su McCluskey, Mr Gerd Schenkel, Mr David Coleman MP and the Hon Craig Laundy MP, Assistant Minister for Industry, Innovation and Science.

"I was thrilled that Mark has taken up our invitation to chair the taskforce and to be able to say to him: You're Hired! He is the right man for the job," Treasurer Scott Morrison said.

» article continues

# POLITICAL WATCH

## Information and news from government



» continued

“If we empower small businesses to digitise and streamline their operations, the economy benefits through an increase in productivity and through job creation. Everyone wins.”

“Small business is at the heart of the Australian economy – 3.2 million small businesses employ around 50 per cent of Australia’s workforce, or around 5.6 million Australians. But many are not taking advantage of the opportunities that the digital economy offers.”

Mark Bouris said: “When a business begins to digitise and use digital tools, it opens up new opportunities to grow, diversify revenue streams, find talent, access finance, work smarter and enhance the value of the business when it is time to sell. If you’re not going digital, you should be.”

Deloitte research has found that small businesses with advanced levels of digital engagement are 1.5 times more likely to be growing revenue, 8 times more likely to be creating jobs and 14 times more likely to be innovating.

The Taskforce will conduct a series of meetings, workshops and hackathons with businesses over the coming months to explore impediments for business in engaging with digital technologies and how these impediments might be addressed.

“Adopting digital practices makes small businesses more competitive and helps them take advantage of new opportunities,” Minister McCormack said.

“This Government backs small businesses to help them thrive, realise their full potential and create more local jobs.”

“We want more small businesses to participate and shape Australia’s digital

economy and working with businesses on solutions that will help them is critical – we want to hear ideas from across the country, so get involved,” said Assistant Minister Laundy.

The Taskforce will report their findings to the Government by 28 February 2018.

To learn more about how business can get involved - including information on events and the taskforce’s work, visit the [Small Business Digital Taskforce](#) or subscribe at [smallbusinesstaskforce@industry.gov.au](mailto:smallbusinesstaskforce@industry.gov.au).

*Source: The Hon Scott Morrison MP, Treasurer of the Commonwealth of Australia*

### New real estate reforms to better protect consumers

NSW Minister for Better Regulation Matt Kean today announced legislation to strengthen standards in the state’s \$15 billion-a-year real estate industry and better protect consumers in the property market.

It’s the first major review of the Property, Stock and Business Agents Act since it became law in 2002.

Mr Kean said the proposed amendments would bolster training standards as well as increasing transparency and accountability to put consumers first.

“Buying or selling a home is one of the biggest investments most of us will make in our lifetime – consumers have every right to expect that agents are doing the right thing,” he said.

“We want to make sure that those who work in the industry are properly qualified, and better protections are in place to crack down on any dodgy operators.

“Real estate agents rely on reputation and it’s vitally important consumers are able to trust them to behave professionally and ethically.

“This bill came about after close consultation with key stakeholders and I’m delighted it has broad industry support.”

Key reforms include:

- Strengthening training standards in the property services industry, including for real estate agents;
- Creating a new licensee-in-charge who will supervise agents, oversee trust accounts, and ensure compliance. Applicants will need more practical experience and additional qualifications;
- Banning gifts or benefits that could cause conflicts of interest;
- Greater transparency around fees, charges and commissions received by agents;
- Introducing separate trust accounts for rent and sales money;
- Requiring all trust account audits to be submitted to NSW Fair Trading;
- New fraud prevention measures that will require agents to transfer rental income out of trust accounts at the end of each month; and,
- Giving NSW Fair Trading greater powers to tackle rogue agents.

*Source: Matt Kean MP, Minister for Innovation and Better Regulation, NSW Government – Finance, Services & Innovation*

# THE WORLD

Property news from around the world



## HMRC admits abolition of stamp duty for first time buyers will raise prices

House prices could rise in England and Wales in the next 12 months because of the decision to abolish stamp duty for most first time buyers. The change does not apply in Scotland.

While the market had lobbied for a temporary 'holiday' from stamp duty, the property tax paid by buyers, and it had been widely expected that there would be some sort of change, the total abolition of the tax took some by surprise.

Under the new measure first time buyers paying £300,000 or less for a residential property will pay no Stamp Duty Land Tax (SDLT). First time buyers paying between £300,000 and £500,000 will pay SDLT at 5% on the amount of the purchase price in excess of £300,000, a reduction of £5,000 compared to the amount of SDLT they would have previously paid

While it has been generally welcomed as good for the housing market, there are concerns that with not enough new homes being built a rush from first time buyers could make the already short supply worse.

Now it is being suggested that the result of even fewer homes on the market will be higher prices and HMRC has confirmed this is likely. 'Paying no SDLT reduces the upfront cost of buying a home for first time buyers. This measure is expected to lead to a small increase in house prices in the first year after implementation,' HMRC said in a statement.

The clarification from HMRC also suggests that to avoid paying stamp duty if buying

as a couple both purchasers have to be first time buyers. This raises the prospect that if a couple are buying and one has owned a home before they may not qualify for first time buyer status.

'A first time buyer is defined as an individual or individuals who have never owned an interest in a residential property in the United Kingdom or anywhere else in the world and who intends to occupy the property as their main residence,' the HMRC document says.

HMRC also points out that the abolition of stamp duty does not apply in Scotland which sets its own tax called Land and Buildings Transaction Tax (LLBT). It will apply in Wales until 1 April 2018 when Wales takes over property tax setting powers.

Already there are calls for Scotland to follow Hammond's announcement. 'Our view is that LLBT should be reviewed urgently because it is not delivering the expected benefit to the public purse in Scotland,' said Simon Brown, head of residential agency at independent property consultancy Galbraith.

'It is causing stagnation in the middle and upper tiers of the property market, with a knock-on effect on the market overall. Now is the ideal time for the Scottish Government to give consideration to changing its policy here,' he added.

Scotland's Budget is not due until next month. But as houses for first time buyers generally fall below the £145,000 level where LLBT kicks in, there could be no change. From £145,000 LLBT

increases in bands from 2% to 10% for properties valued at between £145,000 to £750,000 and 12% above that.

*Source: PropertyWire.com*

## Homes prices in the US setting new record highs

Home prices in the United States are setting new records, gaining thousands of dollars in value every month, led by San Jose in California, new research shows.

The national median home value is \$12,500 more than it was just one year ago and more than half of the nation's largest markets are worth more than they were before the downturn of 2007, according to the latest real estate market report from Zillow.

Home values in San Jose, California, gained the most over the last year, with homes now priced some 12.3% more than they were in October 2016.

In Seattle and Las Vegas property prices have also recorded double digit growth in the last 12 months, up 11.7% and 11.2% respectively, the data also shows.

The real estate firm explained that limited housing supply and heavy demand continue to play a role in driving up home prices. There are 11.7% fewer homes for sale in the US than a year ago.

Inventory has dropped most significantly in San Jose, San Francisco and San Diego over the past year. In San Jose, there are 60.4% fewer homes on the market than at this time last year and 32% less in San Francisco and 31% less in San Diego.

» *article continues*

# THE WORLD

## Property news from around the world



» continued

‘We are in the midst of an inventory crisis that shows no signs of waning, impacting potential buyers all across the country. Home values are growing at a historically fast pace, and those potential buyers want to get in the market while they still can,’ said Zillow chief economist Svenja Gudell.

‘But with homes gaining so much value in just one year buyers, especially first time buyers, have to set aside more and more money for a down payment just to keep up with them. Unfortunately, there’s just not enough homes for sale, and demand will continue to drive prices higher until we reach a better balance between supply and demand,’ she added.

The report also shows that rents increased on an annual basis for the sixth consecutive month, with rents increasing 2.2% compared to last October.

Source: *PropertyWire.com*

### Sales and prices see strong growth in Spain with years of further rises predicted

Residential property sales in Spain have recorded a robust rise of 8.6% in the 12 months to September with prices up 2.4% over the same period, according to the latest figures to be published.

By property type, apartment sales went up by 7.7% and prices by 8.9% but new build sales fell by 1.9% while detached home sales saw an annual increase of 12%, the data from the Association of Spanish Notaries shows.

The average square metre price of properties bought in September was €1,331, some 2.4% higher than the same month last year. The price of detached homes increased by 1.4% and apartments by 3.8%.

It comes at a time when mortgage lending is also rising. The data shows that in September the average loan was €163,330, some 4.6% higher than 12 months earlier while lending to buy a home went up by 8.2% while those for other properties rose by 1.4%.

The six most watched house price indices in Spain are all indicating that the market has recovered. The Fomento index based on valuations was up 2.7% in the third quarter of the year, the Association of Spanish Registrars up 6.82%, Notaires up 2.4% in September, Idealist up 5.6% in November and Tinsa up 4.3% in September.

‘The national indices don’t tell us anything about the direction of prices in local markets, but they do at least give us an idea of where we are in the property market cycle,’ said Mark Stucklin of Spanish Property Insight.

‘Whereas a few years ago they were all in negative territory, they are all now in positive territory and pointing up, showing that the years of price adjustment are behind us,’ he pointed out.

‘Indeed, the price data published in November was the most positive in more than a decade. If the current cycle performs like the past, we can expect several years of rising Spanish property prices ahead of us,’ he added.

Other recent figures reveal that some parts of Spain are seeing robust growth. For example, for a second month in a row, average property prices in Palma de Mallorca were higher than those before the economic crisis.

In October asking prices reached €2,578 per square metre, some 3.4% higher than at the end of 2010, according to the latest report from property portal Idealista. But in some locations prices are still down considerably from their peaks before the economic downturn.

Even in places like Barcelona prices are 8.4% below their peak, in Madrid they are down 20.4%, San Sebastián down 21.5% and Malaga down 25.6% while in provincial capitals such as Lleida, Zaragoza and Castellón prices are still over 50% down.

There are also more new homes being built in Spain, expected to reach 75,000 this year, some 15% more than in 2016, according to an industry sector report by consultants DBK Informa.

The report suggests that the upward trend in the Spanish property market will continue over the short term in the main property market segments, driven by a positive economic situation with more foreign investment coming into property development.

Source: *PropertyWire.com*

# REIA NEWS

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