REIANEWS

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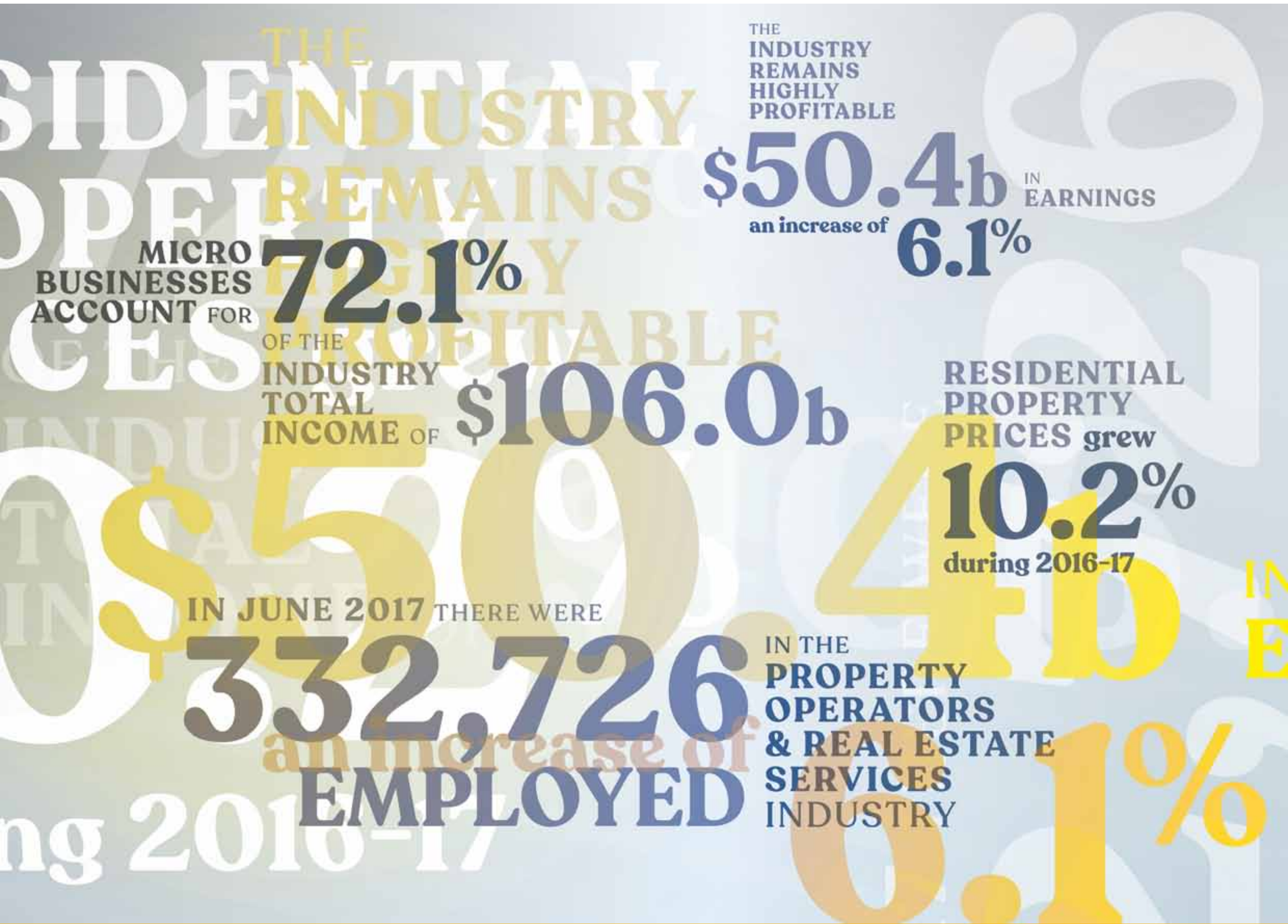

IN THIS ISSUE

Mr Malcolm Gunning
REIA President

PRESIDENT'S REPORT

WELCOME
FROM REIA'S PRESIDENT

Welcome to the July edition of REIA News.

This month we feature an article by the Australian Bureau of Statistics (ABS) on the size of the real estate sector. These numbers can be further extrapolated to the contribution the sector makes to Australia's economic growth. The broader property and construction sector contributes $300 billion annually in economic activity and makes a significant contribution to Australia's social climate.

Dwelling investment supported by historically low interest rates has been a significant contributor to growth in the Australian economy since 2013-14. Australia's property industry has been a main driver of economic growth and increased employment in the transition away from a decade-long reliance on mining and whilst investment in dwellings has peaked it continues to be a major contributor to economic growth.

The latest data from ABS on loan approvals for housing are thus a sobering read. In May of this year the overall the figures, in trend terms, show that the number of owner-occupied finance commitments decreased for the eighth consecutive month. If refinancing is excluded it is the ninth consecutive month since an increase. The decreases were recorded in all states and territories except Tasmania.

The continued decline in ABS housing finance data confirms the feedback from the market that the APRA restrictions and the fallout from the Royal Commission into Banking have resulted in an extremely cautious approach by lenders. Loan applications are now being scrutinised for outgoings such as school fees. At the same time an ultra conservative approach is being taken in bank valuations.

We need to ensure that lending approaches reflect the market rather than set the market, which appears to be case at the moment, and run the risk of hampering economic growth.

Mr Malcolm Gunning
REIA PRESIDENT

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PATHWAY TO PROFESSIONAL

THE AUSTRALIAN REAL ESTATE PROFESSION AIMS AND OBJECTIVES

The Real Estate Institute of Australia is in the process of creating a National Professional Standards Scheme for the Real Estate Industry.

The purpose of the scheme is:

- To raise the bar on ethics and practice standards for the betterment of consumers
- To transform the service experience to exceed consumer expectations
- To become more valuable and relevant in a rapidly changing world whilst still retaining the emotive human element
- To set new education standards to meet the required skill levels of our clients' needs
- To address and influence regulatory creep caused by poor consumer experiences
- To provide Professional Agents with a readily identifiable consumer "mark" for personal and community credibility
- To create an environment where Professional Agents are considered as Trusted Advisors
- To hold Professional Agents accountable to their standards and commitments
- To show Agents there is a better more collaborative way, the Pathway to be a Professional
- To create the blueprint for a thriving career in a new transparent and evolved era
- To see Industry Associations guiding Professional Agents on the way to service innovation and consumer care.

Please see P2P website for further details and register your interest.

This article is brought to you by
Darrian Collins Director (A/g),
Annual Industry Statistics,
Business Indicators Branch,
Australian Bureau of Statistics

PROPERTY OPERATORS AND REAL ESTATE SERVICES

The ABS recently published 8155.0 - Australian Industry, showcasing detailed financial performance of businesses in the property operators and real estate services industry.

This industry experienced moderate growth across key estimates in 2016-17 (compared with 2015-16), with an increase of 3.9% ($4.0b) in sales and service income. Rent, leasing and hiring income was the greatest source of income at $61.6b (58.2% of industry sales and service income).

The industry remained highly profitable. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 6.1% ($2.9b) to $50.4b. Operating profit before tax (OPBT) grew 12.1% ($7.3b), which was largely influenced by the 10.8% ($2.8b) growth in other income, including the impact of asset revaluations, realised gains/losses on disposal of assets and property trust distributions. Real estate services benefitted from residential property prices which grew 10.2% nationally during 2016-17, with stronger results recorded in Sydney and Melbourne. The non-residential property operators' class accounted for 57.8% of sales and service income, followed by real estate services (23.2%) and residential property operators (18.9%).

In June 2017 there were 332,726 people employed in the property operators and real estate services industry in Australia, an increase of 0.6% compared to June 2016. Employment was led by non-residential property operators (145,954 people), followed by real estate services (136,810 people) and residential property operators (49,961 people). Wages and salaries for the property operators and real estate services industry were $12.0b in 2016-17 with the biggest contribution coming from the real estate services class with $7.8b (65.7%).

The property operators and real estate services industry is characterised by the contribution of large numbers of micro and small businesses. Most of the industry employment (60.5% or 201,560 people), was in businesses with four or fewer employees (micro), with a further 20.2% (67,182 people) from businesses with employment of 5-19 people (small).

A different story emerged for wages and salaries, with micro businesses overall reporting lower wages and salaries ($2.8b) than small businesses ($3.6b) despite having significantly greater employment. This is due to the prevalence of working proprietors and partners of unincorporated micro businesses and the practice of drawing on profits as a source of income, rather than wages or salaries. Sales and service income was again driven by micro businesses, accounting for 72.1% ($76.4b) of the industry total of $106b.

State data confirmed that industry employment, wages and salaries, and sales and service income were all greatest in the populous eastern states, with New South Wales the strongest, contributing 36.9% (122,814 people), 38.4% ($4.6b) and 44.1% ($46.7b) respectively to the Australian total across the three measures. Victoria was the next largest, with employment of 81,386 people, wages and salaries of $2.9b and sales and service income of $24.2b, followed by Queensland with employment of 63,677 people, wages and salaries of $2.2b and sales and service income of $18.2b. Collectively these three States made up an average of 82% of the Australia totals across these measures.

MEETING CONSUMER DEMAND FOR ELECTRONIC PAYMENT

Fumbling for the right change in your wallet used to be painful. For years it had the potential to be a major source of frustration at supermarket checkouts, coffee shop counters and train stations all over Australia.

Thanks to technology, these moments have become less common – with the rise of electronic payment methods, and our trusty cards and phones always by our side. Who would've ever thought that we'd be able to pay for things with just a swipe of our phone? As a nation, we're no longer as reliant on cash to get through the day.

Plenty has been said about a cashless future. Most conversations question the legitimacy of this move – what will be the deadline for phasing out cash and what does this mean for those who prefer to use bank notes? And yet for many consumers, this cashless society is already here.

Australian Tax Office research shows more than 75 per cent of all consumer transactions are now electronic. On average, we're carrying less than $50 at any time. We prefer to use our cards for any purchase over $10. Thanks to initiatives such as the New Payments Platform (NPP) and PayID, which make it easier to transfer money in real time, this trend is likely to only continue.

It used to be a status symbol if you could walk into a dealership and pay cash for a new car. Today, most Australians aren't even prepared to count out spare change for their morning coffees. They prefer to pay electronically, even for traditional cash transactions such as buying the groceries (75 per cent) or paying a tradesperson (66 per cent).

The cultural shift towards cashless payments is being driven by consumers. They live in a digital world where e-payments are quick, convenient and secure. They don't want to carry large sums of cash or go digging around for paper receipts when things go wrong.

The research found 90 per cent of businesses already use electronic payments, with 74 per cent saying small businesses that only accept cash will alienate some customers. It also found that generally, the younger you are, the less likely you are to carry cash. Millennials said they hardly carry any cash at all, and expect to use electronic payments for all transactions.

For businesses, it's about being prepared for this increasingly cashless society – or risk turning customers away.

There are lots of advantages when it comes to using electronic record keeping and payment systems, and they can help you adapt to an increasingly cashless society. By investing in an electronic payment facility, you'll be able to make it quicker and easier for your business and your customers.

You can find out more about electronic payment systems at ato.gov.au/electronicpayments

For more information on tools and services to support your small business, visit ato.gov.au/SBsupport

SCHOOLS AUCTIONEERING CHAMPIONSHIPS – PAVING THE WAY TO A CAREER IN REAL ESTATE

Carlton Heres – winner of the inaugural Schools Auctioneering Championships in 2016.
Photo supplied by REIT

Carlton Heres – Harcourts Launceston – winner of REIT Senior Auctioneering Championships in 2018.
Photo supplied by REIT

The Schools Auctioneering Championship is about introducing students to the world of real estate and making it a first choice career and about giving real estate agents, and in particular auctioneers, an ability to give something back to a profession that has given them so much.

REIA, REINZ and all of the REIs around Australia are working very hard to making the Schools Auctioneering Championships a "must see" event.

Carlton Heres came to be involved in the event when real estate agents from the Real Estate Institute of Tasmania came to his school to speak about entering the schools competition when he was in his final year at high school.

"The competition consisted of six weeks of training, and learning about how to auctioneer, and then the state competition was held," said Heres. The Schools Auctioneering Championships allows year 12 students who have attended an auctioneering course to compete and Carlton, after winning the Schools Auctioneering Championships in Tasmania went on to win the inaugural Australasian Auctioneering Schools Championships in Alice Springs in 2016.

"It really gives young people a sense of what the industry is about because when you're on the outside looking in, you don't really know what's involved," Carlton Heres said.

"The training and mentoring process is all about developing who you are as a person and your communication skills, so it's been very beneficial in that way. It's introduced me to the real estate industry which has allowed me to become employed by one of the best real estate agents in Tasmania," he said.

Carlton Heres who works for Harcourts Launceston emerged victorious at the 2018 Senior Auctioneering Championships held in Hobart recently.

The next Australasian Schools Auctioneering Championships will be held in Auckland in October 2018 with finalists from the Schools Auctioneering Championships in New Zealand (REINZ), South Australia (REISA), and Tasmania (REIT) taking part in the event. It is expected representatives from other schools in the states and territories in Australia will join the Schools Auctioneering Championships in 2019.

Carlton Heres will now go on to represent Tasmania, together with the runner-up of the REIT Senior Auctioneering Championships, Andrew de Bomford of Harcourts Burnie, in the Australasian Real Estate Institutes' Auctioneering Championships to be held at the Q Theatre in Auckland from 14-16 October 2018.

A profile of all the finalists competing in the Australasian Real Estate Institutes' Auctioneering Championships in 2018 will be highlighted in the September edition of REIA News.


The 2018 Australasian
Auctioneering Championships
Q Theatre, Queen Street, Auckland
Find out more at:
www.auctionchampionships.com
14-16
October
2018
Accommodation available at Cordis Auckland
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REINZ
REAL ESTATE INSTITUTE OF NEW ZEALAND
REIA
Australasian Auctioneering Schools Championship
Australasian Real Estate Institutes' Auctioneering Championships

This article is brought to you by Ray Ellis, CEO of First National Australia

HOW MILLENNIALS CAN WIN THE RENTALS RACE WHEN COMPETING WITH BABY BOOMERS

With median house prices continuing to push first home ownership further into the future for many Australians, renting longer term is now the norm rather than the exception for both Baby Boomers and Millennials.

first national REAL ESTATE

We put you first

How do Millennials compete with older, more established renters who offer a greater perceived financial stability and rental history?

What can Millennials do to get their foot into today's competitive rental market?

First National Real Estate chief executive Ray Ellis says that Australia's property culture has changed; that long-term renting is no longer frowned upon, and offers three tips to help Millennials stand out as an attractive option for landlords.

'Being a good applicant starts with putting your best foot forward, just as you would with a job interview, and inspecting the property early because agents won't rent to somebody who has not physically inspected the property.' says Mr Ellis.

'Make sure you have all your references in order and take advantage of systems like 1-Form that enable you to put a great application together quickly, then you can re-submit that application as many times as necessary until you gain approval'.

Property managers are looking to find the best two or three applicants in the shortest possible time for their landlords. If they need to hunt around for more information with your application, this could make the difference between you getting the property or a Baby Boomer.

In the case of students or young people who have no rental history, Mr Ellis says there are other options.

'If you have no rental track record or you're still living at home, try and get yourself on the lease, if your family rents, as this will help you establish a record of reliable rental payments. Alternatively, if you've even leased a weekender or airbnb, chase up a reference from the agent or host involved'.

Finally, the industry chief says Millennials should consider their social media footprint carefully and ask themselves if they create the right impression in a landlord's mind.

'Understand that anything you post to your social media account is likely accessible by a landlord trying to choose between applicants. While an agent will conduct rental history checks and put the best applicants forward, it's the landlord who makes the final decision and they want to feel that their future tenant is a trustworthy, reliable person.'

Ultimately, agents and landlords tend to be concerned about the same three key things:

1. Does the applicant have a history of great routine inspection outcomes?
2. Has a previous property manager provided a good reference?
3. Has the applicant always paid the rent on time?

'Agents and landlords don't have an inherent bias against Millennials and they're not inclined to choose families or more financially secure Baby Boomers either' says Mr Ellis.

'What distinguishes one applicant from another is not age but track record. Landlords will always favour reliable, trustworthy people who are organised, will pay the rent on time, and will take responsibility for the care of their rental home. Young people can certainly support their rental applications with good character references, showing evidence of the reliable repayment of loans, having a good savings history, and by not applying for a rental property that is beyond their means'.

RECONjobs

A new way to find your real estate career

RECON JOBS IS FILLING A GAP IN THE REAL ESTATE RECRUITMENT MARKET

RECON Jobs is the official jobs portal for the REIA, tailored exclusively to the real estate industry and filling a much needed gap in the market.

Produced in partnership with the Real Estate Institute of Australia, and participating state and territory Real Estate Institutes, RECONJobs.com.au is part of The Real Estate Conversation's family of websites.

The industry owned jobs board provides a direct link between employers in the real estate industry, who are searching for top notch staff, and those who are already working in the industry, who possess a wealth of experience and highly sought-after skills, using the candidate search functions.

The official national jobs board for The Real Estate Institute of Australia, RECON Jobs caters specifically to your field - whether that be in real estate sales, property management, auctioneering, property development, construction, architecture, or interior design – so you can engage directly with people in the real estate and property industries.

Designed by the industry, for the industry, Malcolm Gunning, President of the REIA says RECON Jobs has a strong industry voice. "RECON Jobs will mean people can look for jobs without going through a recruitment agency, and can peruse the opportunities and make enquiries," he said.

The site provides a direct link between the real estate industry who are looking for top staff and those already working in the industry who have highly desirable skills and experience.

Create a free resume profile and start searching for your new career in real estate at RECONJobs.com.au.

If you would like to advertise a job on the website, RECON Jobs have a few advertising options to offer you.

Annual Subscription

Priced at $833.33 monthly, this option will get you 25 job adverts per month. Each job ad is $33.33 and any additional adverts are $36.66. Priced at $1,666.66 monthly, this option will get you 60 job adverts per month. Each job ad is $27.78, and

» *article continues*

» *continued*

additional adverts are $30.56.If you are interested in subscribing to our annual subscription model or would like more information please email us at contact@reconjobs.com.au

Single job ads

A standard job advert is $100 and this will get you a 30-day listing on the website, for desktop, mobile and tablet devices. This job advert is also emailed to targeted jobseekers as part of job alerts.

A standout job advert is $150 which gets you a 60-day listing. This job advert is emailed to targeted jobseekers as part of job alerts and also includes three selling points, a border to stand out and a logo to promote your brand. A premium job advert is $300 which will get you a 90-day listing. This job advert is emailed to targeted jobseekers as part of job alerts and includes three selling points, a border to stand out, a logo promoting your brand and priority listing. A premium job advert is featured on the homepage for up to seven days.

You can also find suitable candidates through the ‘Resume Search’ function and access up to five applicant resumes for free. In addition, all members of the REIA will also receive a 20 per cent discount on single job ads. Whether you are looking to make your next career move in real estate or are hiring a candidate explore RECONJobs.com.au and engage directly with the real estate and property industries. If you have any queries during or after the process please email us at contact@reconjobs.com.au

RECON Jobs will mean people can look for jobs without goingthrough a recruitment agency, and can peruse the opportunities and make enquiries.

INDUSTRY UPDATE

Industry news from around Australia

REI Awards for Excellence 2018

Timelines for several of the REI Awards for Excellence have been announced. Details are outlined below and only members of the state or territory REIs are eligible to enter:

REINSW

Online submissions have now closed with finalists announced on 16 July 2018.

Winners will be announced at REINSW Awards for Excellence Gala Dinner to be held at the Sydney Town Hall on 27 September 2018.

REISA

Online submissions to enter REISA Awards for Excellence close 8 August 2018.

https://www.reisa.com.au/eventsinfo/reisa-awards-for-excellence-in-real-estate-2018

Finalists will be announced 20 September 2018.

REISA Awards for Excellence Dinner to be held on 20 October 2018.

REIV

Online submissions to enter REIV Awards for Excellence open 1 July 2018 and close 10 August 2018.

https://reiv.com.au/learning/networking-events/awards-for-excellence

Finalists will be announced on 20 September 2018.

REIV Awards for Excellence Dinner to be held on 25 October 2018.

Future editions of REIA News will outline important dates for other state and territory Awards for Excellence events as they come to hand.

Winners of the state and territory REI Awards for Excellence will be eligible to enter the REIA National Awards for Excellence in 2019.

Mixed results for Perth rental market in June quarter

Perth's rental market produced mixed results in the June 2018 quarter, with stable dwelling rents, subdued leasing activity, declining listings and faster leasing times.

REIWA President Hayden Groves said the June quarter's mixed results were not unusual given Perth's rental market was in a transitional phase.

"Although the worst of the downturn appears to be behind us, it's not uncommon to see results fluctuate as the market transitions into a recovery.

"The change in seasons has also contributed to this quarter's results, with the cooler weather impacting activity levels. We tend to see activity slow during the winter months before picking up again in spring," Mr Groves said.

Median rent prices

Perth's overall median rent price remained stable in the June quarter, holding at $350 per week for a fifth consecutive quarter.

"Rent prices have been stable since the June 2017 quarter, which is pleasing. After experiencing prolonged periods of freefalling rent prices, the stability we've observed over the last 12 months is a welcome change and should provide landlords with confidence," Mr Groves said.

Although Perth's overall rent was stable, reiwa.com analysis shows 102 suburbs across the metro area did experience median rent price growth.

"The five best performing suburbs for rent price growth in the June quarter were Attadale (up 75.8 per cent to $580 per week), Jolimont (up 50.9 per cent to $423 per week), Burswood (up 33.3 per cent to $480 per week), Booragoon (up 28.4 per cent to $475 per week) and Hamersley (up 28.4 per cent to $430 per week)," Mr Groves said.

"Other top performing suburbs were Karawara, North Fremantle, Mount Nasura, Mount Claremont and Hillarys."

Leasing activity

There were 12,633 properties leased during the June 2018 quarter.

Mr Groves said leasing activity had declined 10.4 per cent over the June quarter and was down 4.1 per cent compared to the June 2017 quarter.

"The latest population figures for WA shows migration into the state has declined by five per cent, which has likely influenced leasing activity levels in Perth. The rental market feels the impact of changes in population first, with new migrants to the state relying on rental accommodation to set themselves up.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia

» *continued*

"Tenants are also not moving as much as they were when prices were declining and there were good deals to be had. After 12 months of stable rent prices, lower activity levels suggest tenants are feeling confident rental prices have found a floor and therefore more inclined to stay put," Mr Groves said.

Despite the overall reduction in leasing activity, reiwa.com data shows there were 71 suburbs across the metro area which saw leasing activity improve.

"The five suburbs which saw the biggest improvement in activity were Brookdale (up 88.9 per cent), Ocean Reef (up 75 per cent), Kallaroo (up 63.6 per cent), Parmelia (up 48.3 per cent) and Hamersley (up 46.2 per cent)."

Rental listings

There were 8,293 properties for rent in Perth at the end of the June 2018 quarter.

Mr Groves said this figure was 2.5 per cent lower than the March 2018 quarter figure and 22.9 per cent lower than the June 2017 quarter.

"Rental listings in the metro area have declined significantly over the last 12 months, with far fewer properties available for rent this year compared to last.

"A key driver for this improvement is the slowdown of new dwelling commencements. With less new properties coming onto the market, existing rental stock is being soaked up faster, putting downward pressure on listing volumes," Mr Groves said.

Average leasing time

It took 46 days on average to find a tenant in the June quarter, which is two days faster than the March quarter.

"It is also six days faster to lease a property than it was during last year's June quarter, which is a notable improvement," Mr Groves said.

"Although leasing activity softened during the June quarter, activity levels remain above long term averages. This, combined with rapidly decreasing listings means tenants are needing to act faster to secure a rental property."

Source: The Real Estate Institute of Western Australia

Good news from NCAT, but will it last?

In late June 2018, NCAT announced its Members will resume hearing all matters where one or more parties resides interstate.

Issues arose for NCAT's Consumer and Commercial Division in February 2017 when the NSW Court of Appeal declared NCAT had no jurisdiction if one or more parties lived in another state.

At the time, REINSW President, Leanne Pilkington, stated the decision would prevent parties having their dispute resolved by NCAT and exposed tenants and landlords to additional issues and costs.

REINSW has strongly lobbied the government to find a resolution for over a year.

"We are pleased the problem is being resolved," says Tim McKibbin, REINSW CEO. "But it's disappointing that the Government and the Attorney General didn't prioritise a resolution sooner.

"Since an appeal against NCAT hearing these matters was considered by the NSW Court of Appeal in April, with the Court's decision reserved, we will continue to lobby the Government to ensure NCAT's decision is not overturned."

In other news, NCAT announced its updated fees and charges schedule, effective from 1 July 2018. It also announced a revised policy regarding access to and publication of information from Tribunal proceedings.

Want more?

- Check out REINSW NCAT news
- Review NCAT's updated fees and charges
- Read NCAT's revised information policy
- Visit the NCAT website

Source: The Real Estate Institute of New South Wales


Professional indemnity claims:
A real risk for real estate professionals
When you're focused on racing to property inspections, managing tenants and negotiating contracts, professional indemnity risk is probably the last thing on your mind. But the reality is that these everyday real estate scenarios can expose you to risks that could lead to a compensation claim.
Professional Indemnity insurance can act as a safety net to provide protection from the costs associated with any claims, including legal costs and any damages awarded.
If you would like to find out more or discuss your insurance needs, please contact Aon today.
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IS YOUR OFFICE PROTECTED AGAINST THE RISK OF PROPERTY DAMAGE?

As a real estate professional, when you think of 'property damage' the first thing that might spring to mind is the damage that can occur to your client's properties. But what you may not consider is that damage can also occur to your own real estate office and contents – which has the potential to be both expensive and disruptive for your business. Whether it's glass damage, water damage or damage to equipment, you could be left footing the bill to fix or replace any issues if you don't have adequate office insurance in place.

Be aware of the common risks facing your business

Some common claims for real estate offices and professionals include:

- **Broken glass**: Often caused by accidental damage or vandalism
- **Water damage**: Commonly due to severe weather or leaking pipes on your property
- **Damage to laptops and mobiles**: Usually accidental, and occurring away from the office.

It pays to minimise the risks

A smart first step is to minimise and manage the risk of property damage, so we've compiled some helpful strategies:

1. **Prevent vandalism**
   Help deter vandals and make it as unappealing as possible for them to vandalise your premises by:
   - Installing bright security lights and security cameras outside of your property
   - Strategically placing plants and bushes to make it more difficult for vandals to reach their targets
   - Cleaning up vandalism as soon as you see it to deter imitators
2. **Have a flood/water damage mitigation plan**
   While you can't stop Mother Nature, there are things you can do to minimise the impact of a flood to your building:
   - Keep up to speed with Bureau of Meteorology alerts (especially if your office is in a high risk flood area)
   - Avoid storing high value contents in below-ground areas
   - Have a plan which details what you would need to do to get your business back up and running in the event of a flood/water damage.
3. **Protect mobile equipment properly to avoid damage**
   - Transport laptops in individual, well cushioned bags
   - Purchase durable cases for mobile phones – some of the latest cases claim to be shockproof even when dropped from distances
   - Don't leave a laptop/phone in a parked car during hot summer or cold winter conditions
   - Don't store water bottles/ liquids in the same bag as the laptop/phone

Prepare for the risks, and protect with office insurance

Whether it's caused accidentally or intentionally, property damage can have a big impact on the successful operation of your business. Being aware of the risks and implementing risk minimisation strategies sets a good foundation to protect yourself against the impact.

However, accidents and mistakes can always occur, so office insurance gives you a vital extra layer of protection by providing help with the costs associated with any damage, whether you own or rent the property. And that means you can continue to run your business and avoid financial loss in the face of any damages.

We're by your side

To learn more about minimising risk or to discuss your insurance coverage, please contact Aon's Real Estate team on 1800 466 894.

Photo: *The Vietnam National Convention Center* by Vu Long.

IREC 2018 is a premier International Real Estate Conference gathering experts and real estate industry influencers from all over the world to connect, learn, network, share, and transact.

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* Explore investment opportunities globally
* Empower yourself with market and industry knowledge through many educational sessions including latest trends, good practices, technology, leadership, entrepreneurial, motivational and marketing skills
* Meet and be inspired by successful entrepreneurs
* Networking opportunities with real estate professionals from around the world
* Unique opportunity to showcase your products and services with over 1,300 vendors and over 60,000 foot traffic at the exhibition
* Experience Vietnam's culture and hospitality

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POLITICAL WATCH

Information and news from government

Domain Name Corp and Domain Name Agency to pay $1.95 million in penalties

The Federal Court has ordered that Domain Corp Pty Ltd and Domain Name Agency Pty Ltd (also trading as Domain Name Register) pay combined penalties of $1.95 million for breaching the Australian Consumer Law.

From November 2015 to at least April 2017, the two Domain Companies sent out approximately 300,000 unsolicited notices to businesses, which looked like a renewal invoice for the business's existing domain name. Instead, these notices were for the registration of a new domain name at a cost ranging from $249 to $275.

The Court declared that the Domain Companies made false and misleading representations and engaged in misleading and deceptive conduct in sending these notices. Australian businesses and organisations paid approximately $2.3 million to the Domain Companies as a result of receiving the notices.

"The Domain Companies misled businesses into thinking they were renewing payment for the business' existing domain name, when in fact the business was paying for a new domain name," ACCC Acting Chair Delia Rickard said.

Any business or consumer receiving a renewal notice for a '.com' or '.net.au' domain name should check that the notice is to renew their proper domain name.

"These sham operations target small businesses, capitalising on a lack of understanding of the domain name system or a busy office environment. We encourage businesses to be vigilant when paying invoices, especially if it is for a domain name registration service," Ms Rickard said.

The Court also declared that the sole director of both Domain Companies, Mr Steven Bell (also known as Steven Jon Oehlers), was knowingly concerned in, and a party to, the conduct.

The Court made other orders by consent, including injunctions for three years against each of the Domain Companies and for five years against Mr Bell. These injunctions include a requirement that if any of the parties decide to send out further notices, each notice has to prominently include the words, "This notice does not relate to the registration of your current domain name. This is not a bill. You are not required to pay any money".

The Court also made an order disqualifying Mr Bell from managing a corporation for five years and ordered him to pay costs to the ACCC, fixed at $8,000.

Visit www.scamwatch.gov.au (link is external) to learn more about scams targeting businesses.

Businesses can also sign up to our small business information network for the latest news at https://www.accc.gov.au/media/subscriptions/small-business-information-network

Source: Australian Competition & Consumer Commission

Stronger laws for off-the-plan purchasers

NSW home buyers purchasing residential properties off-the-plan will benefit from stronger protections under new laws set to be introduced to Parliament in the second half of the year.

Minister for Finance, Services and Property Victor Dominello joined Member for Oatley Mark Coure in Penshurst on 23 June 2018 to announce the proposed changes to the Conveyancing Act that affect disclosures, cooling off periods, holding of deposits and sunset clauses.

"Purchasing a property is one of the most significant financial investments an individual or couple will make in their lifetime. These reforms are a big win for buyers and will provide them with greater confidence and certainty," Mr Dominello said.

"Buying off-the-plan has become increasingly popular. But there are risks involved and buyers can't just rely on lavish display centres and glossy brochures."

Mr Coure said: "The St George region is experiencing a housing boom and the new laws will help families make more informed decisions to ensure they get what they paid for."

The reforms include:

- Buyers being provided with a copy of the proposed plan, proposed by-laws and a schedule of finishes before contracts are signed;
- Vendors providing a copy of the final plan (and notice of changes) at least 21 days before the buyer can be compelled to settle;

» *article continues*

POLITICAL WATCH

Information and news from government

» *continued*

- Allowing buyers to terminate the contract or claim compensation if they are materially impacted by changes made from what was disclosed;
- Widening existing legislation to clarify that the Supreme Court can award damages where the vendor terminates under a sunset clause; and
- Extending the cooling off period to 10 business days with any deposit to be held in a controlled account.

The number of off-the-plan sales has increased from just over 2,000 in 2006-07 to nearly 30,000 in the last financial year. They now account for about 12 per cent of all residential property sales in NSW. The reforms follow a public consultation. For more information visit www.registrargeneral.nsw.gov.au.

Source: Finance, Services & Innovation, NSW Government

First home owners to access Super for home deposit

From 1 July 2018 first home buyers will be able to make withdrawals under the First Home Superannuation Saver Scheme (FHSSS) to help them buy their first home.

The FHSSS was announced in the 2017-18 Budget and individuals have been able to make deposits in their superannuation accounts under the scheme since 1 July 2017.

For most people, the FHSSS could boost the savings they can put towards a house deposit by at least 30 per cent compared with saving through a standard deposit account.

"The Government is helping first home buyers to the housing market, by allowing them to accelerate their savings with the First Home Super Saver Scheme. Starting on from 1 July, first home buyers can draw upon those savings to make a deposit for their first house. This is a significant step in the Government's comprehensive plan to ensuring all Australians have access to secure, stable and affordable housing."

The FHSSS helps Australians boost their savings for a first home by allowing them to build a deposit inside superannuation. Under the FHSSS, individuals can make voluntary contributions of up to $15,000 per year and $30,000 in total, within contribution caps, to superannuation to go towards purchasing their first home. These contributions along with deemed earnings can be withdrawn for a house deposit.

More information about this scheme is available on the Australian Taxation Office website at: www.ato.gov.au/Individuals/Super/Super-housing-measures/First-Home-Super-Saver-Scheme.

"This is another measure announced as part of our targeted and calibrated housing affordability package outlined in the 2017-18 budget."

Source: The Hon. Michael Sukkar MP, Assistant Minister to the Treasurer

Businesses to benefit from payroll tax reduction

The Hodgman Liberal Government is delivering on our *Plan to Build Tasmania's Future.*

From 1 July 2018, Tasmania will have the most competitive payroll tax system in the country for businesses with payrolls up to $4 million.

All Tasmanian businesses that pay payroll tax will benefit from the reduction in the tax rate from 6.1 per cent to 4.0 per cent, on their payrolls between $1.25 million and $2 million.

This initiative will particularly help Tasmania's growing small business sector and will allow them to grow and invest in the state, which in turn will create even more jobs for Tasmanians.

When combined with the Federal Government's business tax cuts that take effect from 1 July 2018, the evidence is clear that it is a great time to own a business in Tasmania.

It's all part of our long term plan to put in place the right economic conditions for Tasmanian businesses to thrive, which will help grow the economy and improve the lives of all Tasmanians.

Other initiatives to take effect from 1 July 2018 that will improve the lives of Tasmanians, include:

- A three year land tax exemption for all newly built housing that is made available for long term rental;
- A one year land tax exemption for short stay accommodation properties that are made available for long term rental accommodation;
- A three year payroll tax exemption for businesses that relocate from interstate to a regional area in Tasmania;

» *article continues*

POLITICAL WATCH

Information and news from government

» *continued*

- Duty concessions for first home buyers and pensioners downsizing (for home up to $400,000).

Our last term has laid the foundations for a brighter future, and these initiatives are proof that we are getting on with the job and delivering for Tasmanians

Source: Peter Gutwein, Treasurer, Tasmanian Government

Dwelling approvals fall in May

The number of dwellings approved in Australia fell by 1.5 per cent in May 2018 in trend terms, according to data released by the Australian Bureau of Statistics (ABS) recently.

"Dwelling approvals have weakened in May, driven by a 2.6 per cent fall in private dwellings excluding houses," said Justin Lokhorst, Director of Construction Statistics at the ABS.

Among the states and territories, dwelling approvals in May fell in Queensland (4.2 per cent), Victoria (2.7 per cent), Tasmania (2.0 per cent) and Western Australia (0.8 per cent) in trend terms.

Dwelling approvals rose in trend terms in South Australia (4.3 per cent), Northern Territory (2.8 per cent) and Australian Capital Territory (1.5 per cent), and were flat in New South Wales.

In trend terms, approvals for private sector houses fell 0.5 per cent in May. Private sector house approvals fell in Queensland (1.7 per cent), Western Australia (0.6 per cent), South Australia (0.4 per cent) and New South Wales (0.2 per cent). Private sector house approvals were flat in Victoria.

In seasonally adjusted terms, total dwellings fell by 3.2 per cent in May, driven by a 8.6 per cent decrease in private sector houses. Private sector dwellings excluding houses rose 4.3 per cent in seasonally adjusted terms.

The value of total building approved fell 0.7 per cent in May, in trend terms, and has fallen for seven months. The value of residential building fell 0.8 per cent, while non-residential building fell 0.4 per cent.

Source: Australian Bureau of Statistics

HomesVic: Making home ownership a reality for Victorians

The Andrews Labor Government's *HomesVic* pilot scheme is helping first home buyers realise their dream of owning a home, with 60 participants now having signed property contracts.

The *HomesVic* shared equity pilot scheme makes home ownership more affordable by reducing the amount of money first home buyers need to buy a home.

The scheme was established in February 2018 to assist up to 400 eligible first home buyers on low to moderate incomes and has attracted strong interest from applicants across Victoria.

Allocations for houses in one location are fully subscribed, with a number of other priority areas nearing capacity but it's not too late for people to apply to the *HomesVic* scheme, to secure one of the limited places still available.

Applicants who meet the eligibility criteria will need a deposit of at least 5 per cent with the shared equity arrangements, allowing the Victorian Government to provide up to 25 per cent of the property's price in exchange for an equivalent proportional beneficial interest.

A broad range of metropolitan and regional areas – including 85 Melbourne suburbs, 130 regional towns and suburbs, and seven peri-urban towns – provide participants a choice of options when searching for their first home.

By the end of June 2018, settlements are scheduled to have occurred in a range of priority areas in metropolitan Melbourne, including Albion, Bayswater, Berwick, Blackburn, Croydon, Dallas, North Melbourne, Pakenham, Ringwood and Tarneit, and regional Victoria, including Bendigo, Mooroopna, Shepparton and Traralgon.

HomesVic is part of the Labor Government's *Homes for Victorians* package, which includes a range of initiatives to support first home buyers across the State, including a doubling of the First Home Owner Grant and stamp duty exemptions and concessions.

Source: The Hon Robin Scott MP, Minister for Finance, Minister for Multicultural Affairs, Acting Treasurer, Acting Minister for Resources, Victorian Government

Assen Makedonov
FIABCI WORLD PRESIDENT

PRESIDENTIAL INAUGURATION: THE INSTALLMENT CEREMONY

On May 2, in Dubai, Assen Makedonov was installed as FIABCI's 53rd World President.

As part of the traditional FIABCI World Congress closing ceremony, dating back nearly 70 years, the presidential inauguration celebrated the conclusion and achievements of Farook Mahmood's mandate while looking to FIABCI's future with the installation of Assen Makedonov, 53rd World President.

Following a recognition of the past year's key activities and successes, Farook Mahmood, 2017-2018 World President, presented Mr. Makedonov with the presidential medal which is passed on annually to the incoming World President. "I know FIABCI will be in good hands with Assen leading this organization," said Mahmood, "and I remain available to support him as he moves this organization forward."

As World President, Makedonov plans to build upon the strategic initiatives of the Vision 2020, put forth by his immediate predecessors, and lay the foundation for taking the organization to the next step by identifying core objectives to align with a Vision 2030 plan.

Among the core goals for his presidency are to increase membership and form new national and regional chapters; to strengthen cooperation with allied world organizations such as the World Bank, International Monetary Fund and UN-Habitat; and to raise the profile of FIABCI through its newly enhanced website and member portal, www.fiabci.org. The website and Apps are still in development process and will be presented during the meeting of Board of Directors on September 15 in Sofia, Bulgaria.

THE FIABCI COMMUNITY IS GROWING

Growing FIABCI's membership through the creation of new Chapters has been a core goal within FIABCI's strategic plan in recent years. The 2017-18 timeframe was a productive one for progress against this important goal. In the past year, five new FIABCI Chapters were formed — in Iran, Mongolia, South Africa, Turkey and Vietnam.

Others are in the final phases of creation — including in Myanmar, Cambodia and Argentina — and many more are in discussions. FIABCI has made strong inroads in markets that will benefit most from the best practices FIABCI can bring to the local industry.

The formation of these Chapters is the result of efforts made by FIABCI Regional Presidents and other committed volunteers who laid the groundwork and helped to advance FIABCI's interests in these markets. At the same time, their efforts have opened new opportunities for industry professionals working these markets to engage globally as part of the FIABCI family.

EXTENDING FIABCI BENEFITS THROUGH PRINCIPAL MEMBERS

FIABCI's focus on Principal Members (National and Regional Associations) is also part of the strategy to increase the pool of Regular Members. Good progress was also made in this area during the past year. Fifteen new Principal Members in 12 countries and four Direct Members joined the FIABCI Family, creating opportunities to promote the value of individual, direct membership.

Following is a list of the new Principal and Direct Members.

IABCI-Arabic Countries

Kuwait Real Estate Brokers Union
Council Saudi Chamber – National Committee for Real Estate

FIABCI-Netherlands

Dutch Association of Real Estate Brokers & Experts

FIABCI-Ukraine
Club of Architects and Designers Agromat

FIABCI-USA
CCIM Institute – Certified Commercial Investment Member
Leading Real Estate Companies of the World

FIABCI-Italia
E-Valuations
HARLEY & DIKKINSON

FIABCI-Australia
REIV – The Real Estate Institute of Victoria

FIABCI-Greece
HAR – Hellenic Association of REALTORS

FIABCI-Iran
Iran Real Estate Agents Union

FIABCI-Mongolia
Real Estate Academy Mongolia

FIABCI-South Africa
Black Estate Agents Forum of South Africa

FIABCI-Turkey
Lemder Association of Real Estate Brokers and Agents

FIABCI-Vietnam
Vietnam National Real Estate Association

FIABCI International
Serbia Association Real Estate Cluster (Direct Principal Member)
Medair (Direct Member World Organization)
Prime Media Marketing Group (Direct Corporate Member)
IMLS (Direct Corporate Member)

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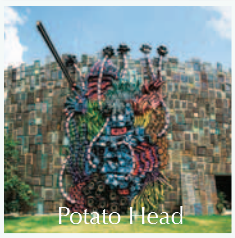

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Ministry of Tourism
Republic of Indonesia

Ministry of Public Works and Public Housing
Republic of Indonesia

THE WORLD

Property news from around the world

Second homes in France proving popular with overseas buyers, led by the British

More people are buying second homes in France with the latest report revealing that the biggest group of owners who are non-residents are British and their favourite region is the Rhône-Alpes.

Overall the number of foreign buyers who do not live in the country increased by 2% in 2017 compared with the previous year, accounting for sales amounting to €5.29 billion, slightly above 2016's €5.27 billion.

While the British still make up the biggest group of non-resident home owners, the numbers fell by 18% year on year, but the number of British buyers who live in France increased by 17%, according to the research from BNP Paribas International.

The second biggest group of non-resident buyer are from Belgium with 18.4% of sales in 2017, a rise of 21%, followed by the Swiss at 8.1%, Germans 7%, Italians and Dutch 5.5% and buyers from the United States at 3%.

The top location for second homes for British buyers is Rhône-Alpes at 15.4%, followed by Aquitaine at 13% and the Limousin region at 10.7%. They spend the most in Provence-Alpes-Côte d'Azur (PACA) at €741,000, then in Ile-de-France at €526,000 and Rhône-Alpes, at €439,000.

Overall some regions are proving to be less popular with overseas second home owners. PACA recorded a decline of 11% in sales to this market while Brittany was down 10%, and Rhône-Alpes down 8%. The Ile-de-France saw a rise of 3% and Aquitaine a rise of 6%.

Of the 3% rise in sales to overseas second home owners in the Ile-de-France some 54% was in Paris, spending on average €819,000 on a property, significantly more than the Ile-de-France average.

In 2017, the Americans were the non-resident foreigners who invested the most in Paris with an average of €1 billion, the research also shows.

The report suggests that the sales market to overseas non-resident buyers is set to continue to be buoyant as France will always be more attractive for investors because of its intrinsic advantages such as regional diversity, legal framework, and advantageous low interest rates. It forecasts that prices will continue to rise.

According to Richard Malle, global head of research BNP Paribas Real Estate, even if interest rates rise, the demand will always be there, particularly in popular areas where there is a lack of supply.

'Beach resorts or mountain resorts, for example, should see their prices rise with a strong appetite from French and foreign buyers,' he added.

Source: PropertyWire.com

Young people in Britain gloomy about the prospects of owning their own home

Young people in Britain want to own their own home but many are pessimistic about their ability to ever do so, new research has found.

The struggle to get on the housing ladder is one of the biggest problems facing young people today, with a survey from the Building Societies Association (BSA) showing that 70% think this is a major issue.

However, overall the desire to own a home remains strong. Almost half, some 48%, of people aged between 25 and 34 today who aren't on the property ladder say they want to own their own home within the next 10 years.

But many in this age group are highly pessimistic about their prospects of achieving home ownership even if they wait a decade and 41% think that the achievement of their dream is unlikely.

The research also found that there has been a significant drop in those who own their own home, down from 40% in 2008 to 33% today but 62% want to own their own home by 2028.

It shows that by 2028 far fewer want to be living in private rented accommodation, down from 31% today to 9%. Some 14% live in a property owned by a friend or relative but just 3% want to be in this position in 10 years.

» *article continues*

THE WORLD

Property news from around the world

» continued

The research found that high house prices, driven primarily by insufficient housing supply, is one of the root causes of the ability to buy a home with 76% of 25 to 34 year olds saying that raising a deposit is the biggest problem.

Some 46% said that access to a mortgage is an issue, 43% cited the affordability of mortgage payments, 29% job security and 18% concern that property prices may fall in the future. Some 15% voiced concerns about stamp duty costs, 12% were worried about finding the right property and 11% the complexity of the home buying process.

'Without a massive push to build more homes to overcome the deficit of decades it is hard to see that things will improve. Mortgage lenders also have a part to play to break down the barriers. As part of this the BSA has just commissioned a project to explore the potential for intergenerational lending, unlocking some of the housing wealth of the baby boomers,' he added.

Source: PropertyWire.com

Pending homes sales in US down again in May, to second lowest level for a year

Pending home sales in the United States decreased slightly in May and have now fallen on an annualized basis for the fifth straight month, according to the latest index report.

Overall a larger decline in contract activity in the South offset gains in the Northeast, Midwest and West, according to the figures from the National Association of Realtors (NAR).

This means that contract sales in May were at their second lowest level over the last 12 months, effectively stalling the housing market as there are not enough homes for sale to meet demand, according to NAR chief economist Lawrence Yun.

'If the recent slowdown in activity were because buyer interest is waning, price growth would start slowing, inventory would begin rising and homes would stay on the market longer. Instead, the underlying closing data in May showed that home price gains are still outpacing income growth,' he explained.

Overall inventory declined on an annual basis for the 36th consecutive month, and listings typically went under contract in just over three weeks.

'With the cost of buying a home getting more expensive, it's clear the summer months will be a true test for the housing market. One encouraging sign has been the increase in new home construction to a 10 year high,' Yun pointed out.

'Several would-be buyers this spring were kept out of the market because of supply and affordability constraints. The healthy economy and job market should keep many of them actively looking to buy, and any rise in inventory would certainly help them find a home,' he added.

Yun now forecasts that home sales in 2018 are likely to fall by 0.4% to 5.49 million, down from 5.51 million in 2017. The national median price is expected to increase around 5%. In 2017 sales increased 1.1% and prices rose 5.7%.

Source: PropertyWire.com

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