

REIANEWS

ISSUE 82: SEPTEMBER 2018



AUSTRALASIAN REAL ESTATE INSTITUTES' AUCTIONEERING CHAMPIONSHIPS **AUSTRALIA AND NEW ZEALAND TO GO HEAD TO HEAD AGAIN**

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PRESIDENT'S REPORT

Mr Malcolm Gunning
REIA President



WELCOME FROM REIA'S PRESIDENT

Welcome to the September edition of REIA News.

The lead story in this month's REIA News is about the Australasian Auctioneering Championships (AAC) to be held in Auckland, New Zealand on 14 to 16 October. The Championships is an annual event conducted jointly by the Real Estate Institute of New Zealand (REINZ) and the REIA representing the most skilled auctioneers that New Zealand and Australia have to offer. The story showcases all the finalists.

This year's event will also be the third year of the Australasian Auctioneering Schools Championships. For the first time New Zealand will be having two contestants competing against finalists from

South Australia and Tasmania. I am sure that this year's Championships is going to be one of the best ever with the Schools Championship competitors learning from the masters and seeing a pathway into the profession. The strong calibre of the Schools Championships is best illustrated by the fact that the winner of the inaugural Schools Championship in 2016 is competing in the seniors competition this year.

More information about the event that attracts contestants, judges, observers and families from around Australia and across the Tasman, including how to attend can be found at <http://auctionchampionships.com/>

I hope you enjoy reading this month's edition.

Mr Malcolm Gunning

REIA PRESIDENT



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NATIONAL MARKET SNAPSHOT

EXTRACTED FROM REAL ESTATE MARKET FACTS
JUNE QUARTER 2018

- ▶ *Quarterly Australian weighted median house price is \$765,098*
- ▶ *Quarterly Australian weighted median other dwellings price is \$590,935*

Median house prices up:

Hobart 2.8% to \$506,000
Brisbane 1.0% to \$525,000
Adelaide 0.3% to \$471,000

Median house prices down:

Melbourne -0.6% to \$840,000
Darwin -1.0% to \$500,000
Sydney -1.4% to \$1,144,217
Perth -1.9% to \$505,000
Canberra -5.0% to \$627,000

Median other dwelling prices up:

Darwin 9.9% to \$382,000
Hobart 5.9% to \$368,525
Brisbane 1.3% to \$405,000
Melbourne 0.5% to \$604,000

Median other dwelling prices down:

Sydney -0.5% to \$737,080
Canberra -1.1% to \$435,250
Perth -1.3% to \$395,000
Adelaide -3.0% to \$354,167



NATIONAL AFFORDABILITY SNAPSHOT

EXTRACTED FROM ADELAIDE BANK/REIA HOUSING
AFFORDABILITY REPORT, JUNE QUARTER 2018

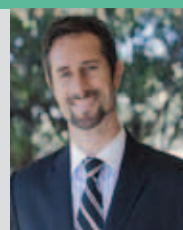
	June 2018	Mar 2018	June 2017
Proportion of family income to meet:			
Home loan repayments	32.2%	31.3%	31.5%
Rent payments	24.1%	24.8%	24.4%

- NSW** Rental affordability improved most in NSW with rent as a proportion of income decreasing by 1.3 percentage points
- VIC** The number of loans to first home buyers has increased by 35.5% over the past year
- QLD** Queensland had the largest improvement in rental affordability over the year
- SA** South Australia was the only state in which housing affordability improved over the June quarter
- WA** Western Australia has had the largest decreases in the number of loans (excluding refinancing) and the number of loans to first home buyers over the past year
- TAS** Tasmania has had the largest decline in both housing affordability and rental affordability over the past year
- NT** Northern Territory had the largest decline in both housing affordability and rental affordability over the quarter
- ACT** ACT was the only state/territory in which the number of first-home buyers decreased over the quarter (-22.5%)

AUSTRALASIAN REAL ESTATE INSTITUTES' AUCTIONEERING CHAMPIONSHIPS AUSTRALIA AND NEW ZEALAND TO GO HEAD TO HEAD AGAIN

FINALISTS

AUSTRALIAN CAPITAL TERRITORY



Alec Brown

Calling in excess of 200 on-site auctions each year, Alec's passion for the craft is obvious and the results achieved are a reflection of his dedication. Alec truly believes in the auction process and considers it to be the most effective, transparent method for both buyers and sellers. An active member of the ACT Auction Chapter, he enjoys mentoring and developing new auctioneers and supporting their growth. When not on the streets of Canberra selling houses he also enjoys donating his time to local charities and fundraising events. An ACT representative at the Australasian Auctioneering Championships last year he hopes to progress further again in 2018.

Mark Larmer

Mark is a multi-award winning real estate agent for Independent Property Group City & Inner North in Canberra.

Mark has spent more than 17 years selling residential real estate throughout Canberra and has helped over 2,500 clients to date. He is both a licensed agent and auctioneer, now running a four person team called 'OurTeam'. His business has gone from strength to strength and he has picked up almost every award along the way, including the REI ACT 'Salesperson of the Year' and 'Australian Residential Salesperson of the Year 2009', plus in 2016 his team was also awarded REI ACT 'Sales Team of the Year'.

Mark started auctioneering in 2013 and has won the ACT Auctioneer of the Year twice and was runner up last year. He has also represented the ACT at the national auctioneering competition twice.

Auckland will be the location for the 2018 Australasian Real Estate Institutes' Auctioneering Championships from 14-16 October 2018, hosted by the Real Estate Institute of New Zealand.

The annual competition showcases Australia and New Zealand's best auctioneers who are ready to take up the challenge with a frenzy of calling, bidding and selling.

"The Australasian Real Estate Institutes' Auctioneering Championships is an annual event conducted jointly by the Real Estate Institute of Australia (REIA) and the Real Estate Institute of New Zealand (REINZ) representing the most skilled auctioneers that Australia and New Zealand have to offer," Malcolm Gunning, President of the Real Estate Institute of Australia said.

"The Auctioneering Championships were first held in 1991 between the Real Estate Institutes of Tasmania and Victoria to provide an opportunity to showcase their best auctioneers.

"The concept was subsequently adopted by all the state and territory REIs and REINZ and has become the most prestigious event on the Australasian auctioneering calendar," Mr Gunning said.

The heats and finals are open to the public, which gives everyone a chance to be involved in this high-profile event to be held at the Q Theatre in Auckland. The heats commence on Monday 15 October 2018.

The finals will be held on Tuesday 16 October 2018 with the top five finalists battling it out for the coveted title of Australasia's best auctioneer. The winner will be announced at a gala dinner to be held at the Waterfront Viaduct Harbour on Tuesday evening.

The third annual Australasian Auctioneering Schools Championships will also be contested by finalists from South Australia, Tasmania and New Zealand on Tuesday, 16 October 2018.

AUSTRALASIAN REAL ESTATE INSTITUTES' AUCTIONEERING CHAMPIONSHIPS AUSTRALIA AND NEW ZEALAND TO GO HEAD TO HEAD AGAIN

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FINALISTS NEW SOUTH WALES



Stuart Ritchie

Stuart has been an auctioneer with McGrath Estate Agents since 2011. He operates primarily in the St George area, where he lives with his wife and two children (Mia aged ten and Jack aged seven). Stuart's local knowledge and commitment to maximising results for his vendors, sets him apart from other auctioneers.

Stuart is the only person to have won the prestigious McGrath Auctioneer of the Year award twice, receiving the award in 2014 and again in 2015.



Clarence White

Clarence began his auctioneering career with McGrath Estate Agents and spent four years there before joining the team at Bresic Whitney in Darlinghurst in 2017. Clarence won the REINSW Award for Excellence in Auctioneering in 2014 and 2017 and was runner up at the recent Australasian Auctioneering Championships in 2017. Clarence is a passionate advocate of the auction process.

FINALISTS NORTHERN TERRITORY



Daniel Harris

A key figure in Darwin's auction resurgence Daniel's drive, enthusiasm and innate ability to get into the hearts and minds of buyers have proven invaluable assets in the auctioneering arena.

Daniel's thorough understanding of the dynamics of the auction process as both agent and chief auctioneer in thousands of auctions with Darwin's most successful selling agency Real Estate Central in the Northern Territory, have instilled in him the skills of a brilliant auctioneer with a determination for achieving outstanding results where he engages the crowd to achieve the highest possible price every time.

Daniel was formally recognised as the NT's Auctioneer of the Year in 2017.

Fully licensed, Daniel's results speak for themselves and he consistently achieves an auction clearance rate significantly above the industry average.



Karl Secondis

With more than 23 years of real estate experience Karl is a well-known name in the Darwin community. Partly due to his success as an active selling agent and as an auctioneer, and also as he gives his time to a number of organisations to raise funds through charity auctions.

Karl is an active auctioneer calling auctions for all of the Ray White offices in the Northern Territory and is also engaged by others agents in his market to call auctions.

He has now competed on 10 occasions at the Australasian Auctioneering Championships, more than any other competitor and this year was the runner up in the 2018 REINT Auction Competition allowing him to qualify and come back for the 11th time.

AUSTRALASIAN REAL ESTATE INSTITUTES' AUCTIONEERING CHAMPIONSHIPS AUSTRALIA AND NEW ZEALAND TO GO HEAD TO HEAD AGAIN

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FINALISTS NEW ZEALAND



John Bowring

John has been in the Real Estate industry for almost 18 years; starting in residential sales before moving into auctioneering where he has specialised for the last nine years. With well over 3,000 auction calls to his credit, John's undoubted strengths are his calling and negotiating skills.

John was the National Auctioneer for Colliers International for more than six years and is now expanding into his own businesses. John is both a Director of Elite Auctioneers and Ray White Commercial Auckland.

John's sole focus is delivering for the customer.



Andrew North

Andrew is an integral member of the Harcourts Cooper and Co auctioneering team, leading the 'on site' auction business on the North Shore. Working hard over the last 16 years, Andrew is now widely accepted and recognised as one of the country's leading auctioneers. With the ability to relax and read a crowd, he creates an amazing experience for all in attendance. He is prepared to go the extra mile and having an 'attitude of gratitude' has contributed to Andrew becoming a sought-after auctioneer. Three time winner of the REINZ National Real Estate Auctioneer of the Year title, Winner of the 2014 Australasian Auctioneer of the Year, as well as five time Harcourts New Zealand Auctioneer of the Year.

FINALISTS QUEENSLAND



Justin Nickerson

Formally recognised as the leading auctioneer across Australasia, Justin is the only Australian to win the Australasian Auctioneer of the Year twice in the history of the award, in 2016 and 2017. He is also a four time winner of the REIQ Auctioneer of Year award, again being the only auctioneer in the state to achieve this distinction. Justin was also the winner of the inaugural Australasian auctioneering competition at AREC in 2018.

Justin's unwavering belief and understanding of the auction process is the cornerstone of his working relationships. His love of auctioneering translates to an energy that is irresistible on auction day.

With a distinctive ability to quickly connect with people, combined with a clear and uncomplicated communication style, Justin's expertise regularly achieves results above expectations.



Mitch Peereboom

As chief auctioneer of Ray White Queensland, Mitch is committed to delivering the best auction service available in the market to the Ray White network.

Mitch has carved out an impressive career by adopting an approach to auctions that sees his involvement from listing and marketing through to sale.

His inimitable style and unsurpassed calibre of service has resulted in his consistent achievement of a clearance rate well above the industry average, across thousands of auctions.

Apart from being formally acknowledged in the industry as being one of Queensland's best auctioneers, Mitch has gained recognition for his negotiation and sales management skills. His acumen and maturity have enabled him to achieve incredible success for his years.

AUSTRALASIAN REAL ESTATE INSTITUTES'
AUCTIONEERING CHAMPIONSHIPS
**AUSTRALIA AND NEW ZEALAND
TO GO HEAD TO HEAD AGAIN**

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**FINALISTS
SOUTH AUSTRALIA**



Simon Jones

Simon is a sales consultant and auctioneer at Harcourts Plus in Seaton. He is an enthusiastic and positive person, which is reflected in the service provided to his clients. Simon has extensive skills in negotiation and prides himself on delivering great results.

With previous involvement in the media and racing industry, Simon is known as a fantastic communicator and auctioneer; he has a true passion for auctions which is evident in his sales success.

Simon is married to wife Peta and father to three young daughters. His other interests include AFL football as a keen Port Power supporter, and horse racing.



Bronte Manuel

The 2015, 2016, 2017 and 2018 REISA Auctioneering Championships winner, 2017 Australasian Auctioneering Championships Finalist and past winner of the Golden Gavel (2014), Bronte has started his auction competition on a high note, having only appeared on the competition scene in the past four years.

Bronte's relaxed country auction style comes from his background in selling Riverland real estate. Bronte is focused on his training and hopes to put SA auctioneers on the Australasian map in the not too distant future.

**FINALISTS
TASMANIA**



Carlton Heres

Carlton joined Harcourts Launceston in July 2017 bringing a fresh perspective to Jeremy's award-winning team. Carlton holds qualifications both as a property representative and auctioneer and has worked within the industry for almost two years. Prior to joining the industry Carlton attended Scotch Oakburn College where he demonstrated a natural flair for public speaking and represented Tasmania at the National Schools Auctioneering Competition winning the inaugural title.

Since joining the Harcourts Launceston team, Carlton has been conducting numerous auctions, including both property and charity, which led him to compete in the REIT Auction Competition. Winning this competition and now representing Tasmania at the 2018 Australasian Auctioneering Competition in New Zealand.



AUSTRALASIAN REAL ESTATE INSTITUTES' AUCTIONEERING CHAMPIONSHIPS AUSTRALIA AND NEW ZEALAND TO GO HEAD TO HEAD AGAIN

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FINALISTS VICTORIA



Luke Banitsiotis

Luke is a property consultant and auctioneer with Woodards Blackburn in Victoria.

Competitive by nature Luke thrives under competition conditions. With four years of auctioneering experience he is always looking for opportunities to expand his skill set, one of the main reasons for competing.

A former REIV Novice Auctioneer of the year, he is looking forward to the challenge that the best auctioneers in Australasia present.



Michael Wood

Michael is a sales executive and senior auctioneer for Marshall White & Co, based in Boroondara, Victoria.

A genuine love of real estate is reflected in his enthusiasm, hard work and commitment to achieving outstanding results for his clients. In particular, Michael focuses on establishing a constant and open line of communication to keep his clients fully informed throughout the sales campaign and to instil them with the confidence that they are in the most capable hands.

A talented auctioneer, Michael was selected as a finalist in the REIV senior auctioneering competition in 2013, 2014 and 2016 which ranked him amongst the top five auctioneers in Victoria. Michael was runner-up in the 2017 REIV Senior Auctioneering Competition and represented Victoria at the Australasian Competition in Adelaide.

FINALISTS WESTERN AUSTRALIA

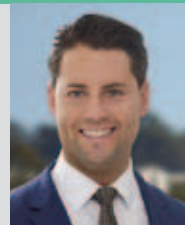


Tom Esze

Tom commenced his real estate career in February 1987 following a six year engagement in the Australian Army.

Throughout his real estate path he has seen and experienced most scenarios that can happen to an agent, as well as practicing all methods of sale available in the market place. In his own words, "The method of sale by auction is the most accountable and effective process available to the seller and the agent to realise the premium outcome!"

Tom likens the process for an agent to that of a skilful surgeon, scalpel in hand and performing a routine procedure with true precision and real conclusion!



Adam Piller

For Caporn Young auctioneer Adam Piller, those final moments of his call bring together buyers and sellers united in their need for a desired result. From the time Adam puts the flags up at dawn until his gavel falls, everything comes down to auction day. It's then that Adam guides his clients through a process in which sellers can really control the sale of their property, while buyers see the market in its truest arena. Dedicated to the art of the auction Adam keeps up with daily training, continually upgrading his skills to ensure the best outcome for all involved.

AUSTRALASIAN REAL ESTATE INSTITUTES'
AUCTIONEERING CHAMPIONSHIPS
**AUSTRALIA AND NEW ZEALAND
TO GO HEAD TO HEAD AGAIN**

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**FINALISTS
SCHOOL'S COMPETITION**

NEW ZEALAND

Rose Elliott – New Zealand

Rose is a year 13 student at Kerikeri High School who has lived in Russell in the Bay of Islands all her life.

Rose's goal in the next few years is to become part of a real estate team, as she enjoys meeting new interesting people and learning more about the wonderful world.

Max Hart – New Zealand

Max is in year 12 at Kerikeri High School. He's lived in Kerikeri his whole life and is a proud member of the Cricket and Hockey 1st XI teams. Sports are a fundamental part of Max's life, as he enjoys the companionship and competitiveness of contributing to a team. Academically Max pushes himself to try and set up a bright future after school, achieving NCEA level 1 with excellence.

Winner of the inaugural 2018 REINZ Schools Auctioneering Championship, Max likes to push himself outside of his comfort zone.

SOUTH AUSTRALIA

***Enrique Bisbal –
South Australia***

Enrique is 17 years old and currently attends Endeavour College in Mawson Lakes, a northern suburb of Adelaide, *South Australia*.

Enrique is attracted to a career in real estate and counts cycling and cars amongst his interests.

***Vincent Doran –
South Australia***

Vincent is 17 years of age and his interests include remote control aircraft and playing bass guitar.

Vincent attends Underdale High School in Adelaide and he would like to pursue a career in real estate upon completion of his studies.

TASMANIA

Conall Cassidy – Tasmania

Conall is 18 years old and attends Launceston Church Grammar School.



The 2018 Australasian Auctioneering Championships

Q Theatre, Queen Street, Auckland
14-16 October 2018

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SUPER HOUSING MEASURES

On 13 December 2017, legislation was passed for the First home super saver (FHSS) scheme and the Contributing the proceeds of downsizing into superannuation (downsizing) measures.

These measures are part of the Australian Government's broader housing affordability package to reduce pressure on housing affordability in Australia.

Find out about these important measures below.

First home super saver (FHSS) scheme

The FHSS scheme helps first home buyers save for their first home faster by allowing them to access concessional tax treatment within super. Individuals can make voluntary concessional and non-concessional contributions into their super and apply to have the contributions (along with associated earnings) released. You can apply to have a maximum of \$15,000 of your voluntary contributions from any one financial year included in your eligible contributions to be released under the FHSS scheme, up to a total of \$30,000 contributions across all years.

Make sure you are prepared and plan your purchase as:

- it can take up to 25 business days to have your super released under the FHSS scheme
- you need to sign your contract after the money is released to you.

Downsizing contributions into super

Individuals 65 years and older who have owned their home for 10 years or more can contribute up to \$300,000 into super after selling their home without it affecting their contributions caps. The contract of sale for that property must have been entered into on or after 1 July 2018 and the downsizer contribution must be made within 90 days of receiving the proceeds of the sale.

Find out more about these measures, including the full eligibility requirements, by visiting:

- ato.gov.au/fhss
- ato.gov.au/downsizing

Fact sheets

Fact sheets about the FHSS scheme and downsizing measures are available for you to print off and share with your family and friends.

Download the FHSS scheme fact sheet [here](#).

Download the downsizing into super fact sheet [here](#).



TAX TIME 2018 TOOLKIT – REAL ESTATE

The Australian Taxation Office (ATO) has created a Tax Time Toolkit for the Real Estate industry with practical information to support rental property owners and organisations and professionals in real estate.

The Toolkit contains the real estate professionals' occupation guide, a range of fact sheets for rental property owners, and a directory of links to information, tools, calculators and other resources.

There are also 'ready to use' messages about tax time, which can be used or adapted for communication channels such as websites, intranets, newsletters and social media platforms.

The ATO encourages you to use this information for yourself and to share it with your networks.

To download the 2018 Tax Time Toolkit for Real Estate, visit <https://iorder.com.au/publication/publicationdetails.aspx?pid=75055-05.2018>

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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.

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.

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MAKING NEWS

General national news



REIWA Past President enters centenary year at the same time as the Institute



Pictured: Les Wearne with REIWA President Hayden Groves at REIWA's Past Presidents' centenary lunch.

REIWA's 28th President Les Wearne, who was in office from 1965 to 1967 celebrated his 99th birthday on Monday 27 August 2018.

Les has officially entered his 100th year – just like REIWA who has been celebrating its centenary this year!

Les brought the voice of the emerging real estate agents to the Institute for the first time when he was drafted onto Council in 1958, to fill the vacancy left by the sudden death of another member.

He was to serve on Council for 23 years, and after his two year term as REIWA President, he was elected Deputy President of the Real Estate Institute of Australia in 1978.

Les launched initiatives which cemented REIWA's commitment to improving training and education for agents as well as cleaning up the industry by continuously raising professionalism and ethical standards. He was also one of WA's first 'suburban' agents during a time when most REIWA member offices were located in the CBD.

Les has grown his legacy to the Institute by being a committed and dedicated member of REIWA's Archiving Committee since it was re-convened in 2011 to research and prepare material for the centenary.

Source: The Real Estate Institute of Western Australia

INDUSTRY UPDATE

Industry news from around Australia



Real estate cybercrime still on the rise

Last month, REINSW warned its members that [cyberattacks targeting real estate transactions are increasing](#).

As cybercriminals become more advanced, one of the Big Four Australian Banks reminds real estate professionals to remain vigilant.

“It is critical that when changing a BSB and account number as a result of an email received from a known associate, you verbally validate this request,” says the bank.

“In 2017, Australian businesses were targeted by business email compromise scams, a trend that has continued into 2018. Reports to the [Australian Competition and Consumer Commission](#) and [Australian Cybercrime Online Reporting Network](#) about this scam exposed over \$22.1 million transferred from businesses to scammer accounts during this period.

Top tips to protect your clients and agency

To avoid financial loss to scammers, the bank says businesses must do their due diligence.

“Always verbally check the BSB and account number changes using a trusted phone number,” says the bank. “Confirming a change via email is not a secure method of validation.

“Scammers often pose as executive staff members to direct employees to make urgent payments. Once again,

always verbally validate these requests using a trusted phone number.

“Finally, if you are unable to contact the requester, contact the recipient bank to confirm the BSB and account number match the name on the account.”

Want more?

- Want to keep up-to-date with industry news? [Become a member](#)
- Need advice on this or any other issue? [Call our helpline](#)
- Have you been targeted by cybercrime? Report it to the [Australian Cybercrime Online Reporting Network](#)

Source: The Real Estate Institute of New South Wales

Foreign buyer surcharge sends wrong message to vital skilled migrants

REIWA encourages all members of WA Parliament to oppose the foreign owner duty surcharge.

REIWA President Hayden Groves said this new tax was poorly timed and would only serve to further stifle the state’s property market, right when it was on the cusp of a recovery.

“WA has the lowest level of foreign investment and foreign students of any capital in the country, besides Darwin. The state is also on the verge of a skills shortage and we need foreign families to fill that void.

“This type of misguided policy will dampen the incentive for foreigners who are

not permanent residents to locate and live here. The WA Government should be implementing policies that attract people to the state, not deterring them with unfair taxes,” Mr Groves said.

“Those that do come to WA, will be forced into the rental market for the duration of their stay, or until they obtain permanent residency. This will cause an upward pressure on rental prices, affecting everyone.

This new tax will also impact West Australians with foreign spouses.

“West Australians with foreign spouses who purchase a home together would also be affected by this surcharge, with 50 per cent of the value of the property eligible for the seven per cent tax under the Government’s proposed legislation,” Mr Groves said.

“This policy has been touted as an investor tax, that only targets the big end of town, but that simply is not the case. In fact, land bought to be developed into eight or more dwellings is exempt.

“Western Australia has a long history of migrants, coming to WA to work and raise a family. This surcharge sends a clear message that the door is closed, and there certainly won’t be a welcome mat!

“This kind of Nationalistic policy will only dampen the property market and cause skills shortages to the detriment of everyone in WA,” Mr Groves said.

Source: The Real Estate Institute of Western Australia

INDUSTRY UPDATE

Industry news from around Australia



» continued

Forwards or backwards? REINSW responds to NSW Fair Trading's proposal to de-license auctioneers

In July 2018, NSW Fair Trading issued the Consultation Paper, *Easy and Transparent Trading – Empowering Consumers and Small Business*.

The Consultation Paper was produced in response to a detailed review of legislation regulated by NSW Fair Trading and SafeWork NSW by the Department of Finance, Services and Innovation. The proposals intend to remove unnecessary administrative and regulatory burdens, making it easier to do business in NSW.

The proposals in the Consultation Paper relevant to real estate agents, include:

- The removal of real estate auctioneer licences
- Removing categories of home building licences
- The repeal of redundant legislation
- A review of Continuing Professional Development requirements
- Rental bond surety products
- Allowing strata lot owners to choose their own utility providers

If it is not broken, don't fix it

REINSW recently prepared a Submission in response to the Consultation Paper, outlining the absurdity of the proposals and their potential impact on the property services industry and consumers.

"I'd like to know what problem NSW Fair Trading is trying to solve with these proposed changes," says REINSW CEO, Tim McKibbin.

"REINSW is heavily involved in the Government's drive to improve professionalism, standards and credibility of the property services industry.

"The foundation of a profession is education at the point of entry and on-going as a condition of licensing. Has NSW Fair Trading considered the consequences the proposed changes will have on the push to professionalise the industry for the benefit of practitioners and consumers?"

De-licensing auctioneers

Of great concern to REINSW is the proposal to remove real estate auctioneer licences.

Unfortunately, this is not the Government's first attempt at this.

Under the *Statute Law (Miscellaneous Provisions) Act 1993* (NSW), the *Property, Stock and Business Agents Act 1941* (NSW) was amended to remove the need for auctioneers to hold a licence to trade.

Not surprisingly, de-licensing auctioneers led to many issues. On 1 September 2003, the *Property, Stock and Business Agents (Auctioneers Qualifications) Order* commenced, reintroducing licensing requirements for auctioneers.

"Considering the Government's previous failure with de-licensing auctioneers and the time and resources invested in reintroducing the licensing requirements, I'm perplexed as to why they think it's a good idea to go down the same path again," says McKibbin.

"Before the Government starts 'solving problems' by de-licensing a service provider, it should determine whether there is actually a problem to solve."

Training reforms will damage the credibility of the profession

Education and awareness of an auctioneer's obligations help prevent non-compliant activity that may expose the vendor to legal action or damages. It also equips auctioneers with the skills and knowledge to identify and address issues, such as dummy bidding and collusive practices.

"De-licensing auctioneers is counterproductive to REINSW and industry efforts to improve compliance, transparency, accountability and professional conduct in the real estate sector," says McKibbin.

"It will undermine REINSW's push towards improving education standards and professionalism of the industry."

Obligations of auctioneers

The legal obligations and responsibilities of auctioneers are referred to in the *Property, Stock and Business Agents Act 2002* (NSW) (PSBA Act) and the *Property, Stock and Business Agents Regulation 2014* (NSW).

The proposed changes suggest transferring the obligation for auction compliance from the auctioneer to the agent.

Clarence White, and experienced real estate auctioneer believes this will result in non-compliant auctions and consumer dissatisfaction.

"Many selling agents don't know or understand the obligations of an auctioneer outlined in the PSBA Act. Or what an auctioneer can and can't do, and their limitations," he says.

» article continues

INDUSTRY UPDATE

Industry news from around Australia



» continued

“It is my practical experience that it is nearly always the auctioneer advising the agent regarding compliance on auction day, not the other way around.

“The proposed changes are a recipe for disaster. If the Government thinks all selling agents across the industry are well versed in auction day compliance, respectfully, they are mistaken. Some are, many aren’t.”

This raises the question, in a de-licensed environment, who is responsible for conducting a compliant auction and who is responsible when issues arise?

Consumers will suffer

REINSW opposes de-licensing within any area of the property services profession.

In a de-licensed environment, there is no requirement for probity checks of service providers and no training or ongoing skills assessment.

Without the requisite competencies, knowledge and skills required to deliver service, consumers will be exposed to significant risks and the industry and profession will sustain irreversible damage.

“The proposed de-licensing is likely to severely impact the quality of services offered to the consumer,” says McKibbin.

“This will lead to an increase in non-compliant and non-binding sales that consumers are left to deal with.

“The purpose of licensing laws is to ensure auctioneers deliver their services in a competently and regulatory compliant manner. The

proposed de-licensing is a reckless proposition that threatens the protection consumers currently enjoy.

“This is yet a further example of the bureaucrats at NSW Fair Trading – who have absolutely no skills or experience with the property services industry – making stupid decisions. Once again, REINSW is called upon to rescue the consumer from NSW Fair Trading.”

Source: The Real Estate Institute of New South Wales

REINSW highlights pathway to professionalism

The pathway to professionalism was the focus of the Real Estate Institute of New South Wales’ sixth annual Summit held in Sydney on Friday (15 September 2018).

REINSW President Leanne Pilkington said ‘The Future Is Now Summit’ saw a select group of 150 real estate agents come together to discuss one of the most significant changes to the industry and the key to its future success.

“The Real Estate Institutes are spearheading the push towards formal, legal recognition of the real estate industry as a profession,” Ms Pilkington said.

“The Summit explored the themes of why professionalism is the way forward, what a professional agent looks like, when the changes will happen and how agents can support the initiative.”

The speaker line up included John Cunningham, REINSW Immediate Past

President and key driver of the pathway to professionalism, Peter Matthews, REINSW Deputy President, Peter Hanscomb, CEO of Belle Property, Chris Mourd, Head of Franchise Network at McGrath, Chris Hanley, Director at First National Byron Bay as well as Veronica Morgan, Principal of Good Deeds Property Buyers and Caroline Bolderston, Founder of Being Bold Coaching.

The Future Is Now Summit was held at the QANTAS Centre for Service Excellence, Sydney.

Source: The Real Estate Institute of New South Wales

POLITICAL WATCH

Information and news from government



Housing finance, Australia July 2018

Value of dwelling commitments

July 2018 compared with June 2018:

The trend estimate for the total value of dwelling finance commitments excluding alterations and additions fell 0.6%.

Owner occupied housing commitments was flat, while investment housing commitments fell 1.7%. In seasonally adjusted terms, the total value of dwelling finance commitments excluding alterations and additions rose 0.4%.

Number of dwelling commitments

July 2018 compared with June 2018:

In trend terms, the number of commitments for owner occupied housing finance fell 0.2% in

July 2018. In trend terms, the number of commitments for the purchase of new dwellings fell 1.8%, the number of commitments for the purchase of established dwellings fell 0.2%, while the number of commitments for the construction of dwellings rose 0.2%. In original terms, the number of first home buyer commitments as a percentage of total owner occupied housing finance commitments fell to 18.0% in July 2018 from 18.1% in June 2018.

First home buyers numbers

The number of first home buyer commitments as a percentage of total owner occupied housing finance commitments recorded strong growth from July 2017 to November 2017. The increase was driven mainly by changes to first home buyer incentive programs in New South Wales and Victoria. Some

reporting issues have also been identified during this period. However, based on available information the ABS has determined that the reporting issues are not of sufficient magnitude to require revisions to ABS first home buyer statistics.

Source: Australian Bureau of Statistics

Energy Efficiency Incentives for Rental Homes

Every year around 100,000 Australians have their electricity disconnected, 273 people a day who do not have the money to heat their homes and cook their meals.

Most of them are low income earners who rent their homes, many of them elderly.

Today Senator Tim Storer presented a bill to the Senate to allow landlords to claim a tax offset of up to \$2,000 a year for energy efficiency upgrades on rental properties where the rent is \$300 a week or less.

In recent months the energy debate has focussed on the supply side – affordability, reliability and sustainability.

The government, for example, claimed that if the National Energy Guarantee were introduced power bills would fall by \$150 a year.

But demand is the other side of the equation to assure reliability, affordability and sustainability.

It is estimated that improved energy efficiency in homes could cut energy consumption by up to 50% in many households and cut energy bills by at least another \$150 a year.

What Senator Storer is proposing is not a silver bullet, but could provide a platform for bigger steps to incorporate

energy efficiency requirements in the National Construction Code.

It would also be popular: a Property Council survey earlier this year found that government investment in energy efficiency has the support of 88% of Australians.

My proposals would fix an anomaly in the tax code where landlords are able to claim the cost of repairs, for example for old inefficient air-conditioning units that do not meet today's minimum standards.

However they are not able to claim for energy efficiency upgrades that would make a big difference to so many who are finding energy bills unaffordable.

The proposals would improve the lives of many Australians on low incomes, alleviate anxiety, improve their health, leave more money in their pockets and start to improve the affordability, reliability and sustainability of our energy system.

Source: Senator Tim Storer, Independent Senator for South Australia

Dwelling approvals fall in July

The number of dwellings approved in Australia fell by 1.3 per cent in July 2018 in trend terms, according to data released by the Australian Bureau of Statistics (ABS) recently.

"The fall was mainly driven by private dwellings excluding houses, which decreased by 1.8 per cent in July," said Justin Lokhorst, Director of Construction Statistics at the ABS. "Private sector houses also fell, by 0.9 per cent."

Among the states and territories, dwelling approvals fell in July in Victoria

» *article continues*

POLITICAL WATCH

Information and news from government



» continued

(4.3 per cent), New South Wales (2.2 per cent), South Australia (0.6 per cent) and Queensland (0.3 per cent) in trend terms.

Dwelling approvals rose in trend terms in the Australian Capital Territory (12.2 per cent), Tasmania (5.1 per cent), Northern Territory (4.5 per cent) and Western Australia (1.0 per cent).

In trend terms, approvals for private sector houses fell 0.9 per cent in July. Private sector house approvals fell in Victoria (2.4 per cent), South Australia (0.9 per cent), New South Wales (0.7 per cent) and Queensland (0.3 per cent) but rose in Western Australia (1.1 per cent).

In seasonally adjusted terms, total dwellings fell by 5.2 per cent in July, driven by a 6.6 per cent decrease in private dwellings excluding houses. Private houses fell 3.0 per cent in seasonally adjusted terms.

The value of total building approved fell 1.2 per cent in July, in trend terms, and has fallen for eight months. The value of residential building fell 1.8 per cent while non-residential building was flat.

Source: Australian Bureau of Statistics

Who are the new Ministers for housing, homelessness, cities and urban issues?

Prime Minister, the Hon Scott Morrison MP (Liberal Party) has a strong background in housing issues having been National Manager, Policy and Research, of the Property Council of Australia between 1989 and 1995.

The first ministry of Scott Morrison's government has been announced.

The change in leadership of the Commonwealth Government has brought

new Ministers to the portfolios that are connected with important housing, homelessness, cities and urban issues.

Inner Ministries

The Hon Josh Frydenberg MP (Liberal Party) is Treasurer, a role that has a large impact on the work of those in Australia's housing and homelessness sector. The Treasury oversees the National Housing Finance and Investment Corporation and the Bills relating to the National Housing and Homelessness Agreement, which enables the Commonwealth to provide financial assistance to the states for housing, homelessness and housing affordability matters. Minister Frydenberg has a background in Law, and is keenly interested in issues of public policy.

Senator the Hon Bridget McKenzie (The Nationals) is the Minister for Regional Services, Local Government and Decentralisation. As part of this Ministry, Senator McKenzie sees 'getting people out of our congested cities and into our regions' as a core priority. Prior to being elected to Parliament, Senator McKenzie worked as a teacher in secondary and lecturer in tertiary education.

The Hon Paul Fletcher MP (Liberal Party) is the Minister for Families and Social Services. Minister Fletcher has a background in the law, economics and the communications sector. Prior to his most recent Ministerial appointment, he was Minister for Urban Infrastructure and Cities. The Department of Social Services delivers services such as Commonwealth Rent Assistance, the on-going National Rental Affordability Scheme (NRAS) and the National Partnership Agreement on Homelessness (NPAH).

Outer Ministries

The Hon Alan Tudge MP (Liberal Party) is the Minister for Cities, Urban Infrastructure and Population, the ministry that oversees the Smart Cities and City Deals programs which aim to bring all levels of government together to improve the productivity and liveability of Australian cities. Minister Tudge's background is in business, including several years with the Boston Consulting Group in Australia, Malaysia and New York, and running his own advisory business.

Senator the Hon Zed Seselja (Liberal Party), Assistant Minister for Treasury and Finance, studied Arts and Law at the Australian National University before joining the Commonwealth Public Service as a Lawyer. Previously, Senator Seselja was elected to the Australian Capital Territory Legislative Assembly in 2004 before resigning to stand for the Senate for the Australian Capital Territory. Senator Seselja will support the Treasurer in a portfolio that has responsibility for the National Housing Finance and Investment Corporation, amongst other programs.

The Hon Sarah Henderson MP (Liberal Party), the Assistant Minister for Social Services, Housing and Disability Services, has an extensive background as a journalist and lawyer, and won a Walkley award for her coverage of the Port Arthur massacre in 1996.

The inclusion of Housing in the Minister's portfolio is a welcome addition to the Government's frontbench.

Source: Australian Housing & Research Institute



FIABCI



FIABCI NEWS

A group of FIABCI members from throughout the Asia-Pacific region gathered in Taiwan in mid-July to recognize the winners of the Taiwan Real Estate Excellence Award, participate in a study tour, meet with local officials and enjoy the FIABCI friendships. The two days of activities are captured in video collage. Among the group was immediate past World President Farook Mahmood along with FIABCI chapter presidents and vice presidents from Taiwan, Philippines, Malaysia, Singapore, Thailand and India.

Delivering a welcome address at the July 18 Taiwan Real Estate Excellence Award ceremony held in Taipei, was Taiwan's Vice President Chen Chien-jen. In his speech, he said that the award shows that the public and private sectors have a broader vision, emphasizing architectural aesthetics, environmental culture and sustainable management. He hopes that, through the central government, local governments and private enterprises will work together to create human-centered buildings that truly meet the needs of society and represent Taiwan.

FIABCI Board member Lily Chang received the evening's highest honor award - the "Comprehensive Achievement Award," demonstrating that under a "total quality" approach to architecture, everyone can see the value.

Several other government ministers and national chairmen attended, along with city and deputy mayors from throughout



FIABCI-Asia Pacific members gather in Taiwan

Taiwan. FIABCI-Taiwan President Chang-Hsin Lin also provided welcoming remarks. FIABCI-Taiwan leaders used the occasion to promote the upcoming FIABCI December Business meeting in Bali. Top winners will compete at the FIABCI International Prix d'Excellence in Moscow in spring 2019.

Following the awards ceremony, FIABCI guests enjoyed two days of business and social activities, some of which focused on green spaces. Taiwan is promoting a plan where companies adopt and set up park green space for reading. The program included a visit to ChooArt, the gold winner of the 2017 FIABCI International Prix d'Excellence in the Environmental category. The project embodies the idea of buildings coexisting with nature. ChooArt is the Taiwanese word for tree, because of a hope to reserve the original Taiwan.

Included on the property study tour was a visit to a new project of Lily Chang's. Located on Taichung Municipal Avenue, the project is the highest-grade high-rise building in the area and a most important representative of the local

community. Ms. Chang also arranged for the FIABCI delegates to visit a special private residence (The Manor) located in a beautiful, scenic area.

While in Taiwan, Farook Mahmood, together with representatives from the Asia-Pacific region, met with Taichung City Mayor Lin Jialong. This specially-arranged meeting provided an opportunity to discuss the interruption of the City Prosperity Initiative (CPI) plan and the agreement signed between Taichung City and the United Nations. On behalf of FIABCI, Mr. Mahmood made a presentation to the Mayor and signed a tribute that indicates a commitment to continue to work hard to promote the plan.

The group ended their time in Taiwan at the weekend home of Ms. Chang in Sanyi, where all gathered to enjoy food and warm farewell dinner for the Asia-Pacific FIABCI family.

Carol Weinrich Helsel
Chief Editor, FIABCI International

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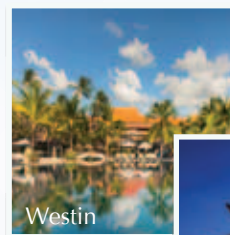


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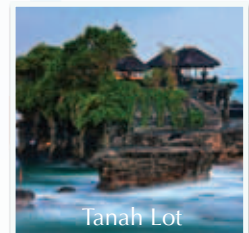
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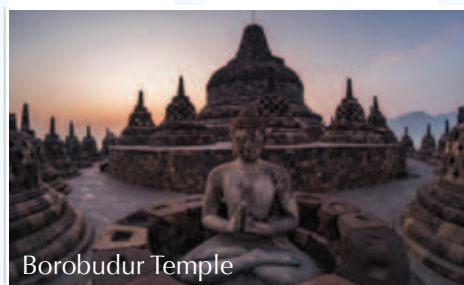
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For information and reservation: balisummit@fiabciindonesia.com



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THE WORLD

Property news from around the world



British buy to let landlords divided over whether to sell or stay in the sector

Buy to let landlords in the UK are divided over the future of the sector in light of tax and market changes and whether to stick it out or sell up,

Some 56% want to keep or buy more rental properties, but 44% are looking to sell, according to new research from Octopus Choice.

The report says, however, that while the majority of landlords still view it as a money making asset class, they also think that it will be on the decline in the future.

Among those looking to exit the market, some 24% blame falling yields while 23% say it is due to tax changes and 19% are put off by cooling house prices. Some 60% say that property management had become a burden and 61% had undervalued the costs involved.

‘The hassle and cost of buy to let is a source of growing frustration, and some landlords may find that their once reliable day to day income is becoming harder and harder to come by,’ said Sam Handfield-Jones, head of Octopus Choice.

But this isn’t the case across all parts of the market, with money still to be made from the right property in the right location, he pointed out, adding that London landlords faces the toughest choice, with falling yields and slowing house price growth set to reduce profits.

An analysis by the firm shows that typical buy to let properties in London cost

landlords over £1,250 per annum for the first five years and an average London house worth £475,000 would have to be sold for £590,000 eight years later, just to break even, even taking into account the income over that eight year period.

While London hotspots can still be found, such as Tower Hamlets, Barnet and Hackney, three quarters of landlords in the capital think investing in buy to let will be less worthwhile in five years’ time, more than any other area.

In Scotland and the East Midlands, it’s a different story with Scottish landlords already enjoying average annual returns of 8.8% on their investment over an eight year period, while those in the East Midlands return 8.2%.

Millennial landlords are more inclined to sell than stay 65% planning to sell one or more of their properties. This compares to 29% of those aged 55 and over. Younger landlords are also more likely to admit that managing a buy to let has become a hassle with 81% doing so compared to 39% for investors over 55.

The biggest annoyance cited by millennials is dealing with onerous tax returns, while older generations blame high one off costs. Some 87% if millennials admitted that they underestimated the costs involved, including repairs and upkeep, insurance and initial legal and conveyancing fees, compared to just a third for those over 55.

Source: PropertyWire.com

Annual house price growth is faster this year than in 2017 in the United States

Annual home price growth has been faster in 2018 than it was in 2017 in the United States and inventory has fallen on a year on year basis for 42 consecutive months.

These conditions have put sellers in the driver’s seat for the past few years, according to the latest residential property market analysis from real estate firm Zillow.

Recently, though, data suggest the balance may be starting to tilt back toward buyers. Home-value growth is slowing in more than half of the nation’s 35 largest metros, and price cuts are becoming more common.

The report, based on the predictions of real estate economists and experts, also says that even in those markets where appreciation has slowed, it remains above its historic average rate and sellers continue to have the upper hand, particularly at the most affordable price points.

Three out of four economists surveyed said the national housing market would not shift to a buyers market until 2020 or later while the largest share of respondents, some 43%, believe the national housing market will become a buyers’ market in 2020.

At a regional level, the panellists believe the Midwest will shift to a buyers’ market a year before the rest of the country. The most frequently selected

THE WORLD

Property news from around the world



» continued

year for the Midwest to start favouring buyers over sellers was 2019, while the other regions are expected to change in 2020 along with the nation overall.

‘For the past several years, home sellers held all the cards at the negotiating table, fielding multiple offers while buyers faced stiff competition and a fast-moving market,’ said Zillow senior economist Aaron Terrazas.

‘Conditions are starting to show signs of easing up, but the effects of years of limited construction still linger. Inventory is still falling on an annual basis, and home values are growing well above their historic pace. Although these trends are starting to lose their edge, it is far too soon to call it a buyers’ market,’ he added.

Home prices across the country are expected to continue to see strong appreciation in 2018, with a predicted 5.9% increase. Although most panellists have made upward revisions to their home value growth projections from a year ago, the adjustments are focused on the near term, leaving the outlook beyond 2020 little changed.

‘While ongoing supply constraints are reinforcing the floor on home prices right now, the experts’ forecasts still imply the joists will start to crack sometime next year, and result in sub-three percent annual home-value appreciation in 2020 and beyond,’ said Terry Loeb of Pulsenomics.

He pointed out that another indicator from the latest survey is consistent with a shifting market. ‘For the first time, a majority of the experts said that there is downside risk to their long term outlook for home values

nationally and they outnumber experts who assigned upside risk to their forecasts by more than a three to one ratio,’ he added.

Source: *PropertyWire.com*

Prices and sales set to continue increasing in Hong Kong over the near term

Residential property price and rents are expected to continue to increase in Hong Kong in the short term, according to the latest survey report.

Overall, headline price inflation over the past three months has remained near cyclical highs and in July sales volumes were also reported to have increased at a similar pace to June.

The report from the Royal Institution of Chartered Surveyors (RICS), points out that this is despite July registering the most modest pace of increase in buyer demand thus far in 2018 which was largely driven by contributors from Hong Kong Island, indicating little change in demand from June.

Meanwhile, although supply remained constrained in the New Territories, survey contributors reported that the supply of properties for sale increased at a faster pace than demand in both Kowloon and the New Territories.

Demand from buyers in mainland China also increased at a more modest pace than in June, as mainland enquiries for properties in the New Territories slowed.

The confidence index, an amalgamated measure of short-term price and sales

expectations, moderated only slightly in July. Indeed, both prices and sales are expected to increase at a robust pace over the next three months.

However, although price expectations over the next year remain elevated, sales volumes are seen increasing at a more moderate pace over the same period. Against this backdrop, aggregate one year price forecasts came in below the three month moving average for the second month in a row.

Survey contributors now see prices increasing by 3% over the next year on Hong Kong Island, by 4% in the New Territories, and by 4.9% in Kowloon.

The lettings market was also seen to maintain positive momentum as tenant demand increased at a faster pace than did the supply of properties to rent and rents are expected to maintain their recent pace of inflation over the next three months, although growth forecasts have moderated in recent months across all three regions.

Source: *PropertyWire.com*

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